



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

4.19.21

NOVEMBER 27, 2023

EFFECTIVE DATE

(01-01-2024)

PURPOSE

- (1) This transmits revised IRM 4.19.21, Liability Determination, Clerical.

SCOPE

- (1) This IRM section contains general information on procedures and administrative matters relative to Examination Clerical functions. This is to be used as a guide for all Campus Examination functions.

MATERIAL CHANGES

- (1) IRM 4.19.21.1, Program Scope and Objectives - Updated the Policy and Program Owner title.
- (2) IRM 4.19.21.1.5, Acronyms - Added new acronyms used throughout this IRM and deleted acronyms obsolete to this IRM.
- (3) IRM 4.19.21.1.7, Taxpayer Bill of Rights (TBOR) - Added new subsection for TBOR.
- (4) IRM 4.19.21.2, Processing Incoming Correspondence - Updated paragraph (9) table to include the Correspondence Digitalization Initiative (CDI) and Document Insertion Tool (DIT)
- (5) IRM 4.19.21.2.1, Exam Mail Process - Deleted paragraph (2). Updated verbiage to new paragraph (5), moved Examination Mail Tool (EMT) link to new paragraph (5) and added new Undeliverable Reply Tool (URT) link. IPU issued 02-23-2023.
- (6) IRM 4.19.21.2.1.1, Exam Mail Process (EMP) Stages - Updated to include the CDI.
- (7) IRM 4.19.21.2.1.2, Exam Mail Process (EMP) Preliminary Sort - Updated title, formerly Exam Mail Process (EMP) Raw Sort; removed reference to manual processing.
- (8) IRM 4.19.21.2.1.3, Exam Mail Process (EMP) Research - Updated to include the CDI.
- (9) IRM 4.19.21.2.1.4, Exam Mail Process (EMP) Secondary Sort for Paper Receipts and CDI Rejects - Updated title, formerly Exam Mail Process (EMP) Secondary Sort.
- (10) IRM 4.19.21.2.1.5, Exam Mail Process (EMP) Move and Update - Updated to include the CDI.
- (11) IRM 4.19.21.2.3, Open Case Undeliverable Mail - Updated to include the CDI; Added instruction for research and routing an Identity Theft undeliverable.
- (12) Editorial changes were made throughout the IRM for clarity, including a review and update for plain language, titles, grammar, website addresses, and IRM references.

EFFECT ON OTHER DOCUMENTS

IRM 4.19.21, Clerical, dated December 5, 2022, effective January 03, 2023 is superseded. IPU 23U0299, issued February 23, 2023, has been incorporated into this IRM.

AUDIENCE

This IRM is intended for use by Wage and Investment (W&I) and Small Business/Self-Employed (SB/SE) Campus Examination employees.

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4.19.21
Clerical

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- 4.19.21.1
(01-01-2024)
Program Scope and Objectives
- (1) **Purpose:** This IRM section contains guidance and general information on procedures for Examination Clerical functions. The clerical function is basic in nature. However, each site's clerical staff can have varying duties. This IRM is written as a guide for the most common clerical duties. It is not all-inclusive.
 - (2) **Audience:** Wage and Investment (W&I) and Small Business/Self Employed (SB/SE) Campus Operations.
 - (3) **Policy Owner:** The Director of Refundable Credit Program (RCPM), Wage and Investment (W&I) and Small Business/Self Employed (SB/SE).
 - (4) **Program Owner:** The Director of RCPM, W&I.
 - (5) **Primary Stakeholders:** Wage and Investment (W&I) and Small Business/Self Employed (SB/SE).
 - (6) **Contact Information:** To recommend changes or make any other suggestions for this IRM section, send an email to the IRM author or use the Servicewide Electronic Research Program (SERP) Feedback Application.
- 4.19.21.1.1
(12-18-2017)
Background
- (1) This IRM provides uniform guidelines for the handling of incoming correspondence from taxpayers in reply to IRS issued correspondence. Also addressed are the generalized methods and set time frames that cases are held open at each step in the examination process.
 - (2) This subsection provides information on specific programs worked in Wage and Investment (W&I) Examination and Small Business/Self Employed (SB/SE) Campus Examination Operations.
- 4.19.21.1.2
(12-18-2017)
Authority
- (1) Congress has delegated the responsibility of administering the tax laws to the IRS. This responsibility is found in Title 26 of the Internal Revenue Code. Congress enacts tax laws, and the IRS enforces them.
 - (2) Policy Statement P-1-236: Fairness and Integrity in Enforcement Selection.
- 4.19.21.1.3
(12-06-2022)
Roles and Responsibilities
- (1) The Director, Refundable Credits Program Management is the executive responsible for the policies and procedures of this work.
 - (2) The Return Integrity & Compliance Services (RICS), Refundable Credits Program Management (RCPM), Exam Policy & Coordination (EPC) group establishes the policy for work performed in the W&I sites.
- 4.19.21.1.4
(12-18-2017)
Program Management and Review
- (1) Each frontline manager ensures timely completion of the work performed in the unit, addresses issues, and notifies the Department Manager of issues requiring elevation.
 - (2) Local issues are resolved at the local level. Issues that cannot be resolved at the frontline level, are reported to the Planning and Analysis (P&A) Staff. If the work issue or stoppage is determined to affect Examination nationwide, P&A will report the issue to the Headquarters analyst for resolution.

4.19.21.1.5
(01-01-2024)

Acronyms

- (1) The following table shows some of the most common acronyms used in Examination.

Acronym	Definition
ACE	Automated Correspondence Exam
AIMS	Audit Information Management System
CC	Command Code
CDI	Compliance Digitalization Initiative
CEAS	Correspondence Examination Automation Support
CII	Correspondence Imaging Inventory
CRD	Correspondence Received Date
DIT	Document Insertion Tool
DPA	Document Processing Assistant
DUT	Document Upload Tool
EMP	Examination Mail Process
EMT	Examination Mail Tool
RGS	Report Generation Software
SNOD	Statutory Notice of Deficiency
SSN	Social Security Number
TDC	Taxpayer Digital Communication
TY	Tax Year
TIN	Taxpayer Identification Number
URT	Undeliverable Reply Tool

- (2) Additional listings can be found at <https://rnet.web.irs.gov/Resources/AcronymSearch.aspx>.

4.19.21.1.6
(01-01-2022)

Related Resources

- (1) Liability Determination - Examination IRM structure is as follows:
- IRM 4.19.10, Examination General Overview
 - IRM 4.19.11, Examination Classification of Work
 - IRM 4.19.12, Centralized Files and Scheduling
 - IRM 4.19.13, General Case Development and Resolution
 - IRM 4.19.14, Refundable Credits Strategy
 - IRM 4.19.15, Discretionary Programs
 - IRM 4.19.16, Claims
 - IRM 4.19.19, Campus Examination Telephone Contacts
 - IRM 4.19.20, Automated Correspondence Exam (ACE) Processing Overview
 - IRM 25.23.10, Compliance Identity Theft Case Processing

4.19.21.1.7
(01-01-2024)
Taxpayer Bill of Rights (TBOR)

- (1) The Taxpayer Bill of Rights (TBOR) lists the rights already existing in the tax code, explaining them in plain language and grouping them into ten fundamental rights. Employees are responsible for being familiar with and acting in accord with taxpayer rights. For additional information about TBOR, see IRC 7803(a)(3), Execution of Duties in Accord with Taxpayer Rights, Pub 5170, Taxpayer Bill of Rights (Brochure), and *Taxpayer Bill of Rights*.

4.19.21.2
(01-01-2024)
Processing Incoming Correspondence

- (1) Correspondence is received by mail, fax, E-fax, Document Upload Tool (DUT), Taxpayer Digital Correspondence (TDC) received by secure messaging, and referrals from other areas. All new receipts, including but not limited to, undeliverables, misroutes, and Correspondence Imaging Inventory (CII) prints, must be reviewed when received, prior to controlling to a tax examiner.
- (2) Statute imminent cases must be expedited for processing. These cases are maintained in red folders to be readily identified. Virtual/digital cases should not be printed for placement in a red folder.
- (3) Statute imminent cases must be elevated to management to ensure proper handling. Notification by clerical is required when a statute imminent case is being assigned, and acknowledgment must be secured from the receiving team manager/lead.
- (4) Date stamp all paper correspondence within two business days of receipt in Examination.
- (5) For digital and faxed correspondence received, a date stamp is not required. The date will already be present on correspondence submitted digitally (TDC, DUT, Fax). **Exception:** If the fax is received from another internal department, date stamp to show when the Exam Operation received it.
- (6) If E-fax or faxed receipts are not dated and time stamped by the computer or fax machine, follow paper correspondence procedures.
- (7) To protect taxpayer privacy, the IRS masks social security numbers (SSNs) on most Computer Paragraph (CP) notices. To identify the account information for masked SSNs, use hand-held scanners to read the barcode. If the hand-held scanner is unavailable or unable to read the bar code, use IDRS CC TPIIP. For additional information on CC TPIIP, refer to IDRS Command Code Job Aid located on the Servicewide Electronic Research Program (SERP) under IRM Supplements.
- (8) Update correspondence within five business days of the date it was received in the Exam Operation.
- (9) Process all incoming correspondence through an initial mail sort as shown in the following If and Then table.

If	Then
Identifiable misroute without research	Route to the proper areas within five workdays.

If	Then
Agreed mail without comments or documents	<ol style="list-style-type: none"> Associate mail and update correspondence with RGS case file using Correspondence Digitalization Initiative (CDI). CDI will update cases to ST 51. <p>Note: Cases that are unable to process through CDI will need to be processed through the Exam Mail Tool (EMT). Refer to the EMT User Guide.</p> <ol style="list-style-type: none"> After CDI updates to ST 51, handle as priority work and assign to a unit/team for closure. <p>Caution: If the agreed mail is a post 90 day response, CDI will not update to ST 51 but still should be handled as priority.</p>
Agreed mail with comments or documents	<ol style="list-style-type: none"> Associate mail and update correspondence for RGS case file using CDI. After CDI updates to appropriate mail status, assign to a unit/team. <p>Note: Cases that are unable to be processed through CDI will need to be processed through the Examination Mail Tool (EMT). Refer to the EMT User Guide.</p>
Undeliverable AIMS Status 90	<p>Associate undeliverable documents with case file. Retrieve the case from archive, not for reconsideration, and use CDI or the Document Insertion Tool (DIT) to upload the documents. Return case to archive after upload.</p> <p>Note: If using CDI for insertion, the case will need to be reviewed in the DP RGS group to ensure the status is 90 and to move it back to archive.</p>
Unclaimed and/or refused mail from the post office AIMS Status 24 (certified mail is sent to the correct address but was not claimed by the taxpayer)	<ol style="list-style-type: none"> Associate and update unclaimed mail into the RGS case file using CDI or DIT. Ensure RGS/CEAS is updated to Status Code 2497. <p>Note: Do not overwrite Status Code 2498.</p>
Miscellaneous transcripts, reports and or charge outs	Route to the proper unit/team within Exam based on the campus policy.

If	Then
Correspondence	<ol style="list-style-type: none"> 1. For digitized correspondence, use CDI to process. CDI will research systems, complete document insertion to the case file and all applicable updates. 2. For digitized correspondence that CDI was not able to process or for non-digitized mail, use EMT to research systems and generate a cover sheet. If EMT does not provide enough information, research IDRS/RGS/CEAS to determine how to route or assign the correspondence. 3. If the case is assigned, route to the assigned examiner or team within 5 business days of the Exam mail received date. 4. If the case is an unassigned ACE/Batch case, update and route mail within 5 business days of Exam’s received date based on the local management procedure. 5. If the case is an unassigned manual case, use CDI to associate and update the mail. Assign case/mail within 5 business days of the Exam received date based on local management procedure.
AIMS Status 90 and meets audit reconsideration criteria (TC 300 is unpaid or an unre-served credit)	Send to Centralized Reconsideration Unit (CRU). See IRM 4.13.3, Central Reconsideration Unit.
AIMS Status 90 and does not meet audit reconsideration criteria	Route to team to work Closed Case Mail. See IRM 4.19.13.11.5, Correspondence or Return Received on Closed Examinations Not Meeting Audit Reconsideration Criteria.

(10) The following table details the Exam incoming correspondence workflow update process.

If	Then
Mail received in Status 10, 22XX, 23XX or 25XX	Update to the appropriate mail status (54, 55 or 57) and assign to a team/examiner.

If	Then
Mail received in ST 24XX	Update correspondence received date and case remains in ST 24. Assign to team/examiner. Note: Do not update/change a case from ST 24 on AIMS, or ST 2498 on CEAS, to process mail.

- (11) For W&I only, do not update the cases to Status 54 when correspondence is received with no information, or the taxpayer only provided a telephone number. The following table shows how to process this type of correspondence.

If	Then
Mail has no written response or documents submitted, but has a telephone number	<ol style="list-style-type: none"> 1. Enter the new telephone number on ENMOD. 2. Send Letter 131C to the taxpayer acknowledging receipt of the mail and state "We received your correspondence and updated your telephone number, but there was no written response or documents included. If needed, upload your documents using the Document Upload Tool, fax your documentation to (enter fax number) or mail it to the address in this letter." 3. Input a non-action note stating that mail was received, but no ywritten response or documents were provided. Be sure to put the new telephone number in the CEAS note.

If	Then
<p>Mail has no written response or documents submitted for a technical CET to review. Do not assign the case to a CET.</p>	<ol style="list-style-type: none"> <li data-bbox="1024 289 1435 699">1. Send Letter 131C to the taxpayer acknowledging receipt of the mail and state "We received your correspondence, but there was no written response or documents included. If needed, upload your documents using the Document Upload Tool, fax your documentation to (enter fax number) or mail it to the address in this letter. <li data-bbox="1024 699 1435 869">2. Input a non-action note stating that mail was received, but no written response or documents were provided.

4.19.21.2.1
(02-23-2023)
Exam Mail Process (EMP)

- (1) The EMP streamlines the processing of incoming exam correspondence using a centralized workstation.
- (2) The EMP applies to incoming correspondence received on paper, by fax and received digitally. However, it is recommended that the different types of mail be processed separately through EMP (paper, fax, DUT).
- (3) The process uses a U-shaped workstation configuration that allows for all mail processing to be visible and performed in one central location, which promotes flexibility of planning and staffing. Digitized mail must be monitored differently, through application reports and electronic means, but still contributes greatly to increased flexibility of planning and staffing.
- (4) Each desk on the two arms of the workstation operates independently. One arm may be shut down when the work volume is low. Duties can be specialized or rotated to allow flexibility.
- (5) User tools that systemically research and update incoming mail are CDI, EMT, and the URT. These tools must be used to process taxpayer correspondence and undeliverable/unclaimed mail. See the CDI User Guide. The EMT Guide is located at *CAT Tools - EMT.Net*. The URT User Guide can be found on the Knowledge Management Database, under *Report Generation Software (RGS) and CEAS - Campus Training (irsnet.gov)*.

4.19.21.2.1.1
(01-01-2024)
Exam Mail Process (EMP) Stages

- (1) Follow the Exam Mail Process for digital cases as shown below.
 - a. Conduct a preliminary sort of all incoming correspondence to identify closed agreed cases and obvious misroutes. Separate correspondence into different mail types.

Note: Paper correspondence should be digitized (scanned) for case association in RGS.

- b. Process digitized documents using CDI. Refer to the CDI User Guide. If rejected from CDI, input through EMT.
- c. Process CDI rejects or paper receipts using EMT as follows:
 - Input taxpayer data into EMT.
 - Run EMT processing.
 - Associate EMT coversheets with correspondence.
 - Move to central mail handling group for distribution to correspondence examination teams.

4.19.21.2.1.2
(01-01-2024)

**Exam Mail Process
(EMP) Preliminary Sort**

- (1) The table below identifies the preliminary sort filters. See also IRM 4.19.21.2.2, Correspondence Filtered from the Exam Mail Process (EMP), for more information.

Correspondence Description	Folder ID
Form 4442 (without attachments)	Form 4442
Signed Form 886-H (without attachments)	Form 886-H
Innocent Spouse	Form 8857
A taxpayer's request to make payments or completed "How to Pay" document with no additional documentation attached	Installment Agreements
Form 2848 or Form 8821 (without documents)	POAs
Indication of payment without signature document (green rocker)	Possible Payments
Undeliverable or Unclaimed Letter 3219 – Statutory Notice of Deficiency	Undeliverable or Unclaimed 90-Day Letter Undeliverable or Unclaimed 90-Day Letter
Undeliverable or Unclaimed Letter 105C/ Letter 106C	Undeliverable or Unclaimed Letter 105C/ Letter 106C
Undeliverable or Unclaimed Letters, e.g., 566, 566B, 566E, 525, 692, 3501, 3540, 3540-A, 3541, 3541-A, CP75	Undeliverable or Unclaimed Letters

Note: If remittance is discovered during the handling of taxpayer correspondence, follow IRM 3.8.46, Discovered Remittances.

4.19.21.2.1.3
(01-01-2024)

**Exam Mail Process
(EMP) Research**

- (1) Clerks will perform the following actions:

- a. Perform any additional research on the correspondence remaining after the preliminary sort to identify missing social security numbers (SSNs), missing tax years, etc., to prepare the correspondence to continue through CDI or EMT.

Note: Digitized mail PDFs must have the standard naming convention as outlined in the CDI guide to be inserted to RGS via CDI or DIT. Naming digitized documents can be accomplished manually, through Ephesoft validation or by using the DPA. CDI will research, update and insert correspondence with the RGS case file, unless it meets a business rule for non-insertion. In that case, the correspondence should be processed using EMT.

- b. Input paper and digitized mail not able to process through CDI into EMT. After input, associate with the EMT Unprocessed Bundle Summary Report. There must be a minimum of 15 documents input for EMT to process. After EMT processing is complete, associate Bundle Summary Reports and individual cover sheets accordingly.
- c. If extensive research is required, refer the unresolved correspondence to the work leader.

4.19.21.2.1.4
(01-01-2024)
**Exam Mail Process
(EMP) Secondary Sort
for Paper Receipts and
CDI Rejects**

- (1) The secondary sort is performed on CDI rejects not successfully processed through EMT and on paper cases that EMT did not successfully process. When this occurs, manual updating or action must be taken. The following table identifies mail that cannot be updated through EMT.

Manual and/or EMT Research Result	Folder ID
Assigned to a technical group	Group EGC #
Future Status 24 date	Future Status 24
No indication of Exam activity (no TC 420, -L freeze or TC 300)	No Exam
Other Campus/Office (and does not meet Self-Assign criteria)	Primary Business Code (PBC) #
Pending CRD update on CEAS or already in Status 5x/mail handling group	Possible Duplicates
Pending Status 22	Pending Status 22
RGS Group B1/B2/Batch Team	B1/B2/Batch Team
Status 09 or below	Not started
Status 51	Recon Status 51
Status 90 or Status 7XXX	Closed Case Mail – some sites may sort into Closed Case Mail and Audit
Subsequent replies Status xx98 – reassign correspondence to the examiner that worked prior correspondence whenever possible.	Refiles/Reassign

Manual and/or EMT Research Result	Folder ID
Unresolved issues – missing SSNs, etc. requiring extensive research	Unresolved

4.19.21.2.1.5
(01-01-2024)

**Exam Mail Process
(EMP) Move and Update**

- (1) CDI processing automates movement of cases to the RGS Digital Processing (DP) group and updates CEAS and AIMS appropriately for assignment.
- (2) For EMT paper processing, collect bundles of correspondence from the cart using the following criteria:
 - a. By EGC
 - b. In CRD order from the oldest date
 - c. In no more than bundles of 50 pieces of correspondence
- (3) After EMT input, move the cases from RGS Group B0 or other RGS EMP group to the RGS Mail Handling (MH) group.

Note: For CDI processed cases, update appropriate EGC and assign out of RGS DP group. The cases do not need to be pulled from B0 and put into the MH group.

- (4) When updating AIMS and CEAS through RGS, clerks should include a unique identifier in the Action Text. The unique identifier can be either the clerk's initials or RGS user number as determined by local management. The following Action Text references the clerk identifier as 'XXX.'
- (5) Update AIMS and CEAS through RGS for each piece of correspondence in the bundle following normal correspondence update procedures. The Action Text input will be 'EMPreplyXXX.' Associate the correspondence with any physical case files during this step.

4.19.21.2.1.6
(01-01-2022)

**Exam Mail Process
(EMP) Divide and Assign**

- (1) The clerks divide the work for assignment according to local procedures.
- (2) Update AIMS and CEAS through RGS to the designated EGC following normal update and assign procedures. The Action Text input will be 'AssignNNXXX,' where NN is the RGS Group Number.

4.19.21.2.2
(12-06-2022)

**Correspondence Filtered
from the Exam Mail
Process (EMP)**

- (1) Correspondence filtered during the Preliminary Sort and Secondary Sort requires clerical action outside of the EMP.

- (2) Complete the following actions on correspondence filtered from the Preliminary Sort as shown in the following table:

If Filter ID	Then
CII Prints	Assign to technical CET to determine if: <ol style="list-style-type: none"> 1. Correspondence Imaging Inventory (CII) information was already considered or 2. CII information will be treated as correspondence.
Form 886-H	Assign to technical CET to determine if: <ol style="list-style-type: none"> 1. Taxpayer qualifies for self-only Earned Income Tax Credit (EITC) and revised report required or 2. Form 886-H will be treated as correspondence.
Form 4442	Assign to technical CET to determine if: <ol style="list-style-type: none"> 1. Information was already considered or 2. If case is assigned, route accordingly. If case is unassigned, route to a technical team for resolution. Do not update as mail but treat as a priority.
Form 8857	Follow IRM 4.19.13.24, Innocent Spouse Relief/Joint and Several Liability.
Form 12203	For W&I only: These forms need to be expedited. Route to the Appeals Coordinator for technical review and necessary action.
Form 14027 B/Form 14039	<ol style="list-style-type: none"> 1. Print and attach research to determine proper routing. 2. Forward to local Exam Identity (ID) Theft Coordinator for review and action.
Installment Agreement	Assign to technical CET for review to determine if the case will be: <ol style="list-style-type: none"> 1. Closed agreed and then forward Installment Agreement (IA) request to the co-located Collection operation or 2. Treated as correspondence.
POAs	Follow IRM 4.19.13.9, Power of Attorney and Other Third Party Authorizations.
Shared Responsibility Payment (SRP) Worksheets	If the taxpayer only provides a copy of the SRP worksheet during the Preliminary sort for tax years 2018 and prior, do not update to status 54, 55 or 57 through the Exam Mail Tool (EMT). Make a copy of the worksheet and send to the designated SRP area. Then forward the original worksheet to the assigned exam group or individual. Input a Non-Action CEAS note saying the worksheet was receive, copied, and forwarded.

If Filter ID	Then
No Response	Follow IRM 4.19.13.13, No Response Cases.
Possible Payments Pre 90- Day	Route to technical team (CET) to determine if case can be closed agreed per full payment.
Possible Payments post 90-Day	Case cannot be closed without a signed agreement from the taxpayer regardless of case being full paid.
Undeliverable or Unclaimed 90-Day Letter	Follow IRM 4.19.21.2, Processing Incoming Correspondence.
Undeliverable or Unclaimed Letters 105C/106C	
Undeliverable or Unclaimed Letters	

- (3) The table below describes how to complete the following actions on correspondence filtered from the Secondary Sort:

If Filter ID	Then
Employee Group Code (EGC #)	EGC owner completes necessary action.
Future Status 24	Follow IRM 4.19.20.2.6, Aging, to determine account update.
Aged Mail	Refer to IRM 4.19.13.12, Monitoring Overaged Replies. Assignment to a team must be given priority.
No Exam	Follow All Campuses "Mail Routing Guide" to determine proper routing.
A different Primary Business Code (PBC)	Follow Automated Information Management System (AIMS) /Exam Return Control System (ERCS) Contacts to determine proper routing.

If Filter ID	Then
Possible Duplicates	<ol style="list-style-type: none"> 1. Look at the Action Text <ul style="list-style-type: none"> • If 'Reply 54XXX,' associate the duplicates together. • If 'Reply EPTXXX,' it is waiting to be updated to a group and is in an assign bundle. Locate and associate the duplicates together. 2. Make sure the oldest correspondence date is reflected on AIMS/CEAS.
Pending Status 22	<ol style="list-style-type: none"> 1. Make a current AIMS print and monitor CEAS for the status update. 2. Once the 'P' drops off the record the case can be returned to EMP.
Status <10	Do not update to a mail status but assign the unstarted case in RGS, with digital mail uploaded to a technical team.
Status 51	Assign to a technical team for closure or appropriate action.
Closed Case Mail	Complete first read to determine if meets audit reconsideration criteria or closed mail criteria or if already considered.
Refiles (cases previously worked by CETs)	View CEAS to determine if case was previously assigned to a CET with mail. Complete update and assignment. Follow local procedures regarding correspondence assignment.
Unresolved	Forward for technical review to determine the correct action for the correspondence.

4.19.21.2.3
(01-01-2024)
**Open Case
Undeliverable Mail**

- (1) Taxpayers have a right to receive information concerning any federal taxes assessed against them. The Service is required to exercise due diligence to find and use taxpayer's last known address. Treas. Reg. Section 301.6212-2(a) defines "last known address" as the address on the most recently filed and properly processed tax return unless the taxpayer has clearly and concisely notified the IRS of a change of address. In addition, the IRS also updates the

taxpayer's address of record by using the United States Postal Service's (USPS) National Change of Address database (NCOA) in accordance with Treas. Reg. 301.6212-2. Undeliverable mail is given priority to ensure that letters are timely sent to the taxpayer's correct address.

- (2) Instruction for closed case undeliverable letters and unclaimed mail can be found in the table in IRM 4.19.21.2 (9).
- (3) Sort undeliverable letters by initial contact/30 day and certified/registered letters. Scan certified/registered letters and the envelopes to be inserted into RGS using CDI. Envelopes for certified/registered mail should be stapled to the notices for CDI rejects. Undeliverables should be researched through URT, and while research is the same for all undeliverable letters, the resulting actions are different. When you are performing IDRS research and find a positive result (new address, IDT indicator, etc.), print a copy of the IDRS screen and staple it to the letter.
- (4) Use the URT for researching and updating undeliverable and unclaimed mail.

Note: Yellow labels are excluded from the entry into URT.

- a. The IRS may update the taxpayer's last known address using a USPS yellow label if research strongly indicates the individual on the yellow label is the taxpayer in question. Use the following table to decide if the taxpayer address can be updated with the address provided on the yellow USPS label.

Determining a new address using the USPS yellow label

If	Then
The taxpayer's name printed in the letter and shown on the yellow label are an exact match, but the address is different.	Update the taxpayer address on IDRS and RGS to the yellow label address.
The taxpayer first name printed in the letter is similar to the first name on the yellow label, and the last name is an exact match.	Research to see if IRS records show any other taxpayers with similar first names and the exact same last name at the same address. If there are no similar names, update the taxpayer address on IDRS and RGS to the address on the yellow label. If there are similar names, do not update the address.

- b. If there is no yellow label or the yellow label could not be used to update the address, check IDRS Command Code (CC)ENMOD for a new address. If there is a new address on IDRS, which is different than the one on the letter, print and staple the IDRS print to the undeliverable letter.

Note: Prior to re-mailing letters to the taxpayer, remove the attached IDRS research print.

- (5) Review CC ENMOD or IMFOLE and AIMS for an Identity Theft (IDT) indicator. If an IDT indicator is present, take no further action and route the undeliverable to the ID Theft Liaison for technical review/action.
- (6) If no new address is found and the return is not married filing joint (MFJ), check CC INOLES to see if the taxpayer is deceased.
- (7) Check CC CFINK for an active Power of Attorney (POA) or Fiduciary for cases where the taxpayer is not deceased, no other address was found, and no POA or Fiduciary is included on original mailing.
The table below lists the actions to take after research is completed.

Note: All research and actions taken must be documented in a CEAS Non-Action Note or on the Form 4700 workpaper. Include relevant information that may have been provided on the envelope.

Research Result	Action for initial contact/30-day letter	Action for certified or registered letter
New Address Found	<ol style="list-style-type: none"> 1. Remail the letter to the new address. 2. Update the suspense date to be 30 days from the date the letter is re-mailed. 3. Update the taxpayer address on RGS and/or IDRS as applicable. 	<ol style="list-style-type: none"> 1. Check the cycle on ENMOD in which the address change was made and match against the 90-Day (Statutory Notice of Deficiency - SNOD) letter date. If the date of the new address change is: <ol style="list-style-type: none"> a. Before the 90-Day letter was issued: re-issue the 90-Day letter to the correct address and update the taxpayer address on RGS and/or IDRS as applicable. b. After the 90-Day letter was issued: re-mail a copy of the current 90-Day letter to the correct address. Update the taxpayer address on RGS and/or IDRS as applicable. 2. Associate the original letter and envelope with case file. 3. Update status/status extension (on CEAS/RGS only) to 2499. Note: Do not update if currently in Status 2498.

Research Result	Action for initial contact/30-day letter	Action for certified or registered letter
Taxpayer deceased (not MFJ)	Destroy the letter	<ol style="list-style-type: none"> 1. Associate the undeliverable letter/envelope with the case file. 2. Update status/status extension (on CEAS/RGS only) to 2499. Note: Do not update if currently in Status 2498.
Taxpayer not deceased and no new address or active POA/ fiduciary	Destroy the letter	<ol style="list-style-type: none"> 1. Associate the undeliverable letter/envelope with the case file. 2. Update status/status extension (on CEAS/RGS only) to 2499. Note: Do not update if currently in Status 2498.

- (8) Assign/forward any certified/registered mail that needs to be re-issued to the appropriate team.
- (9) Assign/forward any other undeliverable letters requiring further technical review (e.g., validation of POA/ fiduciary) to an RGS team.

4.19.21.3
(12-06-2022)

Statutory Notices

- (1) Statutory Notice of Deficiencies are created through Report Generation Software (RGS). The statutory notice of deficiency (SNOD) is processed through the AMSTUS/STN02 program and those accepted are printed and mailed by the Correspondence Production Services (CPS) site.
 - The two consolidated sites are CPS East in Detroit and CPS West in Ogden.
 - For cases that are accepted into the STN02 process, the SNOD and the mail out package, including the report, are systemically dated the third Monday after the aging program.
 - For cases that fail the validity checks for CPS processing, print and mail the SNOD locally and date for the Friday following the aging program.
 - Cases that fail the STN02 process are generated by the AMSTUS/STN01 process in Machine Services at the site level, and then shipped to Exam for association with the copy of the report and mailing. The Batch Aging copy of the report is be generated and printed within the Exam area.
 - Verify that the correct penalty code (if any) has been cited and the Form 886-A computation matches the amount of the report.
 - If generating a SNOD through AMSTUS/STN01 or preparing a handwritten SNOD, any payments on TXMOD (i.e., TC 640 or TC 670), must be considered prior to the issuance of the SNOD. Ensure the case is reviewed for a determination to issue the SNOD or close the case as agreed.
 - A digitized copy of the SNOD will be maintained in RGS/CEAS.
 - SNODs will be kept bundled in mail out date, then SSN order.
- (2) Only in very rare situations will a case reject from B1 and need a manual Form 5600, Statutory Notice Worksheet, input to IDRS. If this occurs, input the Form

5600 to IDRS and when the statutory notice arrives, check figures for accuracy and ensure the proper number of copies were printed (two SNODs for the taxpayer, one for file, and one for a representative if one is listed on Centralized Authorization File (CAF). Verify using CC CFINK. In most of the work, Batch will provide a listing of all cases going into the 90-Day process. The SNOD and the certified listing will generate in Machine Services. The report will generate in Batch. Check filing status with IDRS entity.

- (3) Associate the report with the 90-Day letter and mail to the taxpayer using current procedures. Insert two copies of the SNOD, the Form 886-A, applicable letter, and any attachments into the appropriate envelope (e.g., E-44-B, E-142, E-212, or E-213).
- (4) **Reject Listings:** The following reports are generated weekly via STN02 and should be printed and worked weekly.
 - STN FAILED TO MERGE DETAIL
 - BATCH PRINT REJECT REPORT
 - EXCEPTION LIST
 - ARP0843 - AIMS Weekly Updates (new addresses) are used for STN 01, 02 and manual cases
 - STN0147 - Manual Research Report from Control D are used for STN 01 and manual cases for a variety of reject reasons.
- (5) Replies Received in **Status 24 STN01, B0 Manual:**
 - Pull the SNOD
 - If no CRD is on RGS/CEAS, input one.
 - If the case is assigned to a group, deliver the reply to the appropriate group. Unit clerk will update RGS/CEAS to Status 2498 and assign the case to CET.
 - **Do not** update the status on AIMS. Leave all 90-Day cases in status 24.
 - If the case is not assigned to a correspondence group, assign it to one based on guidelines set by the local management.
- (6) **STN02 and prior Status 23 or 25:**
 - If there is a physical case when an STN02 Statutory Notice of Deficiency is issued by CPS, follow campus procedure for staging the status 24 case file during the aging process.
- (7) **Defaulting STN02 With No Replies (Blocking Series 40 X):**
 - A listing (in SSN order) of the cases that have defaulted will be provided by the ACE Coordinator.
 - Form 13181, Examination Report Generation Software (RGS) Closing Information, is generated in the Print Manager Program. Properly dispose of it.
- (8) **Defaulting STN02 Cases With Replies** Case will consist of the following when it is forwarded to files:
 - Taxpayer correspondence,
 - Note:** For digitized cases, taxpayer correspondence is purged after 180 days and there is no need to forward to Files. The taxpayer's correspondence is maintained in digital form in CEAS.

- Closing Information Cover Sheet (Form 13181).
- (9) **Defaulting Cases STN01/B0 Manual With No Reply** Case will consist of the following when it is forwarded to files:
- Closing Information Cover Sheet (Form 13181),
 - Statutory Notice of Deficiency, and
 - Any attachments or documents not saved electronically.

4.19.21.4
(12-06-2022)
Mail Outs

- (1) The clerical function will assemble the letter package and prepare the envelope for mail out. If the letter is a SNOD, and a joint return both taxpayers must receive a copy so each package would contain the same information. The package will contain the following:
- a. One (1) copy of the letter
 - b. One (1) copy of the exam report
 - c. One (1) copy of Form 14817 , Reply Coversheet for Exam Correspondence
 - d. One (1) copy of the Form 886
 - e. One (1) return envelope
- (2) Place package in envelope E-44-B.
- (3) If the letter package does not contain all the above mentioned items and is no more than 5 to 8 pages, use a smaller envelope if possible.

Caution: If a smaller envelope is used, ensure no sensitive taxpayer information is visible in the window of the envelope.

- (4) Periodically, Exam mails letters to foreign addresses. Detailed information on international mail is found in IRM 1.22.3.4, Addressing Standards for International Mail.

4.19.21.5
(12-06-2022)
Maintaining Files

- (1) Assist local management in the preparation and review of reports.
- (2) Receive weekly listings such as status workloads, ARP340, etc.
- (3) Responsibilities include researching RGS/CEAS, AIMS, IDRS, and paper case files, to:
- Account for the case and/or determine if the case was forwarded elsewhere.
 - Monitor dates to ensure work is moved to next status promptly.
 - Update all cases going to another unit (such as 90 day unit).
 - Update on AIMS/RGS/CEAS/IDRS. Follow procedures in the Batch Processing Guidelines to update.
- (4) When updating AIMS and CEAS through RGS, clerks should include a unique identifier in the Action Text. The unique identifier can be either the clerk's initials or RGS user number as determined by local management.
- (5) The following suggested Action Text in the table below references the clerk identifier as XXX, #### indicates the EGC and NN is the RGS Group Number.

Standard Action Text

Text	Use When
Upmail XXX	Updating mail in any unit
Upfax XXX	Updating faxes in any unit
Und XXX	Changing a status extension and/or EGC due to an undeliverable Letter 525 or Letter 3219
3219Unc XXX	Changing a status extension and/or EGC due to an unclaimed Letter 3219
AssignXXX	Moving a case from one group to another and no other action is taking place other than the assignment
B0rej XXX	Moving rejected cases to M1 for update/reassignment to a unit, for correction
Reject XXX	Rejecting manual cases from approval screens
####Ltr XXX	Mailing of any letter to the taxpayer
B1rej XXX	Updating Batch reject cases and assigning from B1 to another unit
Miscfix XXX	Doing miscellaneous corrections to a case within the same unit
Agreed XXX	Updating Agreed mail within a unit or sending an Agreed between units
Phone XXX	Updating a case, when a phone call is made to a taxpayer in lieu of a letter taxpayer
TP Ext XXX	Extending the suspend date, per taxpayer request.
EMPRReplyXXX	Updating the CRD and status on an account
AssignNNXXX	Assigning a case to a group or to an individual

- (6) The following procedures described in the table below are standard for maintaining Examination cases in RGS/CEAS.

If	Then
Case is reassigned to another unit	<ol style="list-style-type: none"> 1. Update AIMS, RGS, CEAS, and IDRS. 2. Update case to the receiving EGC and RGS group number. <p>Reminder: Cases in Batch are maintained in the Batch inventory, not in a unit inventory. The cases must be removed from B0 before updating.</p>
Correspondence is received	<ol style="list-style-type: none"> 1. Use the earliest IRS received date. 2. Input the correspondence date within 5 business days of receipt in Exam. 3. Follow IRM 4.19.21.2, Processing Incoming Correspondence. <p>Reminder: The CRD date needs to be input any time correspondence is received.</p>
Case is updated	Every time a case is updated (e.g., when case updated to status 54 or when moved from unit to unit, etc.)
Mail Received	<ol style="list-style-type: none"> 1. Cases with no SNOD issued update to 54/55/57 accordingly. 2. Cases with a SNOD issued, do not change status 24 on AIMS and update CEAS to include the 98 extension on the status (2498).

If	Then
Suspense Date update	Follow IRM 4.19.10.1.7.2, Standard Suspense Periods for Correspondence Examination, for inputting suspense dates. By double-clicking on the suspense date field in the RGS Update Screen, a calendar tool is available to assist in inputting the correct Suspense date.
<p>Note: These procedures are not all inclusive. Examiners should consult with the team/work leader and/or the manager for work anomalies.</p>	

- (7) Cases in Group B0 must have the proper status code extension so that the correct Blocking Series, Technique and Disposal Code is applied to defaulted cases during the Automated ACE closing process. The table below details that information:

Status	Disposal Code	Technique Code	Blocking Series
no 3rd and 4th digits	10	6	40X
XX90	10	6	30X
XX91	10	6	30X
XX93 Paper no reply	10	6	30X
XX97 Unclaimed/ refused	10	6	30X
XX98 Response	10	2	30X
XX99 Undeliverable	13	7	30X

4.19.21.5.1
(12-06-2022)
Self-Assign Uses Other Than Closures

- (1) The Self-Assign function in CEAS is commonly used by examiners working phone calls to reassign a case from another campus or within their campus inventory for case closures. The Self-Assign function is also used to complete the following:
- a. Processing misdirected agreed closures at the receiving site
 - b. Transferring cases between groups within the site
 - c. Transferring cases to consolidate multiple year cases to one examiner
 - d. Assigning Virtual Service Delivery (VSD) cases

- e. Assigning Taxpayer Digital Communication (TDI). Refer to IRM 4.19.13.33, Taxpayer Digital Communications (TDC) - Secure Messaging, for information on self-assigning TDC cases.
- (2) Refer to IRM 4.19.19.6, Self-Assign General, and IRM 4.19.19.6.1, Self-Assign Procedures, for information on Self-Assign reject codes and other conditions when self-assign is not allowed.
- (3) It is the responsibility of the gaining site to close self-assigned cases within 48 hours. The losing site will identify all paper files by researching the monthly self-assign reports, identifying the TC 300 Document Locator Number (DLN) and sending the case documents to files. See IRM 4.19.13.19, RGS Case File Assembly, to determine the required case documents.
- (4) It is the responsibility of the gaining site to contact the losing site to secure case correspondence if the self-assigned case is not closed within 48 business hours. If not contacted, the losing site can send case documents to the gaining site when they identify cases not closed in 48 hours.

4.19.21.6
(01-01-2011)

Routing Closed Cases

- (1) All closed cases that have a SNOD, a Reply, Agreed Report or were closed elsewhere by Self-Assign, will be forwarded to files.
 - Forward the Form 13181, Closing Information Cover Sheet, and attachments, to the Documents Retention Unit for association with Form 5147 transmittals.
 - Any attachments or miscellaneous documents that need association with a previously closed file will be forwarded using Form 9856, Attachment Alert, or an IMFOLT print highlighting the SSN, tax year, name control and document locator number (DLN) as a cover sheet.

4.19.21.6.1
(01-01-2011)

Identifying and Re-filing Residual Paper Case Files Closed by a Campus Using Self-Assign

- (1) Headquarters Correspondence Examination System Support (CESS) provides a monthly Self-Assign report. This report should be used to identify cases in the losing site that need to be pulled and paper documents sent to Files.
 - All “losing” WI campuses must review the report within 7 days of receipt by researching CEAS and reviewing the CEAS history to identify and resolve paper case files remaining in the losing campus.
 - No action is required for paperless cases identified on the report.
 - For paper case files, research IDRS to secure the TC 300 closing DLN and re-file the applicable correspondence and documents to Files per IRM 4.19.13.19, RGS Case File Assembly.

Exception: If an original return is in the losing campus case file for programs such as FTHBC/LTR, the original return should be re-filed behind the TC 150 DLN since the gaining campus will close the case without having the original return.
 - For Self-Assign procedures see, IRM 4.19.19.6, Self-Assign General.

4.19.21.6.2
(12-06-2022)

**Handling Paper
Correspondence for
Digitized (Virtualized)
Cases**

- (1) Cases with an AIMS tracking code 6746 have been converted to electronic case files. Incoming correspondence, E-Faxes and all paper documents have been uploaded to the case in the Office Documents section on RGS. Cases that have been partially converted to digital/virtual, but also contain paper correspondence will need tracking code 6697 to identify the case as a hybrid case.
- (2) After being uploaded to RGS, the documents for digitized (virtualized) cases are housed in the clerical area by the IRS Correspondence Received Date (CRD) in TIN order.
- (3) SB/SE and W&I RICS RCEO will retain the paper correspondence for an electronic case for **180 days** from the IRS CRD. SB/SE and W&I will destroy the paper correspondence 180 days from the CRD following the procedures in IRM 10.5.1.6.10, Disposition and Destruction, unless there is a business need to retain the correspondence for a longer period.
- (4) Even though the correspondence for an electronic case is not sent to Files, the Form 13181 must still be sent to Files. Form 13181 contains the instructions for contacting the RGS Coordinator to secure copies of the case documents for an electronic case, if the requestor does not have access to RGS.

4.19.21.7
(12-06-2022)

Researching Accounts

- (1) There are numerous command codes for case research. The Servicewide inventory Exam control system is AIMS. Prior to most case activity, research should be performed.
- (2) See IRM 4.19.13.4, Researching Cases. This section contains the common command codes for research.
- (3) IDRS Command Code Job Aid on SERP under IRM Supplements. See *IDRS Command Code Job Aid*.

4.19.21.8
(12-06-2022)

Address Change-IDRS

- (1) Address changes can be made when:
 - There is direct contact made by the taxpayer
 - Form 8822, Change of Address, is received
 - The yellow USPS label on undeliverable mail presents a new address
 - Taxpayer provides new address in correspondence/reply

Caution: Update Masterfile (MF) based on the yellow label, only after research is conducted and strongly indicates the address reflected is the most current. See IRM 4.19.21.2.3(5)a.

Note: IDTVA will make necessary changes to the name and/or the address on MF. See IRM 4.19.13.27.4, Masterfile shows a Service Center Address as the Taxpayer's Address, for additional information. Do **not** update the address if there is an Identify Theft indicator present on CC ENMOD or IMFOLE. An IDT indicator is a TC 971 with an action code (AC) 501, 504, 505, 506, or 522, 524. Additional research must be performed to ensure that the addressee is the intended taxpayer. The update to the entity information will be completed by IDTVA in Accounts Management when the account is corrected. Contact your Identity Theft Liaison for additional information.

- (2) CC ENREQ is the command code used for initiating an address change.

- (3) IDRS Command Code Job Aid on SERP under IRM Supplements (see link for Command Code Job Aid). See SERP - Job Aids (irs.gov).

4.19.21.9
(12-06-2022)

Statute Awareness

- (1) Statute searches must be performed beginning 90 days prior to the Statute expiration date. All inventories, both paper and electronic, must be reviewed for statute imminent criteria to expedite processing.
- (2) Campuses must have all employees complete Form 11122, Employee's Statute Certification, 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.
- (3) To identify digital/virtual/paper statute imminent cases, close monitoring should be conducted in RGS and through AIMS generated reports (Table 4.0).