



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

4.19.6

DECEMBER 11, 2023

## EFFECTIVE DATE

(12-11-2023)

## PURPOSE

- (1) This transmits revised IRM 4.19.6, Liability Determination, Minister and Religious Waiver Program.

## MATERIAL CHANGES

- (1) Program Scope and Objectives: Revised subsection for clarity.
- (2) IRM 4.19.6.1.3 Responsibilities: Subsection title changed to Roles and Responsibilities.
- (3) IRM 4.19.6.1.4 Program Reports: Subsection title changed to Program Controls.
- (4) IRM 4.19.6.3 Minister/Religious Waivers Overview: Revised paragraph (2) for clarity.
- (5) IRM 4.19.6.4.1 General Guidelines for Form 4361: Updated Disclosure SharePoint site.
- (6) IRM 4.19.6.4.5 Does the Organization Qualify?: Converted the bullet list in paragraph (4) to a table for clarity.
- (7) IRM 4.19.6.6.2.1 Batching and Controlling Minister Waivers: Updated Assignee Employee Number in the alpha list in paragraph (2) d, the table and Note in paragraph (3).
- (8) IRM 4.19.6.6.2.2 Batching and Controlling Minister Waiver Reconsiderations: Updated Assignee Employee Number in the alpha list in paragraph (2) d, the table and Note in paragraph (3).
- (9) IRM 4.19.6.6.4 Routing Documents: Added a reference to Document 12990 IRS Records Control Schedules (RCS).
- (10) IRM 4.19.6.6.5 Discovered Remittance: Converted bullet list to table in paragraph (4).
- (11) IRM 4.19.6.7.1 Employee Performance Reviews: Deleted the Note in paragraph (1).
- (12) IRM 4.19.6.7.2 Operational Reviews: Converted bullet list to a table in paragraph (4).
- (13) IRM 4.19.6.7.3.2 Program Reviews: Revised subsection for clarity.
- (14) IRM 4.19.6.7.4 Statute of Limitations - Manager/Statute Coordinator: Updated the CAWR: Updated the CAWR/FUTA SharePoint site in paragraph (1).
- (15) IRM 4.19.6.7.5.1 CCA 4242 IDRS Inventory Control Report: Converted bullet list to a table in paragraph (3).
- (16) IRM 4.19.6.7.5.2 CCA 4243 IDRS Overage Report: Converted bullet list to a table in paragraph (3).
- (17) IRM 4.19.6.7.5.3 CCA 4244 IDRS Multiple Case Control Report: Converted bullet list to a table in paragraph (3).

## EFFECT ON OTHER DOCUMENTS

This material supersedes IRM 4.19.6, dated November 24, 2022.

**AUDIENCE**

Employees responsible for processing Minister/Religious Waivers at the Small Business/Self Employed site.

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Small Business Self Employed

4.19.6

Minister and Religious Waiver Program

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4.19.6.1  
(12-11-2023)  
**Program Scope and Objectives**

- (1) **Purpose:** Provide instructions for processing Form 4361, Application for Exemption From Self-Employment Tax for Use by Ministers, Members of Religious Orders and Christian Science Practitioners, and Form 4029, Application for Exemption From Social Security and Medicare Taxes and Waiver of Benefits.
- (2) **Audience:** IRS employees who are responsible for processing Minister/ Religious Waivers including:
  - Management Officials
  - Lead Tax Examiners
  - Tax Examiners
  - Lead Clerks
  - Clerks
- (3) **Policy Owner:** Examination Field and Campus Policy, Small Business/Self-Employed (SB/SE) Division.
- (4) **Program Owner:** Small Business/Self Employed (SB/SE) BMF Document Matching.
- (5) **Primary Stakeholders:** Small Business/Self Employed (SB/SE) Operation employees.

4.19.6.1.1  
(02-13-2020)  
**Background**

- (1) *Minister Waivers* - Qualifying taxpayers may file for an exemption from:
  - a. Social security and medicare tax by filing Form 4029, Application for Exemption from Social Security and Medicare Taxes and Waiver of Benefits.
  - b. Self-employment tax by filing Form 4361, Application for Exemption From Self-Employment Tax for Use by Ministers, Members of Religious Orders and Christian Science Practitioners.
- (2) This IRM contains instructions for evaluating and processing these forms.

4.19.6.1.2  
(02-13-2020)  
**Authority**

- (1) For the Minister Waiver program:
  - a. Rev. Proc. 91-20, 1991-1 C.B. 524, provides guidance in determining whether an organization constitutes a religious order under the IRC.
  - b. IRC 1402(e) provides exemption from the definition of net earnings from self-employment income to ministers, members of religious orders, and Christian Science practitioners.
  - c. IRC 1402(g)(1) and IRC 3127 provide exemption for members of certain religious faiths from all benefits and other payments under Titles II and XVIII of the Social Security Act on the basis of wages and self-employment income.

4.19.6.1.3  
(12-11-2023)  
**Roles and Responsibilities**

- (1) The Director, Small Business/Self-Employed (SB/SE), Exam Field and Campus Policy is the executive responsible for the Minister Waiver program.
- (2) Management officials are responsible for:
  - a. Providing internal controls relating to the program, process or activity.
  - b. Ensuring the instructions are communicated to and carried out by the proper officers and employees.

4.19.6.1.4  
(12-11-2023)

#### Program Controls

- (1) Inventory is monitored through the use of the Control-D reporting system.

4.19.6.1.5  
(12-30-2022)

#### Terms

- (1) Religious Waiver - Religious waivers are requests for exemption from social security and medicare taxes and are filed with the IRS using:
- Form 4361, Application for Exemption From Self-Employment Tax for Use by Ministers, Members of Religious Orders and Christian Science Practitioners
  - Form 4361 (BR), Application for Exemption From Self-Employment Tax for Use by Ministers, Members of Religious Orders (Braille Version)
  - Form 4029, Application for Exemption From Social Security and Medicare Taxes and Waiver of Benefits

4.19.6.1.6  
(12-30-2022)

#### Acronyms

- (1) The following acronyms apply to this IRM:

Acronym	Definition
aka	also known as
BMF	Business Master File
CAF	Centralized Authorization File
CCA	Case Control Activity
CFOL	Corporate File On-line
DLN	Document Locator Number
DPR	Determination Posting Record
DM	Document Matching
EIN	Employer Identification Number
FICA	Federal Insurance Contributions Act
IAT	Integrated Automation Technologies
IDRS	Integrated Data Retrieval System
IMF	Individual Master File
IRC	Internal Revenue Code
MFT	Master File Tax Account Code
PGLD	Privacy, Government Liaison and Disclosure
POA	Power of Attorney
RECON	Reconsideration Case
RSED	Refund Statute Expiration Date
SE	Self-Employment



Acronym	Definition
SP	Submission Processing
SSA	Social Security Administration
SSN	Social Security Number
TC	Transaction Code
TDI	Taxpayer Delinquency Investigation
TEGE	Tax Exempt & Government Entities
TIA	Tax Information Authorization
TIN	Taxpayer Identification Number
TY	Tax Year
UND	Undeliverable

4.19.6.1.7  
(02-13-2020)

#### Related Resources

- (1) The following additional resource material is listed when it is determined in-depth research is required to resolve unusual technical issues not covered in this IRM. When reference to one of the related IRMs; is required, the complete IRM reference will be stated in this IRM.

**Note:** Technical issues that occur frequently should be brought to the attention of the IRM 4.19.6, Minister and Religious Waiver Program, author for consideration for inclusion in this IRM.

IRM	Title	Summary
IRM 11.3.1	Introduction to Disclosure	Provides an overview of the disclosure program and addresses the instructions, guidelines, and procedures necessary for the introduction to Disclosure.
IRM 2.3	IDRS Terminal Responses	Provides instructions for the use of the Integrated Data Retrieval System (IDRS) terminal displays.
IRM 2.4	IDRS Terminal Input	Provides instructions for the input and use of IDRS command codes.
IRM 3.13.5	Individual Master File (IMF) Account Numbers	Provides information relating to establishing Social Security Numbers (SSNs) for the Entity function.
IRM 21.6	Individual Tax Returns	Provides instructions for making adjustments specific to individual taxpayer (IMF) accounts.

IRM	Title	Summary
Pub 517	Social Security and Other Information for Members of the Clergy and Religious Workers	Provides information about the collection of social security and Medicare taxes from members of the clergy and religious workers, including how members of the clergy can apply for exemption from self-employment tax.

4.19.6.1.8  
(11-24-2021)

**Taxpayer Advocate  
Service (TAS)/Taxpayer  
Bill of Rights (TBOR)**

- (1) Even though the IRS strives to improve its systems and provide better service, some taxpayers still have difficulty in getting solutions to their problems or appropriate responses to their inquiries. The Taxpayer Advocate Service (TAS) is an independent organization within the Internal Revenue Service (IRS), led by the National Taxpayer Advocate. Its job is to protect taxpayers' rights by striving to ensure that every taxpayer is treated fairly and knows and understands their rights under the Taxpayer Bill of Rights (TBOR). TAS offers free help to taxpayers, including when taxpayers face financial difficulties due to an IRS problem, when they are unable to resolve tax problems they haven't been able to resolve on their own, or when they need assistance to address an IRS system, process, or procedure that is not functioning as it should. TAS has at least one taxpayer advocate office located in every state, the District of Columbia, and Puerto Rico.
- (2) The Taxpayer Bill of Rights (TBOR) lists rights already existed in the tax code putting them in simple language and grouping them into 10 fundamental rights. Employees are responsible for being familiar with and acting in accord with Taxpayer Rights. For additional information about TBOR, see <https://taxpayeradvocate.irs.gov/About-TAS/Taxpayer-Rights>.
- (3) Under the Right to Quality Service, taxpayers have the right to expect a fair and just tax system which provides taxpayers with the opportunity to have their facts and circumstances considered when it might affect their underlying liabilities, ability to pay or ability to provide information timely. Taxpayers have the right to receive assistance from the Taxpayer Advocate Service (TAS) if they are experiencing financial difficulty or if the IRS has not resolved their tax issues properly and timely through normal channels.
- (4) Refer taxpayers to the Taxpayer Advocate Service when the contact meets TAS criteria See IRM 13.1.7, Taxpayer Advocate Service (TAS) Case Criteria or when Form 911, Request for Taxpayer Advocate Service Assistance (and Application for Taxpayer Assistance Order), is attached and steps cannot be taken to resolve the taxpayer's issues the same day. Also see IRM 13.1.7.5, Same Day Resolution by Operations, when making a TAS referral, use Form 911. and forward to TAS in accordance with your local procedures.

4.19.6.1.8.1  
(02-13-2020)

**Operations Assistance  
Request (OAR), Form  
12412**

- (1) A Form 12412, Operations Assistance Request, is sent by TAS for cases when there is an issue they do not have the authority to resolve. An OAR can be received by fax, mail or e-mail and will have a Form 3210, Document Transmittal, attached.

- (2) The Form 12412 will contain the name, telephone, and fax number of the TAS employee making the request. An OAR package will also include an explanation of what is being requested and any documentation obtained by the TAS employee.
- (3) Acknowledge the Form 12412 within 1 day for expedited cases (or 3 days for all other cases). The acknowledgement on the Form 3210 sent with the OAR will include the name and phone number of the assigned person (or team/manager).
- (4) The following are addressed when working an OAR:
  - a. An expedited Form 12412 has three days to be completed.
  - b. For Form 12412 that does not require expedited processing, the SB/SE employee assigned the OAR will negotiate with the TAS employee a reasonable time frame for OAR resolution.
  - c. Sections V and VI of Form 12412 must be completely filled out by the liaison, including any actions taken and the reasons behind those actions.
  - d. A file copy of the OAR is kept for at least 6 months. See IRM 13.1.21.3, Retention, Disposition and Security of TAS Case Files, Records and Reports.
  - e. The completed Form 12412 is returned to the TAS employee.

4.19.6.2  
(12-30-2022)  
**Policy Statement P-21-3  
Guidelines (Action 61)**

- (1) Policy Statement P-21-3 (formerly P-6-12) Guidelines (Action 61) are the result of a task force initiated to provide timely, quality responses to taxpayer correspondence. The general guidelines are:
  - A quality response is an accurate and professional communication which, based on information provided, resolves the taxpayer issues.
  - Requests additional information from the taxpayer, or
  - Notifies the taxpayer we have requested information from outside the IRS.
- (2) A quality response is timely when initiated within 30 calendar days of the IRS Received Date.

**Note:** Use the CCA 4243 report to determine cases that require an interim letter.

- (3) When a quality response cannot be issued timely, an interim response must be initiated by the 30th calendar day from the IRS Received Date.
  - a. An interim Letter 5825C is generated when the Clerical Function controls an incoming receipt with an IRS received date that exceeds 23 days.
  - b. Subsequent interim letters must be issued when a final resolution cannot be provided as indicated in the previous interim letter.
- (4) All interim letters should inform the taxpayer when a final response can be expected and provide a contact name and number for additional inquiries.

4.19.6.3  
(02-15-2019)  
**Minister/Religious  
Waivers Overview**

- (1) Taxpayers file:
  - a. Form 4361, Application for Exemption From Self-Employment Tax for Use by Ministers, to apply for exemption from Self-employment tax.

**Note:** Once the Form 4361 is approved, the exemption is irrevocable.  
See IRM 4.19.6.4.11.5, Form 2031 - Election Back into Social

Security Coverage, for additional information.

- b. Form 4029, Application for Exemption From Social Security and Medicare Taxes and Waiver of Benefits, to apply for exemption from Social Security and Medicare tax.

**Note:** Form 4029 is filed with the Social Security Administration (SSA), which determines whether the religious sect or division meets requirements for exemption from Social Security and Medicare taxes.

- (2) IDRS CC: IMFOLE is used to determine the status of a processed application (or no indication of a previously processed application). The Minister Self-Employment Code (MINISTER SE CD) field displays one of the following values:

<b>blank = no previously processed application</b>
1 = Form 4361 Approved
2 = Form 4361 Denied
3 = Form 2031 Processed
4 = Form 4029 Approved
8 = Form 4029 Denied

Additional MINISTER SE CD field values found on IDRS include:

<b>5 = Combination of 1 and 4</b>
6 = Combination of 2 and 4
9 = Combination of 1 and 8
A = Combination of 2 and 8
B = Combination of 1, 2 and 8
C = Combination of 4 and 8
D = Combination of 1, 4, and 8
E = Combination of 2, 4, and 8
F = Combination of 1, 2, 4 and 8

- (3) Use the appropriate IAT/Quick Command Code (CC) Tools when working cases where applicable.

**Caution:** If the IAT/Quick CC tools do not cover all situations or are not functioning, the appropriate steps must still be taken to manually process cases throughout all work processes.

4.19.6.3.1  
(02-15-2019)  
**Controlling Minister  
Waiver Cases**

- (1) Minister Waiver cases are assembled into batches.
- (2) Activity Codes and/or IDRS History Items provide an audit trail for case processing. See Exhibit 4.19.6-1, Activity Codes for Minister Waiver Processing, for more information.
- (3) When inventory is assigned to the tax examiner, verify there is a case for every TIN listed on the Batch TIN Listing. If a case is missing or there is an extra case NOT on the Batch TIN listing, see IRM 4.19.6.3.1.1, Lost and/or Extra Cases, for more information.
- (4) Whenever an action is taken on the case, update the IDRS Activity Field and/or Status Code, as appropriate. See Exhibit 4.19.6-1, Activity Codes for Minister Waiver Processing, for more information.

4.19.6.3.1.1  
(02-15-2019)  
**Lost and/or Extra Cases**

- (1) When a TIN is assigned to a batch, but the corresponding case is missing, it is considered a “lost” case.
- (2) When a lost case is identified, provide the information to the Lead Tax Examiner who will attempt to locate the case:

If	Then
The Lead Tax Examiner locates the case	Continue processing.
The Lead Tax Examiner cannot locate the case (Form 4361 or Form 4029)	<ol style="list-style-type: none"> <li>1. Send Letter 3025C advising the taxpayer to resubmit their Form 4361 (or Form 4029) and any supporting documentation.</li> <li>2. Update the IDRS control base with the activity code “LSTCSEMMDD” where “MMDD” represents the end of the suspense period.</li> <li>3. Suspend the case for 60 days (45 days + 15 days).</li> </ol>
The Lead Tax Examiner cannot locate a case was batched as a <b>Min Waiver Reconsideration (MLR)</b> .	Send Letter 3025C advising the taxpayer to resubmit their response and any supporting documentation and close the IDRS control base.

- (3) If a case is NOT on the Batch TIN Listing, research IDRS and determine the proper location of the case.

If	Then
The case is not batched	<ol style="list-style-type: none"> <li>1. Open an IDRS control to yourself.</li> <li>2. Update the activity field to the same batch number as on the Batch TIN Listing.</li> <li>3. Inform the Lead Tax Examiner/Manager of the additional receipt.</li> </ol>
The case is batched, but not assigned to a Tax Examiner (e.g., on the inventory wall)	Give the case to the Lead Tax Examiner/Manager for association.
The case is batched and assigned to another Tax Examiner	Give the case to the Lead Tax Examiner/Manager for association.

4.19.6.3.2  
(02-13-2020)

**Third Party or  
Authorized  
Representative (Form  
2848 or Form 8821)**

- (1) No tax information can be sent to or discussed with an unauthorized third party. All correspondence should be sent directly to the taxpayer. Include a paragraph to notify the taxpayer we have no record that the third party is authorized to act for them, and we have replied directly to the taxpayer.
- (2) Accountants, attorneys, enrolled agents, or other representatives from whom a taxpayer has requested assistance on tax issues submit inquiries to the IRS. The third party representative expects a reply to the inquiry so the issue can be explained to the taxpayer.
- (3) To authorize the third-party reply, the representative may submit a:
  - Form 2848, Power of Attorney and Declaration of Representative, or
  - Form 8821, Tax Information Authorization

**Note:** The power of attorney request is referred to as “POA” and the tax information authorization request is referred to as “TIA”.

- (4) POA/TIA documentation received with Form 4361 (or Form 4029) are considered “specific use” (not related to a specific tax period) and are not recorded on the Centralized Authorization File (CAF) system. To ensure valid POA/TIAs are recognized, they should be kept with the case file.
- (5) Each Form 2848 or Form 8821 must be validated before being accepted. The form must be signed by the taxpayer. Immediately reject any unsigned Form 2848 or Form 8821 and return to the taxpayer.
- (6) In addition to the required signature, a valid Form 2848 or Form 8821 also contains:
  - a. Taxpayer’s name, address and TIN.
  - b. Representative’s (or appointee’s) name, address, CAF number and other contact information.

**Note:** In order for the representative/appointee to receive copies of IRS notices, they must check the box indicating they can be sent copies of notices and communications.

- c. A description of the matter the representative is allowed to act on (or the appointee is allowed to inspect and/or receive).
- d. For Form 2848 only: The Representative’s signature(s) in the declaration section along with their designation code(s).

- (7) If a Form 2848 or Form 8821 is determined to be invalid, return it to the taxpayer with an explanation.
- (8) When issuing correspondence to a taxpayer with a valid POA/TIA (that is authorized to receive correspondence), generate a copy of the correspondence to the POA/TIA.
- (9) If the taxpayer submits a complete Form 2848 or Form 8821, check to see if the authorization is on file. If the authorization is not on file, fax the form for processing based on the state mapping table in IRM 21.3.7-1, State Mapping Where to File, and keep the original with the case file.

**Note:** CAF Unit addresses and fax numbers can be found in IRM 21.1.3.7.1.6,

Audience-Processing Sites (CAF Function).

4.19.6.3.3  
(02-13-2020)  
**FEMA Declared Disaster  
Area**

- (1) Taxpayers residing in a ZIP Code located in a designated Federal Emergency Management Agency (FEMA) Declared Disaster area will have a disaster related Freeze Code posted to their account. There are two types of disaster freeze codes, the “-O” freeze and the “-S” freeze.
  - a. The -O Freeze Code is used for significant major disasters (examples include: Hurricane Katrina in 2005, Super Storm Sandy in 2012 and Hurricane Florence in 2018). As a general rule, no compliance action is taken until after the relief time frame has expired.
  - b. The -S Freeze is used for other federally declared disaster areas. Impacted taxpayers are granted additional time to perform time sensitive actions.

**Note:** IDRS CC:TXMODA displays a disaster related Freeze Code (-S or -O) on impacted accounts for the duration of the disaster relief time frame.

- (2) The Technical Coordinator/Lead will monitor ZIP Codes for specific declared disaster area situations as necessary based on IRS Disaster Relief Memos.
- (3) The Technical Coordinator/Lead will provide the tax examiners instruction for the states with declared disasters.
- (4) Additional information (including special case handling requirements) is provided at [www.tris.irs.gov/fema/](http://www.tris.irs.gov/fema/).
- (5) Take the following action based on the application type, the disaster type and the timing of the submission:

If	And	Then
The taxpayer submits the Form 4029 application to SSA <b>before the disaster start date</b>	Freeze Code “-O” is present on the account	<ol style="list-style-type: none"> <li>1. Complete processing of the Form 4029, including updating the MIN-SE-TX-EXEMPT-CD. See IRM 4.19.6.5.4, MINISTER-SE-TX-EXEMP-CD Form 4029 for additional information.</li> <li>2. <b>DO NOT</b> return the approved/disapproved Form 4029 to the taxpayer until after the FEMA disaster date has passed.</li> <li>3. Suspend the case with Control Status “S” and update IDRS activity with “FEMA-OMMDD” (where MMDD represents the disaster end date). See Exhibit 4.19.6-1, Activity Codes for Minister Waiver Processing, for additional information.</li> <li>4. Maintain the case in suspense until the disaster end date expires.</li> <li>5. Once the disaster end date passes, continue processing ( issue the appropriate closing letter and include the processed Form 4029).</li> </ol>
If the taxpayer submits the Form 4361 application to IRS <b>before the disaster start date</b>	Freeze Code “-O” is present on the account	<ol style="list-style-type: none"> <li>1. Suspend the case with Control Status “S” and update IDRS activity with “FEMA-OMMDD” (where MMDD represents the disaster end date). See Exhibit 4.19.6-1, Activity Codes for Minister Waiver Processing, for additional information.</li> <li>2. Maintain the case in suspense until the disaster date expires.</li> <li>3. Once the disaster end date passes, continue processing ( request the signed declaration and/or other needed information from the taxpayer).</li> </ol>



If	And	Then
The taxpayer submits the Form 4361 IRS application <b>before the disaster start date</b>	A Freeze Code “-S” is present on the account	<ol style="list-style-type: none"> <li>1. Suspend the case with Control Status “S” and update IDRS activity with “FEMA-SMMDD” (where MMDD represents the disaster end date). See Exhibit 4.19.6-1, Activity Codes for Minister Waiver Processing, for additional information.</li> <li>2. Maintain the case in suspense until the disaster end date expires.</li> <li>3. Once the disaster end date passes, continue processing ( request the signed declaration and/or other needed information from the taxpayer).</li> </ol>
The taxpayer submits the Form 4029 to SSA or Form 4361 to IRS <b>after the disaster start date</b>	A Freeze Code “-S” or “-O” is present on the account	Follow normal procedures and continue processing the request.

- (6) Consider any requests for additional time to provide information, based on the taxpayer self-identifying as having been impacted by the disaster on a case-by-case basis. (example includes: a disaster Freeze Code **is not** present on the account).

4.19.6.3.4  
(12-30-2022)  
**Minister Waiver Program  
Organization Function  
Program (OFP) Codes**

- (1) OFP codes are used in preparation of the business operating divisions work plans/work schedules. This data shows historic staff-hour and volume usage. Because of the many uses for this data, it is imperative reporting be as accurate, consistent and error free as possible.
- (2) Organization, Function, and Program (OFP) codes are recorded on Form 3081, Employee Time Report, to identify Minister Waiver programs IRS employees perform daily.
  - a. An organization code is a five-character code used to describe where the work is being performed, (for example: 84000 CAWR/FUTA).
  - b. A function code is a three-digit code used to describe what is being done, (for example: 700 Telephone Activity, 710 Tax Account Activity or 790 Tax Account Support - Clerical).
  - c. A program code is a five-digit code used to describe the program being worked.

OFP-Program Code and Description	
•	39410 - Forms 4361
•	39411 - Forms 4029
•	39412 - Reconsiderations

4.19.6.4  
(02-15-2019)

**Form 4361 Applications  
for Exemption from  
Self-Employment Tax for  
Ministers, Members of  
Religious Orders and  
Christian Science  
Practitioners**

- (1) Form 4361, Application for Exemption From Self-Employment Tax for Use by Ministers, Members of Religious Orders and Christian Science Practitioners, is submitted by:
- duly ordained, commissioned, or licensed minister of a church or a member of a religious order (other than a member of a religious order who has taken a vow of poverty as a member of such order) or
  - a Christian Science practitioner
- (2) To be approved the applicant must for reasons of either conscientious or religious principles, oppose the acceptance (with respect to services performed in their capacity as a minister, member of a religious order not under a vow of poverty, or Christian Science practitioner) of any public insurance which makes payments in the event of death, disability, old age, or retirement, or makes payments toward the cost of, or provides services for, medical care (including the benefits of any insurance system established by the Social Security Act).

**Note:** For duly ordained, commissioned, or licensed ministers or members of religious orders who have not taken a vow of poverty, the applicant must also make a statement they have informed the ordaining, commissioning, or licensing body of the church or order of being opposed to such insurance.

4.19.6.4.1  
(12-11-2023)

**General Guidelines for  
Form 4361**

- (1) Except as otherwise instructed, take the following actions when processing Form 4361:

If	Then
Applicant resubmits previously disapproved Form 4361 application	See IRM 4.19.6.4.11.1, Previously Disapproved Form 4361.
You receive correspondence related to Form 4361	Stamp the first page of the document with the received date.
Form 4361 is attached to a tax return	Detach the tax return from the Form 4361 and send it to the appropriate area for processing.
The taxpayer indicates they are a member of a religious order under vow of poverty	<ol style="list-style-type: none"> <li>Neither approve nor disapprove application.</li> <li>Return Form 4361 to taxpayer with Letter 286C. Inform the applicant that they are automatically exempt from paying self-employment tax.</li> </ol>

- (2) Form 4361 are filed in triplicate. Maintain completed original copy of Form 4361 in a permanent file.
- (3) You may send photocopies to Internal Revenue Service offices on request.
- (4) If you have any questions about releasing the Form 4361 information, contact the Disclosure Office at <https://irs.gov.sharepoint.com/sites/ETD-KMT-KB003> for additional information.
- (5) You may accept a timely filed letter in lieu of a timely filed Form 4361:
  - if it contains all required information, and
  - contain complete certification language as it appears on Form 4361.
- (6) Complete all Campus research and processing **BEFORE** corresponding for the taxpayer's signed declaration. This allows you to identify other items needed in order to process the Form 4361. This research includes checking both the online CAF (IDRS Command Code CFINK) and the RAF (IDRS Command Code RFINK) as well as the paper file for either the Form 8821 or the Form 2848 to ensure that copies of all letters go to the taxpayer's representative.
- (7) Input all necessary information in query database from the Form 4361 paper documents.

4.19.6.4.2  
(02-15-2019)  
**Criteria for Approving  
Form 4361**

- (1) Five criteria must be satisfied before the application can be approved:
  - a. The application must be filed timely. See IRM 4.19.6.4.3, Was the Application Timely?, for additional information.
  - b. The application must be complete (Bylaws, Certificate or license, and list of sacerdotal duties). See IRM 4.19.6.4.4, Is the Form 4361 Complete?, for additional information.
  - c. The ordaining organization must qualify for exemption (Church or Denomination Exemption Letter or written letter from the Church stating they are exempt under the specific Internal Revenue Code section applicable.). See IRM 4.19.6.4.5, Does the Organization Qualify? and IRM 4.19.6.4.6, Religious Orders, for additional information.
  - d. The minister has not filed a Form 2031.
  - e. The minister must sign and return Letter 287C declaration verifying they are aware of grounds for exemption. See IRM 4.19.6.4.7, Form 4361 Declaration Statement Verifying the Grounds for Exemption and Response to Declaration Request, for additional information.

4.19.6.4.3  
(12-30-2022)  
**Was the Application  
Timely?**

- (1) Form 4361 must be filed by the due date (including any extensions) of the income tax return for the second taxable year in which applicant has self-employment income of \$400 or more, any part of which was from the performance of services in the exercise of his ministry.

**Example:** Mark was ordained a minister in November 2020. Mark had net earnings from self-employment of \$1,000 in 2021 and \$1,500 in 2022 some part of which was from service performed in the exercise of his ministry in each year. Form 4361 was due when the 2022 Form 1040 individual income tax return was due.

**Note:** Generally individual income tax returns must be filed April 15. However, taxpayers who live outside the U.S. and Puerto Rico on the due date and

whose main place of business is outside the U.S. and Puerto Rico receive an automatic extension of two months (until June 15 for calendar year filers).

**Note:** Housing allowances are considered self-employment income, per IRC 1402(a)(8).

**Note:** If Form 4361 is received by FAX, a date stamp is required.

- (2) Taxpayer enters years they have earnings from self-employment of \$400 or more on Line 5 of Form 4361. It is possible only one entry will be made, or entry may not be for a recent year.

**Note:** Research IDRS **CC: IMFOLT** on the later year on line 5 to locate a TC460 if an extension was filed. Also If the taxpayer is married, research both SSN's. Review the 7 day grace period to determine when the tax return was filed see IRM 3.12.212.4, Determination of Timely Filing/Received date.

**Example:** A minister is ordained in 2021 and has net earnings from self-employment of \$1,000 in 2021, but has not worked as a minister since then, application could still be timely.

- (3) A minister may apply for exemption from self-employment tax upon changing churches and beliefs. A minister who is ordained by a second church and who previously was not conscientiously opposed to the acceptance of public insurance can qualify for the self-employment tax exemption, by claiming exemption within the prescribed period after the second ordination.

**Example:** Sam, an ordained deacon by Denomination X, had net self-employment income, including ministerial income, \$400 or more in both 2018 and 2019. The taxpayer's activities as a deacon made him potentially eligible to apply for an exemption. Due to his beliefs and that of his church, Sam was not eligible and did not apply for an exemption. He left the ministry, obtaining employment outside of his ministry. In 2021, he was ordained by another denomination, denomination Y. Sam developed a belief in opposition to the acceptance of public insurance. Sam may qualify for the self-employment tax exemption, by claiming exemption within the prescribed period after the second ordination.

- (4) Consider the Form 4361 timely filed when:

- a. There are two years indicated on Form 4361, line 5 and the later year is current, **OR**
- b. There is only one year indicated on Form 4361, line 5 and the year is current.

- (5) **DO NOT** consider the Form 4361 timely filed when there are two years indicated on Form 4361, line 5 **AND** the later year is **not current**. See IRM 4.19.6.4.9, Disapproving Form 4361, for more information.

- (6) When Form 4361, line 5 contains only one year and the year indicated is **not current**, research IDRS **CC:IRPTRL** for the type of earned or self-employed income the taxpayer received (for example: Wages on Form W-2 or Non-Employee Compensation on Form 1099-NEC) and IDRS **CC:RTVUE** for indication that the applicant filed either Form 1040, Schedule C with self-

employment income of \$400 or more or Form 1040, Schedule SE claiming self-employment tax was reported since the year(s) indicated on Form 4361, line 5.

**Note:** Starting in the 2020 tax year the Form 1099-MISC is being replaced with the Non-Employee Compensation Form 1099-NEC, and any previous tax years before the 2020 tax year may still use the Form 1099-MISC to report their earned or self-employed income.

**Example:** The Form 4361 was submitted on 05/01/2022. The taxpayer enters “2018” Form 4361, line 5. Research IDRS CC: RTVUE for Tax Years: 2019, 2020 and 2021 for an indication the taxpayer filed a Schedule C or Schedule SE for any of those years.

**Caution:** Be aware taxpayers may include Non-Employee Compensation on the line for reporting wages or other income instead of on Schedule C.

If	Then
<p>The taxpayer has not filed a Schedule C or Schedule SE and there is no other indication of earned income from church related activity (Form W-2 or Form 1099-NEC) in any of the subsequent years</p> <p><b>Note:</b> Be mindful the taxpayer may have filed as a secondary filer on a joint return and research the proper TIN to determine if a tax return was filed.</p> <p><b>Note:</b> Starting in the 2020 tax year the Form 1099-MISC is being replaced with the Non-Employee Compensation Form 1099-NEC, and any previous tax years before the 2020 tax year may still use the Form 1099-MISC to report their earned or self-employed income.</p>	<p>Consider the application timely.</p>

If	Then
<p>There is an indication the taxpayer reported income from church related activities on Schedule C (\$400 or more) or Schedule SE in any of the subsequent years.</p> <p><b>Note:</b> If Schedule C or Schedule SE is present on a jointly filed tax return, be sure the Schedule C/Schedule SE is for the applicant.</p> <p><b>Note:</b> Starting in the 2020 tax year the Form 1099-MISC is being replaced with the Non-Employee Compensation Form 1099-NEC, and any previous tax years before the 2020 tax year may still use the Form 1099-MISC to report their earned or self-employed income.</p>	<ol style="list-style-type: none"> <li>1. Issue Letter 287C, to inform the taxpayer that we've identified they reported self-employment income in [list the tax year(s)] and we need further clarification on the nature of the self-employment income. Update control status to "S", Activity Code to "287CMMDD" (where MMDD is the end of the suspense period) and suspend the case for the appropriate amount of time.</li> </ol> <p><b>Reminder:</b> Include the declaration certification information. See IRM 4.19.6.4.7, Form 4361 Declaration Statement Verifying the Grounds for Exemption and Response to Declaration Request, for additional information.</p> <p><b>Note:</b> IDRS CC:IRPTL provides the information return data issued to the taxpayer (Form W-2, Form 1099-INT, Form 1099-NEC, and so forth). It provides gross income amounts. If the Form 1099-MISC related gross income amounts match the gross receipts line on Schedule C and the payer name <b>clearly indicates</b> ministerial income, disapprove the application. IRM 4.19.6.4.9, Disapproving Form 4361, for additional information.</p> <ol style="list-style-type: none"> <li>2. If the response indicates the income was not related to church activity then consider the application timely.</li> <li>3. If there is an indication the income was related to church activity OR there is no response at the end of the Letter 287C suspense period, disapprove the application. See IRM 4.19.6.4.9, Disapproving Form 4361, for additional information.</li> </ol>

- (7) If Form 4361 is not received timely, disapprove the application. See IRM 4.19.6.4.9, Disapproving Form 4361, for additional information.

**Note:** If the Application was disapproved due to untimely filing, inform the taxpayer there are no Appeal Rights. See IRM 4.19.6.4.11.4, Appeals and Refunds Related to Form 4361, for more information.

4.19.6.4.4  
(02-15-2019)

**Is Form 4361 Complete?**

- (1) Consider Form 4361 complete under the following circumstances:
- a. Line 1 must be complete. Research for SSN. If not found, correspond with taxpayer.

- b. Line 2 can only have one box checked. If taxpayer is applying as a commissioned or licensed minister of a denomination that also ordains ministers, check line 6 for an entry and for an attachment containing the bylaws or articles or constitution.
- c. Line 3 must be completed (month, day, year). If date on Line 3 is after earliest date on Line 5, consider Line 3 incomplete. A copy of an ordination/license certificate or a letter from the organization must be attached.

**Exception:** Line 3 is within last two years **or** later date on Line 5 is within one year. Then accept it as filed.

**Note:** If taxpayer states in an authorized letter that their ministerial position is a Reader, accept as a substitute for certificate, if confirmation date matches Line 3 on Form 4361. Consider as an ordained minister, priest, rabbi, and so on and request for Declaration statement.

- d. Line 4 should be completed. However, if just EIN is missing, research using IDRS CC: NAMEE. If it cannot be found, or more than EIN is missing, correspond with the taxpayer.
- e. Line 5 must be completed. If not, correspond with the taxpayer using Letter 287C.

**Exception:** Taxpayers may file Form 4361 before the due date of the income tax return for the second year in which they have self-employment earnings of \$400 or more, part of which are from ministerial duties. For example: Taxpayer Elizabeth has self-employment earnings of \$500 from ministerial duties in 2020 (Tax Year 2020). In January of 2021 (Tax Year 2021) the taxpayer has self-employment earnings of \$450 from ministerial duties. The taxpayer may file Form 4361 at this time.

- f. Line 6 should have an entry if "Commissioned or Licensed Minister" is checked on line 2. However, Line 6 may be N/A or blank if the denomination does not ordain ministers. If the taxpayer was not ordained, consider all available facts including whether they are licensed or commissioned. Taxpayer must perform ministerial duties to qualify for tax treatment as a minister. **Ministerial duties include:** the performance of sacerdotal functions, such as Marriages, Baptisms, Funerals and Holy Communion, as well as the conduct of religious worship, the performance of services in the control, conduct and maintenance of religious organizations. (Treas. Reg. 1.1402(c)-5(b)(2)). Whether the church or denomination recognizes the taxpayer as a religious leader has also been considered indicative. See *Knight v. Commissioner*, 92 T.C. 199 (1989); *Wingo v Commissioner*, 89 T.C. 922 (1987).
- g. Line 7 must be signed and dated. If statement is altered, it may indicate taxpayer is not requesting exemption for religious reasons. If alteration indicates request is for economic reasons (for example: "I have paid into Social Security for 10 years so I want to stop now"), deny application using procedures in IRM 4.19.6.4.9, Disapproving Form 4361.

**Note:** Alert Headquarters analyst of any cases with an indication of fraud or criminal activity.

- h. If an item above is incomplete after corresponding with taxpayer, disapprove per IRM 4.19.6.4.9, Disapproving Form 4361.



(2) If Form 4361 is not complete:

1. Return the form to the taxpayer using Letter 287C
2. Advise the taxpayer the missing information needs to be completed and returned to the IRS.

**Reminder:** Include the declaration statement paragraph. See IRM 4.19.6.4.7, Form 4361 Declaration Statement Verifying the Grounds for Exemption and Response to Declaration Request, for additional information.

3. Update the control status to "S" (suspend).
4. Update the case control with Activity "287CMMDD" (where MMDD represents the last date of the suspense period). See IRM 4.19.6.4.7, Form 4361 Declaration Statement Verifying the Grounds for Exemption and Response to Declaration Request, for additional information.
5. Suspend the case for 105 days (90 days + 15 days).

**Exception:** If the taxpayer has already provided the signed declaration statement and you are now issuing a subsequent Letter 287C because the missing information **was not addressed** in the initial Letter 287C, then inform the taxpayer to provide the missing information within 45 days and then suspend the case for 60 days.

If	Then
The taxpayer returns a completed Form 4361 within the suspense period,	Mark the form as timely filed.
The taxpayer does not respond within the suspense period,	Disapprove the Form 4361 using the procedures in IRM 4.19.6.4.9, Disapproving Form 4361.

4.19.6.4.5  
(02-13-2020)

#### Does the Organization Qualify?

(1) To qualify for exemption, the minister must be ordained, licensed, or commissioned by an organization:

- Qualifying as exempt from income tax under IRC 501(a) as a religious organization described in IRC 501(c)(3), and
- Establishing it as a church, convention, or association of churches described in IRC 170(b)(1)(A)(i)

**Note:** If the religious organization can establish it is a church, convention or association of churches described in IRC 170(b)(1)(A)(i) it does not need to have filed Form 1023. It only needs to show it would qualify if requested.

(2) A copy of exemption letter issued to organization by Internal Revenue Service, or a letter signed by an individual authorized to act for organization, stating the organization meets requirements is sufficient to establish the organization qualifies.



- (3) If the taxpayer's organization falls under the umbrella of a broader organization (for example: Baptist Churches in the United States) and the taxpayer's organization does not have an EIN, the taxpayer will not be required to have an entry on Form 4361, Line 4 (EIN).

**Note:** Foreign organizations listed on Form 4361, Line 4 are not required to have an EIN on Form 4361. This does not mean they are exempt. Work the Form 4361 in the same manner as any other forms received.

- (4) Consider the Organization as "qualifying" when the name listed on Form 4361, Line 4, is included in the following:

<b>Apostolic Lutheran Churches and Congregations in the United States</b>
Assemblies of God in the United States
Baptist Churches in the United States
Catholic (Roman) Churches in the United States, its territories, and possessions
Christian Reformed Churches in the United States
Christian Science Churches
Church of Christ in the United States
Church of Jesus Christ of Latter Day Saints
Church of the Nazarene, in the United States
Church of Scientology <b>Note:</b> See IRM 4.19.6.4.5.1, Processing Form 4361 Filed by Ministers of Church of Scientology, for more information.
Congregational Churches in the United States
Episcopal Churches and Dioceses in the United States
Evangelical Lutheran Church in the United States, its Synods and local churches
General Council of the Christian Church of North America
Greek Orthodox Archdiocese of North and South America, Inc.
Holy Church of God and its subordinate local churches
Jehovah's Witnesses in the United States
Jewish Congregations, Synagogues, Temples and Seminaries
Methodist Episcopal Churches in the United States
Nazarene Churches in the United States
Presbyterian churches in the United States
Protestant Episcopal Churches and Dioceses in the United States

<b>Apostolic Lutheran Churches and Congregations in the United States</b>
Quakers (Friends) Churches
Unitarian Universalist Churches in the United States
United Methodist Church in the United States

- (5) If the taxpayer did not include a copy of an IRS exemption letter issued to organization (or a signed affidavit stating organization meets requirements) or the organization is other than those listed in (4) above, research the organization name using IDRS CC: INOLES, and CC: BMFOLO, to verify tax exempt status of the ordaining religious organization. The organization must have the following codes to qualify for tax exempt status:
- Status Code of 01 or 02 **and**
  - EO Foundation Code (FNDFION-CD) of 10 or 15.

<b>If</b>	<b>Then</b>
Organization is found with matching Status and Foundation Codes	The organization qualifies as tax exempt.
Organization is found but the Status and Foundation Codes are other than those listed above.	The organization does not qualify as tax exempt. Disapprove the Form 4361. See IRM 4.19.6.4.9, Disapproving Form 4361, for additional information.
Organization is not found	The Form 4361 is not complete. See IRM 4.19.6.4.4, Is Form 4361 Complete?, for additional information.

- (6) See IRM 4.19.6.4.6, Religious Orders, for additional information on criteria needed to determine if a religious order qualifies for exemption.
- (7) Disapprove the Form 4361 when a determination cannot be made after performing research and contacting the taxpayer. See IRM 4.19.6.4.9, Disapproving Form 4361, for additional information.

4.19.6.4.5.1  
(11-01-2007)

**Processing Forms 4361  
Filed by Ministers of  
Church of Scientology**

- (1) Use the following guidelines to approve applications from ordained ministers from the church of Scientology:
- Form 4361 by these ministers must include an ordination certificate or letter from the governing body of church establishing the individual as an ordained minister.
  - For purposes of determining if Form 4361 is timely filed, October 1, 1993 is considered the date of ordination for ministers ordained on or before that date. Ministers who file on a calendar year basis are considered to be timely filed if the form is filed by April 15, 1995, **or** the due date of the

income tax return for the second taxable year (including extensions) in which they had **net** earnings of \$400 or more included earnings from ministerial services.

- (2) If Scientology minister filed a Form 4361 **prior** to October 1, 1993, process as follows:

If	Then
Previous application was denied	Instruct minister to prepare a new Form 4361.
Previous application was approved	No further action is needed.

- (3) Follow usual procedures for ministers ordained **after** October 1, 1993.

4.19.6.4.6  
(10-18-2016)  
**Religious Orders**

- (1) Rev. Proc. 91–20, 1991–1 C.B. 524, provides guidance in determining whether an organization constitutes a “religious order” under the IRC. Remuneration for services performed by members of qualified religious orders in the exercise of duties required by their orders may be exempt from FICA tax, self-employment tax and federal income tax withholding.
- If the member is required to take a vow of poverty, the services are exempt from FICA tax unless the religious order elects coverage under IRC 3121(r) and self-employment tax.
  - If the member is **not** required to take a vow of poverty, the services are subject to self-employment tax unless Form 4361 is filed and approved.
- (2) The term “religious order” is not defined in the Code or Regulations. Organizations and individuals may request rulings from the IRS on whether they are religious orders, or members of a religious order, for FICA, self-employment and federal income tax withholding purposes by following procedures in Rev. Proc. 20XX–1 (updated annually). Also, individuals may apply for exemption from self-employment tax as members of religious orders by filing Form 4361.
- (3) When the taxpayer files Form 4361 stating they are a member of a religious order **AND** includes a copy of a private letter ruling issued by the IRS stating the organization is a religious order, the private letter ruling is considered sufficient evidence the organization is a religious order.
- (4) If the taxpayer files a Form 4361 stating they are a member of a religious order without a private letter ruling, determine whether the taxpayer is a member of a qualified religious order. Research the information provided on Form 4361, Line 4 to see if the religious order is part of a qualifying organization. See IRM 4.19.6.4.5, Does the Organization Qualify?, for additional information. If your research is inconclusive, issue Letter 287C and request the taxpayer provide either a private letter ruling or give detailed information based on Rev. Proc. 91-20 criteria:

**Note:** See IRM 4.19.6.4.4, Is Form 4361 Complete?, for additional information on issuing and suspending Letter 287C.

- The organization is described in IRC 501(c)(3).

- b. The members of the organization vow to live under a strict set of rules requiring moral and spiritual self-sacrifice and dedication to the goals of the organization at the expense of their material well-being.
- c. The members, after successful completion of the organization's training program and probationary period, make a long-term commitment to the organization (normally more than two years).
- d. The organization is, directly or indirectly, under the control and supervision of a church or convention or association of churches, or is significantly funded by a church or convention or association of churches.
- e. Members normally live together as part of a community and are held to a significantly stricter level of moral and religious discipline than required of lay church members.
- f. Members work or serve full-time on behalf of the religious, educational, or charitable goals of the organization.
- g. Members participate regularly in activities such as public/private prayer, religious studies, teaching, care of the aging, missionary work, church reform/renewal.

**Note:** If taxpayer is a missionary worker or a member of Campus Crusades For Christ, they may not perform certain duties, except as qualifying under the guidelines.

If	Then
An organization meets all of the criteria in Rev. Proc. 91-20.	The organization is a religious order.
An organization does not have characteristics as described in IRC 501(c)(3).	The organization cannot be a religious order.
An organization has characteristics as described in IRC 501(c)(3), but does not have <b>all</b> of the other characteristics as described by Rev. Proc. 91-20.	The organization may be a religious order. Consider all facts and circumstances before making a determination.

**Note:** If you are still unsure whether an organization is a religious order, consider contacting the parent organization of church affiliation for its views on its qualification as a religious order. Carefully consider these views.

4.19.6.4.7  
(02-15-2019)

**Form 4361 Declaration Statement Verifying the Grounds for Exemption and Response to Declaration Request**

- (1) As part of the Form 4361 approval process, you must obtain the taxpayer's signature declaring they understand the grounds for the exemption. Before re-requesting the taxpayer's signed declaration:
  - 1. Thoroughly review the application and perform all needed research to ensure there aren't any conditions that would result in an **automatic disapproval** (for example: the application was not timely filed, the organization does not qualify for exemption or the taxpayer previously filed Form 2031). If those types of conditions are present, disapprove the application and do not request the declaration statement.
  - 2. Review the application for any missing information the taxpayer needs to address. See IRM 4.19.6.4.4, Is Form 4361 Complete?, for additional information.

## (2) Issue Letter 287C and:

1. Select the declaration statement paragraph.
2. Include any additional paragraph(s) to advise the taxpayer of any missing information that needs to be completed or provided. See IRM 4.19.6.4.4, Is Form 4361 Complete?, for additional information.

**Note:** You must also return the Form 4361 to the taxpayer to complete any missing information on the Form 4361.

3. Select Paragraph "V" and advise the taxpayer we must receive their response within 90 days (input a date that is 90 days from the Letter 287C date).
4. Update the control status to "S" (suspend).
5. Update the case control with Activity Code "287CMMDD" (where MMDD represents the last date of the suspense period). See Exhibit 4.19.6-1, Activity Codes for Minister Waiver Processing, for additional information.
6. Suspend the case for 105 days (90 days + 15 days).

## (3) If by the 60th day after issuing the Letter 287C, the taxpayer has not provided the declaration statement, issue a follow-up Letter 287C:

1. Select the declaration statement paragraph.
2. Select Paragraph "Y" and advise the taxpayer we must receive the declaration statement by the same date that was entered in the original Letter 287C.
3. Input History Item "2ND287CSNT" to indicate the follow up Letter 287C was sent.
4. Continue to monitor for the remainder of the original Letter 287C suspense period.

## (4) Take the following actions based on taxpayer response to Letter 287C:

If	Then
Taxpayer signs and returns declaration within the initial suspense period	Consider this with other factors that would determine if the application can be approved.
<p>Taxpayer returns a signed and dated declaration and states they would like to discontinue processing of Form 4361 (only the box to discontinue is checked)</p> <p><b>Note:</b> If the taxpayer checks both boxes of the declaration statement, request another Letter 287C declaration to determine taxpayer's intent. Taxpayer must mail the corrected copy back.</p>	<ol style="list-style-type: none"> <li>1. Attach Letter 287C declaration to the <b>original</b> Form 4361 for historical files.</li> <li>2. Return all <b>copies</b> of Form 4361 and associated documents to the taxpayer.</li> </ol>

(5) **DO NOT** disapprove Form 4361 when the taxpayer **did not provide the signed declaration statement**. If no response is received by the end of the Letter 287C suspense period:

1. Make a copy of Form 4361 for local suspense file.
2. Circle out all received dates.
3. Leave the "For Internal Revenue Service Use" section of Form 4361 **blank**.
4. Issue Letter 286C to return the **unprocessed** Form 4361 to the taxpayer. Advise the taxpayer that no action will be taken on the application until all necessary information is received.
5. Close suspense control base.

4.19.6.4.8  
(12-30-2022)  
**Approving Form 4361**

- (1) Generally, if all five criteria are met (see IRM 4.19.6.4.2, Criteria for Approving Form 4361, for more information), approve the application. Process the approval as follows:
  1. Stamp with the Director's signature. Mark the box "**approved**" on all three copies of Form 4361 in the section titled, "For Internal Revenue Service Use".
 

**Note:** Add a history item for an approved 4361 as **4361APPRVD**.
  2. Date all copies to agree with date entered on the declaration statement. If the declaration statement received date is after a previous determination, use the correspondence IRS received date on all three copies.
  3. Return an approved copy to SSA.
  4. Return a copy to the taxpayer using Letter 398C, Approval of Application for Exemption from: SE Tax (Form 4361), **Instruct taxpayer to retain the approval documentation indefinitely**.
  5. Place the original copy in permanent file.
- (2) Exemption begins at ordination or commissioning if Letter 287C, Minister's Waiver (Form 4361) Incomplete or Missing, the declaration was signed and mailed within the initial time frame allocated in the correspondence issued to the taxpayer.
- (3) Update IDRS with the applicable actions. See IRM 4.19.6.4.10, MINISTER-SE-TX-EXEMPT-CD Form 4361, for additional information.

4.19.6.4.9  
(12-30-2022)  
**Disapproving Form 4361**

- (1) The Form 4361 will be disapproved when:
  - a. Any of the five criteria described in IRM 4.19.6.4.2, Criteria for Approving Form 4361, are not met.
  - b. The Form 4361 was not submitted timely. See IRM 4.19.6.4.3, Was the Application Timely?, for additional information.
- (2) Take the following actions when disapproving the Form 4361:
  1. Notate and mark the box "**disapproved**" in the section **For Internal Revenue Service Use**, on all three copies of Form 4361.
  2. Stamp the Director's signature and date on all three copies.
  3. Place the original copy in permanent files.
  4. Send a copy to SSA.
  5. Return a copy to the taxpayer as an enclosure to Letter 286C, Minister's Waiver (4361) Disapproved. You must circle out all "received dates" on the taxpayer's copy of Form 4361.
  6. Include an open paragraph on Letter 286C using the following verbiage as an example: **If you have any additional information you want us to**

**consider, please submit a newly signed Form 4361 and include all supporting documentation relevant to your claim.**

**Reminder:** If the application was disapproved due to untimely filing, inform the taxpayer there are no Appeal Rights. See IRM 4.19.6.4.11.4, Appeals and Refunds Related to Form 4361, for additional information.

7. Update IDRS with the applicable actions. See IRM 4.19.6.4.10, MINISTER-SE-TX-EXEMPT-CD Form 4361, for additional information.
8. Leave a History Item on IDRS CC: ENMOD, to explain the reason for disapproving the application.

- (3) **DO NOT** disapprove the Form 4361 when the taxpayer **did not provide the signed declaration statement**. If no response is received by the end of the Letter 287C suspense period, see IRM 4.19.6.4.7, Form 4361 Declaration Statement Verifying the Grounds for Exemption and Response to Declaration Request, for additional information.

4.19.6.4.10  
(02-15-2019)  
**MINISTER-SE-TX-  
EXEMP-CD Form 4361**

- (1) Enter IDRS CC: ENMOD, followed by CC: ENREQ, which becomes CC: INCHG, which indicates "MIN-SE-TX-EXEMP-CD", using TC 016, Doc Code 63 for each approved or disapproved Form 4361. If TC 000 is also being input, use Posting Delay Code 1 to input the TC 016 with one cycle delay.
- (2) Input the appropriate code as follows:
  - 1 - Form 4361 Approved
  - 2 - Form 4361 Denied
  - 9 - To reverse an entry (returns Master File setting to 0)
- (3) Input the code on the SSN of the Form 4361 applicant, even if that person files as a secondary filer with another number. The code is then reflected on the entity of the applicant in case the taxpayer later files alone or with another spouse.

4.19.6.4.11  
(02-15-2019)  
**Form 4361 Case Types -  
Miscellaneous or  
Responses Needing  
Further Action**

- (1) The following sections provide guidance for situations and/or taxpayer responses after the original Form 4361 was processed.

4.19.6.4.11.1  
(11-24-2021)  
**Previously Disapproved  
Form 4361**

- (1) If the taxpayer re-submits a previously disapproved Form 4361 (stamped "disapproved" under "For Internal Revenue Service Use") and provides information, return the Form 4361 with the information provided to the taxpayer with Letter 287C. Advise the taxpayer to submit a new signed Form 4361 and the information needed for reconsideration.
- (2) If the taxpayer submits a new Form 4361 application because the previous application was disapproved, review the disapproved Form 4361 as part of the evaluation of the new application.



If	Then
No new information is provided or the information provided with the new Form 4361 is the same as the previously disapproved application.	Disapprove the new Form 4361. See IRM 4.19.6.4.9, Disapproving Form 4631, for additional information.
The taxpayer provides new and/or additional information.	Consider application on its own merits. If it meets all necessary criteria, approve application. <b>Caution:</b> Carefully review and research the new information to determine its validity.

4.19.6.4.11.2  
(12-30-2022)

**Taxpayer Claims Form 4361 Previously Approved and Internal Revenue Service Has No Record**

- (1) When a taxpayer indicates Form 4361 was previously filed, but the Internal Revenue Service has no record of it, research IDRS CC: IMFOL for the MINISTER SE CD indicator for approved or disapproved code. If necessary take the following actions:

1. Contact SSA for a copy of the Form 4361.
2. Update the control base to **S** and monitor the response from SSA
3. Input History Item **SSALOOKUP** to indicate SSA contact has been made.
4. If SSA responds they have an approved exemption, process the copy from SSA as approved.
5. If SSA responds they **do not** have an approved exemption, instruct the taxpayer to provide a copy of their duplicate approved exemption or provide a new Form 4361. If a copy of approved exemption is received, process it as approved.
6. Process reapplication, except for timeliness criteria. Determine if exemption was allowed on prior year returns, either through normal processing or examination.
7. Disallow reapplication for exemption as not being timely if taxpayer has not claimed the exemption previously.

**Note:** Taxpayer bears burden of providing information or verification concerning previously filed Form 4361. An affidavit stating the application was previously filed is **not** sufficient to grant an exemption. Minister must show that they were eligible at time of filing the previous form.

4.19.6.4.11.3  
(02-13-2020)

**Revocation of Form 4361 Exemption due to Economic Considerations**

- (1) Generally, once an exemption has been granted, it is irrevocable. However, if it becomes evident the application was made solely for economic considerations rather than religious opposition, then the taxpayer wasn't qualified for the exemption from self-employment tax. Because the election for exemption is null, Rev. Rul. 70-197, 1970-1 C.B. 181 effectively allows for revocation.
- (2) If the taxpayer requests a revocation of their exemption because the application was made solely for economic considerations, rather than religious opposition:
1. Advise taxpayer the exemption has been revoked because it was originally based on economic considerations.
  2. Notify SSA and forward copies of all material related to the revocation.
  3. Associate all material related to revocation with a copy in the permanent file, noting the change.



4. Update the "MIN-SE-TX-EXEMP-CD" with "9" to reverse the previous status. See IRM 4.19.6.4.10, MINISTER-SE-TX-EXEMP-CD Form 4361, for additional information.
- (3) If application was not made solely for economic considerations, process the revocation request as follows:

If	Then
Original copy is in the permanent file	Advise the taxpayer that it is irrevocable.
Original copy is not in the permanent file	<ol style="list-style-type: none"> <li>1. Check open cases.</li> <li>2. If found, return application to the taxpayer with no further action.</li> </ol>
Original copy is <b>not</b> in either the permanent file <b>or open cases</b>	<ol style="list-style-type: none"> <li>1. Send a request to SSA for verification of the exemption.</li> <li>2. Once verified, advise taxpayer the exemption is irrevocable.</li> </ol>

- (4) In all cases, attach a copy of the request and a copy of our letter to the original copy in the permanent file.

4.19.6.4.11.4  
(11-01-2007)  
**Appeals and Refunds  
Related to Form 4361**

- (1) A minister who is granted exemption may file a claim for refund of payments paid prior to their exemption if they are still within their statute of limitations.
- (2) There are no "appeal rights" to the Form 4361 election decision.
- (3) A minister may use normal appeal rights to an assessment of tax.

4.19.6.4.11.5  
(02-15-2019)  
**Form 2031 - Election  
Back into Social  
Security Coverage**

- (1) The Tax Relief Extension Act of 1999, Public Law 106–170 provided a limited period, during which ministers, certain members of religious orders, and Christian Science practitioners, who have an approved Form 4361 in place for tax year 1999, could file Form 2031, Waiver Certificate for Use by Ministers, Members of Religious Orders, and Christian Science Practitioners. This is an **irrevocable** election back into Social Security and Medicare coverage for their ministerial earnings. This opportunity does NOT apply to Form 4029 filers. Congress provided a similar limited time for ministers as a part of Tax Reform Act of 1986 for tax years 1986 and 1987. Form 2031 was also used for this period.

**Note:** Congress has not provided such an election since 1999. Unless Congress passes a similar act, any Form 2031 generally should have been received by the due date of the 2002 individual income tax return. The Form 2031 indicator will remain on IDRS even though the form is now obsolete. This form may be reactivated for use if Congress passes a law to allow taxpayers to opt out of the exemption.

- (2) If a Minister elected before 1968 to be covered under Social Security for their ministerial services they cannot file for an exemption from self employment tax. Therefore, Form 2031 would not apply to these individuals.
- (3) If a taxpayer submits a newly completed Form 2031:

1. Date stamp Form 2031 or correspondence regarding Form 2031. Enter “postmark date” in the bottom portion of the form and staple the envelope (or postmark portions of an oversized envelope) to the form.
2. Verify the indicator for the “MINISTER-SE-CD” field on IDRS CC: IMFOLE.

If	Then
a value of “3” is displayed,	<ol style="list-style-type: none"> <li>1. Return the Form 2031 to the taxpayer using Letter 315C, Form/Document/Payment Unnecessary; Returned to Taxpayer.</li> <li>2. Advise the taxpayer they already have an approved Form 2031 on file and the election is irrevocable.</li> </ol>
any other value is displayed,	<ol style="list-style-type: none"> <li>1. Return the Form 2031 to the taxpayer using Letter 315C, Form/Document/Payment Unnecessary; Returned to Taxpayer.</li> <li>2. Advise the taxpayer there is no longer legislation in place that allows for revocation of exemption from self-employment tax using Form 2031, their exemption from self-employment tax is still valid and they may submit a detailed explanation for their revocation request.</li> </ol>

- (4) If an original tax return is received attached to Form 2031, detach the return and forward it for processing.
- (5) This exemption does NOT apply to filers of Form 4029.

4.19.6.4.11.6  
(02-15-2019)  
**Form 1040/1040X or  
Other Referrals  
Indicating  
Self-Employment Tax  
Exemption**

- (1) When a referral from another area is received indicating the taxpayer is exempt from self-employment tax (Form 1040, Form 1040X, Form 4442 and so on), research to verify the exemption.

**Note:** On a daily basis report the volume of these referrals to your Lead Tax Examiner/Manager.

- (2) If IDRS CC: IMFOLE shows a Minister self-employment code (MINISTER SE CD) with a value other than blank, then:
  1. Update the Activity Code to “SETEXMPVER” and close the control base. See Exhibit 4.19.6-1, Activity Codes for Minister Waiver Processing for further information.
  2. Send the 1040/1040X/referral to Accounts Management to complete processing.

- (3) If IDRS CC: IMFOLE shows a blank MINISTER SE CD and sufficient verification is found to support the exemption:
1. Update MINISTER-SE-TAX-EXEMPT-CD and the administrative file. See IRM 4.19.6.4.10, MINISTER-SE-TX-EXEMP-CD Form 4361, or IRM 4.19.6.5.4, MINISTER-SE-TX-EXEMP-CD Form 4029 for additional information.
  2. Update the Activity Code based on the final determination and close the control base. See Exhibit 4.19.6-1, Activity Codes for Minister Waiver Processing, for further information.
  3. Send the 1040/1040X/referral to Accounts Management to complete processing.
- (4) If IDRS CC: IMFOLE shows a blank MINISTER SE CD and the information/documentation is not sufficient to verify the exemption, perform additional research (for example: contact SSA for confirmation of a previously submitted application) or, if necessary, correspond with the taxpayer.
1. Advise the taxpayer to submit a copy of their Form 4361, Form 4029, or other verification of their exemption.
  2. Suspend the case for 60 days (45 days + 15 days).

If	Then
The taxpayer responds with sufficient documentation:	<ol style="list-style-type: none"> <li>1. Update the MINISTER-SE-TAX-EXEMPT-CD. See IRM 4.19.6.4.10, MINISTER-SE-TX-EXEMP-CD Form 4361 or IRM 4.19.6.5.4, MINISTER-SE-TX-EXEMP-CD Form 4029, for additional information.</li> <li>2. Place the documentation in a permanent administrative file.</li> <li>3. Update the Activity Code based on the final determination and close the control base. See Exhibit 4.19.6-1, Activity Codes for Minister Waiver Processing for further information.</li> <li>4. Send the 1040/1040X/referral to Accounts Management to complete processing.</li> </ol>

If	Then
The taxpayer does not respond or does not provide sufficient information:	<ol style="list-style-type: none"> <li>1. Do not make a determination. Do not update the MINISTER-SE-TAX-EXEMPT-CD</li> <li>2. Update the Activity Code with "MW-NDTPNRX" and close the control base. See Exhibit 4.19.6-1, Activity Codes for Ministerial Waiver Processing, for additional information.</li> <li>3. Forward the 1040/1040X/ referral along with any insufficient information received from the taxpayer to Accounts Management and advise them that a determination could not be made.</li> </ol>

4.19.6.4.11.7  
(12-30-2022)

#### Loose Forms 4361

- (1) When a loose copy of a processed Form 4361 is identified, research IDRS CC: IMFOLE to confirm the applicable Minister Self-employment (MINISTER SE CD) Code is present. If present, take no further action. If the code is not present, contact SSA for confirmation they approved the application. Input a History Item SSALOOKUP to indicate SSA contact has been made and monitor the case for SSA's response.

**Note:** Update the control base to "M" and monitor the response from SSA.

**Note:** On a daily basis, report the volume of loose Form 4361 received to your Lead Tax Examiner/Manager.

If	Then
SSA confirms the application was approved.	Update the MIN-SE-TAX-CD. See IRM 4.19.6.4.10, MINISTER-SE-TX-EXEMPT-CD Form 4361, for additional information.

If	Then
SSA doesn't confirm the application was approved.	Request the original application from the Federal Records Center. <ol style="list-style-type: none"> <li>If the records are found, then approve the application.</li> <li>If the records are not found, then determine if an exemption was allowed on prior year returns, either through normal processing or examination. Reprocess the application accordingly.</li> </ol>

- (2) If a loose **unprocessed** Form 4361 is received, follow normal procedures to process the application.

4.19.6.4.11.8  
(12-30-2022)

**Undeliverables-Tax  
Examiner and Manager  
Responsibilities**

- (1) Clerical will stamp a DOC Match received date on the Undeliverable and place the Minister Waiver Undeliverable mail in the managers wall inventory. The manager will pick up the undeliverable mail and assign the mail back to the Tax Examiner who sent the letter.
- (2) All processing of undeliverable letters must be completed within 14 business days of being assigned to the Tax Examiner. Assign to the Tax Examiner as follows:

If	Then
Undeliverable Letter 287C in suspense	<ol style="list-style-type: none"> <li>assign the case to the tax Examiner.</li> <li>update the control to <b>287CUND</b> and leave the suspense in a <b>S</b> status.</li> <li>The tax examiner will research for a better address.</li> </ol>
Closed control on Undeliverable 286C, 398C and 401C.	<ol style="list-style-type: none"> <li>The manager will open a control for the undeliverable letters as follows               <ul style="list-style-type: none"> <li><b>286CUND</b></li> <li><b>398CUND</b></li> <li><b>401CUND</b></li> </ul> </li> <li>Assign the Undeliverable mail back to the Tax Examiner with a status code <b>A</b>.</li> <li>The tax examiner will research for a better address.</li> </ol>

- (3) When working an Undeliverable letter assigned to the tax examiner, research for a better address using:
  - IDRS CC: INOLE will provide the most current posted entity information on the National Account Profile (NAP).
  - IDRS CC: ENMOD may reflect a recently input address change not posted to IDRS CC: INOLE.

**Note:** Do not change an address on IDRS.

  - IDRS CC: IRPTR will provide a current address for the taxpayer from an information return filed for the most recent processing year.
- (4) If a better address is found:
  1. Update the new address on the mailing envelope.
  2. Re-mail the Undeliverable letter and include the original envelope.
  3. Update the Minister Waiver database with the new address found and a notation when the Undeliverable letter was sent back to the taxpayer.
  4. Update the History item to **"UNDEL-BAF"**.
  5. Leave the control in suspense if an open case (example the 287C letter).
  6. Close the control if the case was closed (example the 286C letter).
- (5) If a better address is not found:
  1. Update the date on the Minister Waiver database with no better address was found.
  2. Include the Undeliverable letter and envelope in the case file.
  3. Update the History item to **"UNDEL-NAF"**.
  4. Close the control opened as an Undeliverable.
- (6) If the taxpayer responds to the Undeliverable mail continue to process the case see IRM 4.19.6.4.7

4.19.6.5  
(02-15-2019)  
**Form 4029 Applications  
(Exemption from Social  
Security and Medicare  
Taxes and Waiver of  
Benefits)**

- (1) Form 4029, Application for Exemption From Social Security and Medicare Taxes and Waiver of Benefits, is filed by members of certain religious groups (primarily Amish and Mennonites) to apply for exemption from Social Security and Medicare taxes based on their religious beliefs. They waive all rights to Social Security benefits under Titles II and XVIII of the Social Security Act. The exemption is for individuals, partnerships (if all partners have approved certification), and employers (if the employer has an approved certification).

4.19.6.5.1  
(12-30-2022)  
**Form 4029 —  
Procedures**

- (1) Form 4029 is:
  1. Filed with the Social Security Administration (SSA), which determines whether the religious sect or division meets requirements for exemption from Social Security and Medicare taxes.

**Note:** Prior to changes effective with the April 1989 revision of Form 4029, the IRS was responsible for receiving, evaluating and processing the application.

  2. SSA forwards the application with its determination to the IRS.
  3. IRS reviews and finalizes the approval (or disapproval), records the final results and returns the application to the taxpayer.
- (2) If the SSA approval section on Form 4029 **is not completed**, immediately forward to SSA at the following address:

Social Security Administration  
 Security Records Branch,  
 Attn: Religious Exemption Unit  
 P.O. Box 7  
 Boyers, PA 16020

- (3) Taxpayers waiting on a Form 4029 approval must inform their employers to continue to withhold and pay their share of Social Security and Medicare taxes.
- (4) For employer and employee submissions, the effective date is the first day of the first quarter, after the quarter in which the application was received or the USPS postmark date whichever is earlier. It lasts as long as both employer and employee continue to meet requirements. Exemption is effective for non-employee individual for the first year the taxpayer met the requirements.
- (5) Note on all copies of Form 4029 whether application is approved or disapproved and stamp/date with Director's signature. Distribute copies of completed Forms 4029 as follows:
  - a. Send a copy to applicant.

If	Then
The Form 4029 is approved	Return to applicant with approval Letter 398C, Approval of Application for Exemption from: FICA/Medicare Taxes (F4029). <b>Note:</b> Notate a history item on ENMOD the 4029 was approved <b>4029APPRVD</b>
The Form 4029 is disapproved	<ol style="list-style-type: none"> <li>1. Circle out all received dates on the copy of the Form 4029.</li> <li>2. Return to applicant with disapproval Letter 401C, SE Tax Exemption (4029).</li> </ol>

- b. Forward one copy to SSA.
  - c. Maintain original copy in the case file.
- (6) Update IDRS with the final determination. See IRM 4.19.6.5.4, MINISTER-SE-TX-EXEMP-CD Form 4029, for more information.
- (7) Input all necessary information in query database from the Form 4029 paper documents.
- (1) When a loose copy of a processed Form 4029 is identified, research IDRS CC: IMFOLE to confirm the applicable Minister Self-employment (MINISTER SE CD) Code is present. If present, take no further action. If the code is not present, contact SSA for confirmation they approved the application.

**Note:** On a daily basis, report the volume of loose Form 4029 received to your Lead Tax Examiner/Manager.

4.19.6.5.2  
 (02-15-2019)  
**Loose Forms 4029**

If	Then
SSA confirms the application was approved.	Update the MIN-SE-TAX-CD. See IRM 4.19.6.5.4, MINISTER-SE-TX-EXEMPT-CD Form 4029, for additional information.
SSA doesn't confirm and the application was filed before April 1989.	Request the original application from Federal Records Center. a. If the records are found, approve the application. b. If the records are not found, determine if an exemption was allowed on prior year returns, either through normal processing or examination. Reprocess the application accordingly.
SSA doesn't confirm and the application was filed after April 1989.	Send to SSA to have them reprocess the application. See IRM 4.19.6.5.1, Form 4029 - Procedures for additional information.

- (2) If a loose **unprocessed** Form 4029 is received, forward it to SSA. See IRM 4.19.6.5.1, Form 4029 - Procedures, for additional information.

4.19.6.5.3  
(12-30-2022)  
**Form 4029 —  
Revocation/Withdrawal**

- (1) When an individual signs Form 4029 the jurat criteria includes an agreement the individual will notify the Internal Revenue Service within 60 days of any event resulting in the individual leaving the religious group described in the Form 4029, or in the individual disavowing the established teachings of the group.
- (2) If you receive correspondence or a copy of Form 4029 where the taxpayer is informing the IRS they have left their religious group or disavowed the established teachings of the religious group, process the request as follows:
1. Research IDRS to verify entity.
  2. Input TC 016 to change the MIN-SE-TX-EXEMP-CD to 0. See IRM 4.19.6.5.4, MINISTER-SE-TX-EXEMP-CD Form 4029, for more information.
  3. Notify taxpayer via Letter 401C, SE Tax Exemption (4029) using the appropriate paragraph.
  4. Notate incoming correspondence with action taken and make one copy.
  5. Attach original correspondence to Form 4029 in file.
  6. Send a copy of the Letter 401C, SE Tax Exemption (4029) and correspondence to SSA.
  7. Update the query database with the revocation/withdrawal information.



4.19.6.5.4  
(02-15-2019)  
**MINISTER-SE-TX-  
EXEMP-CD Form 4029**

- (1) Enter IDRS CC: ENMOD, followed by CC: ENREQ, which becomes CC: INCHG which indicates MIN-SE-TX-EXEMP-CD, using TC 016, Doc Code 63 for each approved or disapproved Form 4029. If TC 000 is also being input, use Posting Delay Code 1 to input the TC 016 with one cycle delay.
- (2) Determine and input the appropriate code as follows:
  - a. TC 016 input value of 3 = approved. This transaction will allow the indicator on IDRS for the account to become a 4 = Form 4029 approved.
  - b. TC 016 input value of 4 = disapproved. This transaction will allow the indicator on IDRS for the account to become an 8 = Form 4029 denied.
  - c. TC 016 input value of 9 = reverse entry. (returns Master File setting to 0).
- (3) Input the code on the SSN of the Form 4029 applicant, even if that person files as a secondary filer with another number. The code is then reflected on entity of the applicant in case the taxpayer later files alone or with another spouse.

4.19.6.6  
(12-30-2022)  
**Minister and Religious  
Waiver Clerical  
Procedures**

- (1) The Minister and Religious Waiver Clerical Function sorts incoming mail into the following categories:
    - a. Minister and Religious Waiver mail.
    - b. Non-Minister and Religious Waiver mail.
  - (2) All incoming mail must be stamped with the PSC Operation received date.
- Note:** All Undeliverable letters, stamp, sort and place the mail in the managers wall inventory IRM 4.19.6.4.11.8, Undeliverables-Tax Examiner and Manager Responsibilities.
- (3) The Minister Waiver mail is then broken down into a finer sort by form or request type (Form 4361, Form 4029, or Reconsideration) and then by IRS received date.
  - (4) Non-Minister Waiver mail should be routed to the appropriate area for processing. See IRM 4.19.6.6.4, Routing Documents, for more information.
  - (5) The finer sorted Minister Waiver mail is bundled into batches according to batch type (see (3) above) of no more than 30 and filed to be queued for input into the SB/SE Document Matching (DM) Batch Tool.

**Note:** Previously processed applications (loose Form 4361 or Form 4029), Form 4442, Inquiry Referral, from Account Management, Form 1040/Form 1040X and other referrals are routed directly to the technical unit for evaluation. They are not queued for input into the SB/SE DM Batch tool.

- (6) The SB/SE DM Batch Tool is utilized to control incoming mail. See IRM 4.19.6.6.2, Controlling Incoming Mail, for more information.

**Caution:** If the IAT/Quick CC tools do not cover all situations or are not functioning, the appropriate steps must still be taken to manually process cases throughout all work processes.

- (7) Work is staged to make it available to the technical units.
- (8) Approval/Denial packages are routed to the Files Function.

4.19.6.6.1  
(02-15-2019)  
**Received Dates**

- (1) The IRS received date for a mailed response is determined by following the priority criteria listed below:

1. Oldest IRS received date stamped on correspondence.
2. Envelope postmark date.
3. Signature date.
4. Current date.

- (2) The IRS received date for a faxed response is determined by the following priority criteria listed below:

1. Fax date (printed on fax).

**Caution:** The fax date is sometimes incorrect, use caution when determining whether to use this date.

2. The PSC Operation received date stamped on correspondence.
3. Signature date.
4. Current date.

4.19.6.6.2  
(02-13-2020)  
**Controlling Incoming Mail**

- (1) All clerical processing of Minister and Religious Waivers as well as Reconsiderations must be completed within 14 business days of IRS receipt or 3 business days from receipt into the operation, whichever is later.

- (2) Use the SB/SE DM Batcher Tool to:

- a. Build a Form 4361 batch.
- b. Build a Form 4029 batch.
- c. Build a Minister Waiver Reconsideration (aka Minister RECON or MLR) batch.
- d. Generate an interim Letter 5825C when the IRS received date exceeds 23 days.
- e. Identify mail that is already in process or under an active control.

**Caution:** If the IAT/Quick CC tools do not cover all situations or are not functioning, the appropriate steps must still be taken to manually process cases throughout all work processes.

- (3) Route Form 4442, Inquiry Referral, from Accounts Management, Form 1040 /Form 1040X, other referrals and previously processed applications (loose Form 4361 or Form 4029) to the appropriate technical unit. Do not input into the SB/SE DM Batcher tool.

- (4) Additional research may be required to ensure the mail belongs to the Minister and Religious Waiver program. Route all other mail as appropriate. See IRM 4.19.6.6.4, Routing Documents, for more information.

4.19.6.6.2.1  
(12-11-2023)  
**Batching and  
Controlling Minister  
Waivers**

- (1) Retrieve cases already sorted (no more than 30 cases) as Minister Waivers. Assign the next available batch number from the appropriate log book.
- (2) Minister Waivers will be batched using the SB/SE DM Batcher Tool.
  - a. Minister Waiver batches will be numbered as follows:

Tax Year	Program	Batch Number
YY ( "YY" represents the last two digits of the tax year)	"361" - Form 4361	XXXXXX (where "XXXXXX" represents the next sequential number available in the log)
YY ( "YY" represents the last two digits of the tax year)	"029" - Form 4029	XXXXXX (where "XXXXXX" represents the next sequential number available in the log)

**Example:** "2236100001" = the first Minister Waiver batch created for TY 2022 cases.

- b. The control status will be "A".
- c. The Control Category will be "MINW".
- d. The Assignee Employee Number will be "058XXXXXXXX".
- e. The appropriate IRS received date must be input. See IRM 4.19.6.6.1, Received Dates, for more information.
- f. The SB/SE DM Batcher Tool will send interim Letter 5825C when the IRS received date exceeds 23 days.
- g. A cover sheet listing each TIN in the batch, the IRS received date, and batch number will be generated. Place the cover sheet on top of the batch.

**Reminder:** The SB/SE DM Batcher Tool must be used for this process. The tool streamlines the clerical batching process and allows the user to send interim Letter 5825C and alerts the clerical staff when a case has an ASED expiring within 90 days. Use of this tool is mandatory.

**Caution:** If the IAT/Quick CC tools do not cover all situations or are not functioning, the appropriate steps must still be taken to manually process cases throughout all work processes.

- (3) When updating IDRS controls manually (for example, the SB/SE DM Batcher Tool is unavailable), follow the procedures below to update the IDRS control:
  1. Search IDRS CC: INOLE for an entity. If taxpayer entity is not present, use IDRS CC:MFREQ to establish a dummy entity.
  2. Access IDRS CC: TXMOD for the applicable TIN, MFT, and tax year.
  3. Access IDRS CC: ACTON and establish the control base with the following:

IDRS CC: ACTON Elements	Description
Case Control Status	A
Activity Code	YY361XXXXX or YY029XXXXX
Control Category Code	MINW
Assignee Employee Number	058XX12345
IRS Received Date	MMDDYYYY

**Example:** ACTON

C#,2136100001,A,MINW  
058XX12345,09292023

4. Input interim Letter 5825C when the IRS received date exceeds 23 days. See IRM 4.19.6.2, Policy Statement P-21-3 (formerly P-6-12) Guidelines (Action 61), for more information.
  5. Create a cover sheet listing each TIN in the batch, the IRS received date, and batch number. See Exhibit 4.19.6-4, Batch Control Sheet, for a sample cover sheet. Place the cover sheet on top of the batch.
- (4) File the completed batch in the inventory staging area separated by program and in batch number order.

4.19.6.6.2.2  
(12-11-2023)

**Batching and  
Controlling Minister  
Waiver Reconsiderations**

- (1) Retrieve cases already sorted (no more than 30 cases) as Minister Waiver Reconsiderations (MLRs). Assign the next available batch number from the appropriate log book.
- (2) Reconsiderations will be batched using the SB/SE DM Batcher Tool.
  - a. These batches will be numbered as follows:

Tax Year	Batch Type	Batch Number
YY (where "YY" represents the last two digits of the tax year)	"MLR" - Minister Waiver Reconsideration	XXXXXX (where "XXXXXX" represents the next sequential number available in the log)

**Example:** 20MLR00001 = the first Reconsideration batch created for TY 2020.

- b. The control status will be "A".
- c. The Control Category will be "MINW".
- d. The Assignee Employee Number will be "058XXXXXXXX".
- e. The appropriate IRS received date must be input. See IRM 4.19.6.6.1, Received Dates, for more information.
- f. The SB/SE DM Batcher Tool will send interim Letter 5825C when the IRS received date exceeds 23 days.
- g. A cover sheet listing each TIN in the batch, the IRS received date, and batch number will be generated. Place the cover sheet on top of the batch.

**Reminder:** The SB/SE DM Batcher Tool must be used for this process. The tool streamlines the clerical batching process and allows the user to send interim Letter 5825C. Use of this tool is mandatory.

**Caution:** If the IAT/Quick CC tools do not cover all situations or are not functioning, the appropriate steps must still be taken to manually process cases throughout all work processes.

(3) When updating IDRS controls manually (for example, the SB/SE DM Batcher Tool is unavailable), follow the procedures below to update the IDRS control:

1. Access IDRS CC: TXMOD for the applicable TIN, MFT, and tax year.
2. Access IDRS CC: ACTON and establish the control base with the following:

IDRS CC: ACTON Elements	Description
Case Control Status	A
Activity Code	YYMLRXXXXX
Control Category Code	MINW
Assignee Employee Number	058XX12345
IRS Received Date	MMDDYYYY

**Example:** ACTON

C01,19MLR00001,A,MINW  
058XX12345,09292022

3. Input interim Letter 5825C when the IRS received date exceeds 23 days. See IRM 4.19.6.2, Policy Statement P-21-3 (formerly P-6-12) Guidelines (Action 61), for more information.
4. Create a cover sheet listing each TIN in the batch, the IRS received date, and batch number. See Exhibit 4.19.6-4, Batch Control Sheet, for a sample cover sheet. Place the cover sheet on top of the batch.

(4) File the completed batch in the inventory staging area separated by program and in batch number order.

4.19.6.6.3  
(02-15-2019)

#### Inventory Management - Clerical Function

(1) The following Organization Function Program (OFP) codes should be used with the 790 (tax account support activity - clerical) function code:

OFP-Program Code and Description
<ul style="list-style-type: none"> <li>• 39410 - Forms 4361</li> <li>• 39411 - Forms 4029</li> <li>• 39412 - Reconsiderations</li> </ul>

(2) Completed work must be staged within 3 business days of being controlled/updated.

4.19.6.6.4  
(02-15-2019)**Routing Documents**

- (1) The Clerical Function is responsible for all outgoing mail. This mail may consist of internal mail, mis-routed mail, or external mail.
- (2) Internal mail is routed to other areas using Form 3210, Document Transmittal. The receiving area will acknowledge receipt by sending a signed copy of the Form 3210 back to the originating area. These forms must be maintained in a log in the Clerical Function. Refer to Document 12990 , IRS Records Control Schedules (RCS) 23, Item 36 for Form 3210 one (1) year retention and disposition requirements.
- (3) When mis-routed mail is identified, it must be routed back to the mail room for proper routing if the mail room was the originating office.
- (4) If the mail was addressed to Minister Waivers, but did not fit that criteria, route the correspondence to the proper area and issue Letter 86C to the taxpayer. For additional information on issuing Letter 86C, see IRM 21.3.3.4.2.1, Use the Letter 86C, Referring Taxpayer Inquiry/Forms to Another Office, for more information. Also see <http://serp.enterprise.irs.gov/databases/who-where.dr/form-4442-erroneous-referral-coordinators.html> for instructions in routing mis-routed Forms 4442.
- (5) Taxpayers may request assistance from the Taxpayer Advocate Service (TAS). TAS is an independent organization within the IRS created by Congress to help taxpayers resolve issues with the IRS. Form 12412, Operations Assistance Requests (OARs), are received from TAS in the Clerical Function both by mail and FAX. The Clerical Function must take the following actions for all OARs received:
  1. Date stamp each Form 12412 with the date it was received.
  2. Hand carry the Forms 12412 to the TAS Liaison **within 24 hours of receipt**.

4.19.6.6.5  
(12-30-2022)**Discovered Remittance**

- (1) Discovered remittance is a response and/or correspondence with an original form of payment attached such as a personal check, money order or cashier's check. Also, a loose check(s) discovered in an envelope or attached to a blank piece or paper.

**Note:** For voided or blank checks see (8) below.

- (2) If any of the items listed in (1) are discovered, both the Form 3244, Payment Posting Voucher, and Form 4287, Record of Discovered Remittance **must** be completed.
- (3) Two copies of Form 3244 must be completed for each discovered remittance and contain entries in the following fields:
  - TIN
  - Form number/MFT
  - Tax Period
  - Transaction/Received date (IRS received date)
  - Taxpayer name, address, and Zip code
  - Transaction Data, enter remittance amount next to code 640 (Advance Payment of Deficiency)
  - Remarks (the team manager's phone number and Mail Stop)
  - Prepared by

- (4) Form 4287, Record of Discovered Remittance, must be completed to log all discovered remittances. The following fields must have entries:

Stop number
Unit
Telephone Number
Today's Date- in MM/DD/YYYY format
Type of doc-(for example, Form 1040, form 1040X)
Tax Period-(entire period XXXX)
Type of remit-(for example, check or money order)
Amount of remit-(total money amount including comma and decimal point)
Received Date-in MM/DD/YYYY format
Name (entire name)
TIN
Discoverer-Name of person who discovered the remittance and their supervisor's name

- (5) **If remittance is found attached to a case while working in the office, take the following steps:**
1. Attach one copy (original) to remittance and give it to the manager/Lead Tax Examiner who will give it to the Clerical Manager/Lead Clerk to place in a **locked box** (lock box).
  2. Attach the second copy of Form 3244 to the response.
- (6) **If the remittance is found attached to a case while teleworking, immediately take the following steps:**
1. Notify your manager immediately
  2. E-mail completed Forms 3244 and 4287 to your manager and Coordinator/Technical Advisor
  3. Place remittance in a **sealed envelope** and store in a secure place (locked desk or cabinet).
  4. Document remittance details (i.e; leave a case note or history item).
  5. Make an appointment to bring Discovered Remittance into the operation and deliver to the technical Manager/Lead Examiner within **2 business days**
  6. Technical Manager/Lead Examiner will accept the discovered remittance, print Form 4287 and Form 3244.
  7. Manager/Lead Tax Examiner will deliver the discovered remittance to the Clerical Manager/Lead Clerk.
- (7) **IRS CHECKS-** Returned IRS refund checks are handled differently than regular discovered remittance. If an IRS refund check is found, take it to the team Manager/Lead Tax Examiner to be routed to the Refund Inquiry Unit.



- (8) **VOIDED CHECKS-** If the response has a “VOIDED” personal check attached, remove the check from the response and attach it to the Installment Agreement (IA) request. Route the “VOIDED” check with the IA to Collections.

4.19.6.7  
(02-15-2019)  
**Manager/Coordinator  
Responsibilities -  
General**

- (1) Managers are responsible for:
- Evaluating employees
  - Managing inventories within their responsibility
  - Managing resources within their responsibility
- (2) The Coordinator is responsible for:
- Acting as a liaison with other program areas (e.g., Headquarters, Appeals, Accounts Management, TAS, etc.)
  - Monitoring the status of Minister Waiver inventory
  - Serves as the statute coordinator for the Operation

4.19.6.7.1  
(12-11-2023)  
**Employee Performance  
Reviews**

- (1) Managers perform the following types of reviews:
- Workload reviews
  - Evaluative case reviews
  - Non-evaluative case reviews
- (2) Managers are required to perform a minimum of two workload reviews per quarter for each employee. These workload reviews consist of:
- Bin reviews
  - Day after/time utilization reviews
- (3) Managers are required to perform evaluative case reviews. See IRM 4.19.6.7.1.2, Mandatory Evaluative Reviews, for more information.
- (4) The primary purpose of a non-evaluative review is to help the employee develop and enhance their job skills. See IRM 4.19.6.7.3.1, Non-Evaluative or Coaching Reviews, for more information.
- (5) The number of reviews should be increased when warranted.
- (6) These reviews, as in all case reviews, should be documented in a Performance Review Worksheet.

4.19.6.7.1.1  
(02-15-2019)  
**Workload  
Management/Efficiency  
Reviews**

- (1) Workload reviews are performed primarily for the following reasons:
- Make an objective assessment of an employee’s performance
  - Protect the rights of customers
  - Identify training needs
- (2) Work reviews should focus on effective case resolution according to IRM guidelines.
- (3) In addition, reviews should focus not only on the employee’s ability to complete their assignments, but also on their ability to set priorities and complete assignments independently and expeditiously.



**Note:** Perform workload reviews for each employee a minimum of two times per quarter. Conduct a balance of these reviews throughout the year and include a variety of types of reviews.

4.19.6.7.1.2  
(12-30-2022)  
**Mandatory Evaluative  
Reviews**

- (1) Evaluative reviews must be recorded in accordance with the National Agreement established between National Treasury Employees Union (NTEU) and management.
- (2) Conduct a **minimum of two mandatory EQRS reviews** for each employee per month. Additional reviews may be completed as needed.
- (3) Evaluative reviews must be conducted by a manager or an individual in an official acting manager capacity.
- (4) Update all your mandatory reviews utilizing the Embedded Quality Review System (EQRS).

**Note:** EQRS is a standardized data repository with trend analysis and reporting capabilities for the use in employee evaluations.

- (5) Use the Employee Feedback Report on EQRS for sharing evaluative review results within the required time frame as outlined in the National Agreement. Notate the reason on the review sheet, if you do not meet the time frames, (for example: due to the employee's unexpected leave).
- (6) Obtain the employee's acknowledgment on the designated form, provide one copy to the employee and retain the other copy for the Employee's Performance Folder (EPF). Be sure to sanitize the reviews when appropriate.

4.19.6.7.1.3  
(02-15-2019)  
**Non-Evaluative or  
Coaching Reviews**

- (1) The primary purpose of a non-evaluative review is to help the employee develop and enhance their job skills as determined by the manager. Effective non-evaluate reviews foster open lines of communication between the employee, the manager, and the lead technical employee. This enables the manager and/or their lead to receive employee feedback and transfer operational goals informally.
- (2) Non-evaluative reviews do not contain a written rating and share the results orally. Some documentation is appropriate to establish that it actually occurred and have the employee initial/date any documentation (EQRS may be used to track employee development for this purpose.) Provide one copy for the employee and retain the other copy in the employee's drop file.

4.19.6.7.2  
(02-15-2019)  
**Operational Reviews**

- (1) An operational review is a review of a subordinate manager and the organizational component is imperative for their growth. It provides an opportunity to improve overall effectiveness of the team and/or department. The review should cover Employee Satisfaction in the unit and include receiving feedback from the manager's employees.
- (2) Be sure to praise all accomplishments, identify areas needing improvement, target completion dates established and schedule a follow-up review.
- (3) These reviews may be of organizational as well as individual performance. These reviews should be:

- Evaluative and direct
  - Completed annually unless more frequent reviews are warranted to either address inexperience or poor performance.
- (4) The scope of operational/team reviews by upper management should include at least the following issues (others may be added at the discretion of the reviewer):

<b>Desk instructions (adequacy, need, technical accuracy) maintained in the unit</b>
Work schedules (timeliness, how backlogs are handled)
Schedule of employee work reviews
Quality of supporting narratives for workload reviews in EPFs
Quality of supporting documentation for annual ratings (relationship between EPF documentation and assigned ratings)
Communications within the unit (meeting minutes, floor supervision, informal communication, listening skills, etc.)
Use of time, identification of problems, implementation of solutions
A sampling of work (open and closed cases)
Timekeeping and employees' time reporting
The unit manager's technical and/or administrative skills
Staff utilization
Use of management information reports
Clerical support
Cover a representative sampling of all work under the jurisdiction of the team or group manager being reviewed

4.19.6.7.3  
(02-15-2019)  
**Other Reviews**

- (1) Management performs other reviews not related to employee performance.

4.19.6.7.3.1  
(02-15-2019)  
**Physical Inventory Review**

- (1) Management must sort the weekly CCA 4243 report by tax examiner IDRS number. Provide a copy of each listing to the appropriate tax examiner by either printing or sending an electronic copy to them to review.
- (2) In addition, each manager will sign and complete a Quarterly "Physical Inventory Certification" sheet after receiving their employee's inventory forms and submit to the Department Manager for consolidation. See Exhibit 4.19.6-2, Physical Inventory Certificate, for more information. Management must complete a Wall Inventory, by running the CCA 4243. See below:
- a. Sort the program listing by age beginning with the earliest received date.
  - b. Verify each of the cases on the wall to the cases listed on the CCA 42-43.

- c. Verify the count in each open batch listed in the log book with the CCA 4243.
- d. Provide results to the Department Manager.

**Note:** The Overage Report Compiler And Sorter (ORCAS)-Manager can be utilized to review the CCA report on a weekly basis.

(3) The Department Manager will:

- a. Consolidate all tax examiner and the "Wall" physical inventory results.
- b. Complete Exhibit 4.19.6-3, Wall Inventory Instruction and Certification.
- c. Submit the completed certification to the Operation for signature.

(4) The Operation will notify their Director's Office, this was completed 10 business days following the end of each quarter and provide their office documentation for review.

(5) All results of the physical inventory review **must** be shared with the Coordinator to ensure all necessary actions are taken to update the WP&C.

4.19.6.7.3.2  
(12-11-2023)  
**Program Reviews**

- (1) Appropriate program reviews will be planned and conducted based on business needs and priorities.
- (2) Required action item(s) and due dates, as applicable will be included in each final report.
- (3) In instruments of tools for documentation are developed or used, they will be retained as substantive documentation for review findings.
- (4) A red receipt or signature acknowledging the receipt of the report will be requested from the campus.
- (5) Exam Policy will retain a copy of the report and all applicable supporting documentation in a centralized location.

4.19.6.7.4  
(12-11-2023)  
**Statute of Limitations –  
Minister Waiver  
Manager/Statute  
Coordinator**

- (1) Statute Awareness - Communicating the importance of statutes to all employees is very important and the responsibility of every manager/statute coordinator. On an annual basis, management is expected to issue Statute reminders to the employees. These reminders will be procedures which include contact information, phone numbers, coordinator name, tour of duty (TOD), instructions to follow for last minute statutes discovered, and the local routing procedures to the statute unit or RACS (depending on time frame). Contact names and numbers can be located on the [https://irs.gov.sharepoint.com/sites/SbEHqStpq\\_DocMatch/SitePages/CAWR-SSA%20.aspx](https://irs.gov/sharepoint.com/sites/SbEHqStpq_DocMatch/SitePages/CAWR-SSA%20.aspx) under Technical Aid (Statute Forms/Aids). It is the responsibility of the campus to alert the web master if a change in contact information is necessary.
- (2) Document 7368, Basic Guide for Processing Statute Cases, is available to all campuses and area offices. Management must maintain a sufficient supply of this document from the National Distribution Center using catalog number 10296C. Document 7368 contains valuable information on statute-specific topics; therefore, a copy will be given to each employee. No Statute imminent case will be transshipped within 90 days of the statute expiration date, the case must be worked by the campus with current ownership.
- (3) Campuses will work together to ensure Statutes receive priority.

4.19.6.7.4.1  
(02-15-2019)

#### Statute Searches

- (1) Statute Searches must be performed beginning 90 days prior to statute expiration date. For Form 4029 or Form 4361 applications, use the Form 1040 statute expiration date (generally April 15th). All inventories (paper and electronic) must be reviewed for statute imminent criteria and documented.
- (2) In addition, all new receipts must be reviewed as received, prior to controlling to a tax examiner. If the case is statute imminent, it needs to be labeled as such and expedited for processing.
- (3) Use the following Forms and Procedures for Statute searches:
  - a. Form 11122, Employees Statute Certification: Campuses must have all employees complete Form 11122, taking responsibility and documenting the biweekly statute searches beginning 90 days prior to the statute expiration date. These searches are to be increased to weekly searches 30 days prior to the statute expiration date. During the final week prior to the statute expiration date, increase the searches to daily. Each search performed must be documented.
  - b. Form 11122-A, Managers Statute Certification: Campuses must have two levels of management complete Form 11122-A, taking responsibility and documenting the biweekly statute searches beginning 90 days prior to the statute expiration date. These searches are to be increased to weekly searches 30 days prior to the statute expiration date. During the final week prior to the statute expiration date, increase the searches to daily. Each search performed must be documented.
  - c. The Operation is to confirm to HQ the statute searches have been completed via faxing the results within 10 business days following the end of each quarter.
  - d. The Operation Manager is to ensure Form 11122 and Form 11122-A are completed and maintained in the employee's/manager's Unofficial Personnel Folder drop file for three years. After three years, dispose of forms using classified waste procedures.

4.19.6.7.5  
(02-15-2019)

#### Inventory Reports

- (1) There are various CCA reports used to track and manage inventory within the Minister Waiver program:
  - CCA 4242: IDRS Inventory Control Report
  - CCA 4243: IDRS Overage Report
  - CCA 4244: IDRS Multiple Case Control Report
- (2) These reports are available on a weekly basis on Control D.

**Note:** The ORCAS-Manager can be utilized to review the CCA report on a weekly basis.

4.19.6.7.5.1  
(02-15-2019)

#### CCA 4242 IDRS

#### Inventory Control Report

- (1) This report summarizes inventory, receipts, closures, and age by category. It gives a broad picture of the inventory in the entire operation by category.
- (2) This report is available on Control-D on Monday mornings, Report Name: "Team Inv Report", Job Name: CCA4242D.
- (3) Items on the Report - For each case shown, the following information is provided:

<b>Case Category - Category of case (See Document 6209, Section 13, IDRS)</b>
Begin on Hand - Ending inventory volume from prior week's report
Total Receipts - Total number of new cases for current report
Aged Receipts - Number of cases aged as determined by category code
Case Transfer In/Out - Number of cases transferred in or out from one team to another
Category Change - Number of cases transferred from one category to another
Cases Closed - Total number of cases closed
Ending on Hand - Ending inventory volume
Status of Cases in Ending Inventory - Suspense, Assigned, Background Monitoring
0 Days - Number of cases in ending inventory within that age range
1-99 Days - Number of cases in ending inventory within that age range
100 Days or Over - Number of cases in ending inventory within the age range
Stat Age - Number of cases that fell within the statute age range

- (4) The Manager/Lead should utilize CCA 4242 as a tool to identify the weekly receipts, closures under each category and the number of cases that are aged upon receipt. No annotation is needed on this report; however, this report is a tool to monitor inventories and should be reviewed within 30 days of receipt.
- (5) It has been suggested the Department Manager or a delegate should review the report to monitor the number of cases and age of inventory in each category to determine if resource changes are needed. The Department Manager should maintain a copy of these reports for one year.

4.19.6.7.5.2  
(12-30-2022)  
**CCA 4243 IDRS Overage  
Report**

- (1) This report contains all cases controlled to an IDRS employee number and can be used to:
  - Identify cases that require action
  - Identify specific cases for review
  - Monitor the size of the employees' inventories
  - Determine if employees are working inventory in the proper order
  - Set closure expectations
  - Identify potential management problem cases
  - Monitor for the prevention of premature STAUP/TC 470
- (2) This report is available on Control-D every Monday morning, Report Name: "Overage Report", Job Name: CCA 4243D. The ORCAS coordinator will load the CCA report from Control-D into the ORCAS delivery database. Then the CCA report will be available to the ORCAS manager(s) and ORCAS TE.

- (3) Items on the Report - For each case shown, the following information is provided:

<b>TIN - Taxpayer Identification Number</b>
IRS RECD Date - The date IRS received the case
Status - Case History Status Code (A - Active, B- Background, C - Closed, M - Other long term delay, and S - Suspense)
BOD - Business Operating Division
CLC - Client Code
Category - Category of case
Freeze Codes - Freeze Codes that are on the IDRS account
MFT - Master File Tax
Mod Per - Tax Period on assigned account
ASSIGNED Date - The date the case was assigned to a tax examiner
Plan No - If applicable
Activity Code - A 10 character field on IDRS that the tax examiner uses to enter actions taken on the case
Name Ctrl - Name Control on taxpayer's account
Action Date - Date of last action input on the account
Age - Number of days case has aged on IDRS
MFT Mod Balance - Module Balance on IDRS
Stat Age - Indicates statute conditions for current and previous years returns - over, expired, or days remaining on statute
STAUP Cycle - Stops notices from generating until cycle listed
C Letter and Date - Date and type of CRX letter sent

- (4) The Manager/Lead must review this report to ensure staged inventory cases are being assigned according to IRS receive dates. Annotate cases for follow-up actions by COB Monday. The reports should be maintained for two months. Highlight the cases on the report where:
- The TE has failed to take timely actions such as follow-up on a case when the purge date has passed.
  - The case is in Nullified Unpostable (NLUN) category over 14 days old.
  - The Statute of Limitations will expire within 180 days.
  - The STAUP has expired or there is no STAUP on a balance due account.
- (5) Manager/Lead will provide the tax examiner with the page(s) of the report where the cases are controlled to their IDRS number. Tax examiner will notate the actions taken on each case worked. Annotations should include:
- "A"- Case is assigned to the employee
  - "C" - Case moved to closed status.

- “M” - Case moved to monitor status.
- “S” - Case moved to suspense status.
- Updated activity (for example: received an ATAO request, SSA lookup, etc.).

(6) The report should be returned to the Manager/Lead by the end of the employee's work week. The tax examiner should work cases in the following priority order:

- NLUN category cases.
- The statute will expire within 180 days.
- Taxpayer was contacted and purge date has passed.
- Remaining cases in oldest date received order.

#### 4.19.6.7.5.3

(02-15-2019)

#### **CCA 4244 IDRS Multiple Case Control Report**

- (1) This report identifies cases when two or more employees have an open control base on the same TIN. It identifies the employee's IDRS numbers, tax year, and category for the duplicate controls.
- (2) This report is available on Control-D every Monday morning. Report Name: “Multi Case Report”, Job Number: CCA 4244D.
- (3) Items on the Report - For each case shown, the following information is provided:

<b>TIN - Taxpayer Identification Number</b>
BOD - Business Operating Division
BOD CLC - Business Operating Division Client Code
F/S - File Source
MFT - Master File Tax Account Code
Tax Period - Identifies the tax period that was controlled
PLN - Plan number, if applicable
N/C> - Name Ctrl
C# - Control Base Number
Employee # - Employee number whom case is assigned to
Status - Case History Status Code
Category - Category of first case
IRS RECD Date - The first IRS received date
C# - Second Control Base Number
Employee # - Second employee number whom case is assigned to
Status - Second Case History Status Code
Category - Category of second case
IRS RECD Date - The second IRS received date

- (4) The Manager should:

- Provide the report by COB Monday to the employee identified as having controls on the case, highlighting the control number assigned to their team number.
- Instruct the employee to write the actions taken on the case on the report and return the annotated report to the Manager no later than close of business Wednesday.
- After it is returned by the employee, review the report to determine if the correct actions were taken or return to the employee with feedback on the actions that need to be taken.
- Maintain these reports for three months.



**Exhibit 4.19.6-1 (11-24-2021)****Activity Codes for Minister Waiver Processing**

The following Activity Codes provide additional information about the action taken on the case. They will be used, along with appropriate History Items to leave an adequate audit trail. This will assist with any subsequent review of the account. This list is not all inclusive:

**Suspense and Monitoring Activity Codes (IDRS CC: ACTON):** Use this information to update the IDRS control base and/or to manage suspense inventory to take next action in a timely manner.

Activity Code	Status Code	Description
287CMMDD	"S"	Letter 287C sent where "MMDD" represents the end of the suspense period.
401CMMDD	"S"	Letter 401C sent where "MMDD" represents the end of the suspense period.
FEMA-OMMDD	"S"	Disaster type "-O Freeze" case identified where "MMDD" represents the disaster end date.
FEMA-SMMDD	"S"	Disaster type "-S Freeze" case identified where "MMDD" represents the disaster end date.
LSTCSEMMDD	"S"	When requesting a copy of a lost application or correspondence where, "MMDD" represents the end of the suspense period.

**Activity Codes for Minister Waiver Closing Actions:** Use the following Activity Codes when taking closing actions on the case.

Activity Code	Status Code	Description
4361DISAPP	"C"	Form 4361 is disapproved
4361APPRVD	"C"	Form 4361 is approved
4029DISAPP	"C"	Form 4029 is disapproved
4029APPRVD	"C"	Form 4029 is approved
4361NODECL	"C"	Form 4361 is returned to the taxpayer due to not receiving the declaration.
4361DISCNT	"C"	Form 4361 is being discontinued per the taxpayer's request.

**Exhibit 4.19.6-1 (Cont. 1) (11-24-2021)****Activity Codes for Minister Waiver Processing**

<b>Activity Code</b>	<b>Status Code</b>	<b>Description</b>
SETEXMPVER	"C"	Form 1040/1040X referral for SE Tax exemption determination: taxpayer status verified per IDRS CC: IMFOLE research showing existing MINISTER SE TAX CD.
MW-NDTPNRX	"C"	Form 1040X referral for SE Tax exemption determination: no decision based on taxpayer providing insufficient information (or no reply).

**Exhibit 4.19.6-2 (02-15-2019)****Physical Inventory Certificate**

<b>Tax Examiner Name:</b>
IDRS#:
Date of CCA 4243:
Number of cases listed on your CCA 4243:

Action Taken	YES/NO
Verify received dates are correct.	Yes/No
Verify case was classified as correct program.	Yes/No
Correct MFT was input.	Yes/No
If case is missing, have followed the missing case procedure?	Yes/No
Ensured all appropriate interim letters have been issued.	Yes/No
Verified need for STAUPS and input if necessary.	Yes/No
Ensured you are working your cases in FIFO (First-In-First-Out) order.	Yes/No
Are cases in the correct status? (A-Assigned, M-Monitored, S-Suspense, etc)	Yes/No

Program (Minister Waiver)	Number of cases
Cases listed on your CCA 4243	-
Missing	-
Closed	-
Added (newly controlled)	-
<b>TOTAL</b>	-

<b>Number of cases currently in your possession:</b>
I certify I have taken all actions stated above.
Print Name:
Sign Name:
Date:

**Exhibit 4.19.6-3 (11-24-2021)****Wall Inventory Instruction and Certification**

<b>Print Name:</b>
Sign Name:
Date:

<b>Wall Instruction and Certification</b>
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Run the CCA 4243 for Minister Waiver. Sort the listing by age beginning with the earliest received date. This simplifies the process to verify each of the cases on your wall to the cases listed on the CCA 4243.

Verify that the count in each open batch listed in the log book matches with the CCA 4243.

Minister Waiver Program	Number of Cases
Cases listed on your CCA 4243	-
Missing	-
Closed	-
Added (Newly Controlled)	-
<b>Total</b>	-

I certify, I have reviewed the process used to complete this physical inventory and am confident it reflects true volumes currently in the Operation. I certify the actions taken by the TEs are correct and warranted.

<b>Department Manager Signature:</b>
Date:

<b>Operation Manager Signature:</b>
Date:

**Exhibit 4.19.6-4 (02-15-2019)****Batch Control Sheet**

<b>Min Waiver Batch Cover Sheet</b>
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IRS Rec'd Date:	Batch #:	Case Type:
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TIN	MFT	Tax Period	Program	Control	STAUPS	Interim Letter Issued	Additional Issues
xxx-xx-xxxx	xx	xxxxxx	MINW	287CXXXX	XX	XXXXXX	N/A
xxx-xx-xxxx	xx	xxxxxx	MINW	287CXXXX	XX	XXXXXX	N/A

