



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

5.4.10

JULY 15, 2024

## EFFECTIVE DATE

(07-15-2024)

## PURPOSE

- (1) This transmits revised IRM 5.4.10, Case Processing, General Case Processing.

## MATERIAL CHANGES

- (1) The following updates have been made to this IRM:

IRM	CHANGE
IRM 5.4.10.2(4)	Added CCP procedures for inputting Employer Shared Responsibility Payment (ESRP) adjustments.
IRM 5.4.10.4(5)	Added status 26 COVID-19 employer tax credits and/or social security tax deferrals to the Service Level Agreement (SLA) criteria that Accounts Management processes.
IRM 5.4.10.2.3.1(5)	Added new mandatory IAT tools.
IRM 5.4.10.2.3.1(6)	Added new suggested IAT tool.
IRM 5.4.10.7.4.1(7)	Removed reference to sending paper file to clerical; these type of files go directly to Closed Case.
IRM 5.4.10.7.4.2(5)	Removed reference to sending paper file to clerical; these type of files go directly to Closed Case.
IRM 5.4.10.7.4.2(7)(a)	Removed reference to requesting paper file from clerical; these type of files go directly to Closed Case.
IRM 5.4.10.7.4.2(8)	Removed reference to mailing paper file to GM; these type of files go directly to Closed Case.
Throughout	Updated IAT Website to IAT SharePoint.
Throughout	Editorial Changes have been made in this IRM to update references, terminology, SharePoint addresses, and comply with current writing standards.

## **EFFECT ON OTHER DOCUMENTS**

IRM 5.4.10 dated May 31, 2023 is superseded. The following interim guidance is incorporated: IG SBSE-05-0722-0052 dated 07/19/2022 and IG SBSE-05-0723-0041 dated 07/25/2023.

## **AUDIENCE**

Tax examining technicians in SB/SE Collection Centralized Case Processing at the Philadelphia Campus

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Small Business/Self-Employed

5.4.10

General Case Processing

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5.4.10.1  
(12-20-2019)  
**Program Scope and Objectives**

- (1) **Purpose:** This IRM provides technical information and guidance for a variety of campus collection processing procedures on cases originating with Field Collection, not otherwise addressed in more specialized IRMs.
- (2) **Objective:** The objective of General Case Processing (GCP) is to provide technical support to Field Collection (FC) and process requests from revenue officers for IDRS input, including: account adjustments, transfers of credit and payment tracers, together with processing under the authority of IRC 6020(b) and the monitoring of Mandatory Currently Not Collectible (CNC) follow-up accounts.
- (3) **Audience:** These procedures are intended for Centralized Case Processing (CCP) campus collection tax examining technicians; however, other employees in Small Business/ Self-Employed (SB/SE) and employees in other functions may also refer to these procedures.
- (4) **Policy Owner:** These Policies are owned by the Director of Collection Policy, SBSE.
- (5) **Program Owner:** SB/SE Collection Policy, Campus Policy is the program owner of this IRM.
- (6) **Primary Stakeholders:**
  - Field collection employees
  - Campus collection employees
- (7) **Program Goals:** This guidance is provided to describe a variety of miscellaneous campus collection procedures. By following the procedures in this IRM, users will be able to appropriately address these issues.

5.4.10.1.1  
(12-20-2019)  
**Background**

- (1) Internal Revenue Manual (IRM) 5.4.10, General Case Processing, contains procedures, guidance, and information for campus collection operations tax examining technicians. The content includes procedures for: adjustments, credit transfers, payment tracers, IRC 6020(b) processing, Collection Due Process (CDP), Forms 53 (Currently Not Collectible) and the processing of Forms 900 Tax Collection Waivers.

5.4.10.1.2  
(05-31-2023)  
**Authority**

- (1) According to the Code and Regulations, the IRS has the authority to abate tax or any liability with respect thereof (which would include penalties and interest). Code: The IRS's general abatement authority is found in IRC 6404(a). It provides:
  - a. The Secretary is authorized to abate the unpaid portion of the assessment of any tax or any liability in respect thereof, which is excessive in amount, or is assessed after the expiration of the period of limitation properly applicable thereto, or is erroneously or illegally assessed.
  - b. No claim for abatement may be filed with respect to income, estate, or gift tax.
- (2) IRC 6320 and 26 CFR 301.6320-1, the right to appeal the filing of a Notice of Federal Tax Lien.
- (3) IRC 6330 and 26 CFR 301.6330-1, the right to appeal before or after levy action is taken, depending on the type of levy.

- (4) IRC 7122(e), the right to appeal the IRS's rejection of an installment agreement request.
- (5) IRC 6159(e), the right to appeal proposed modification or actual modification, and to appeal proposed termination or actual termination of an installment agreement, and Treas. Reg. Section 301.6159-1(e)(5).
- (6) Taxpayer Bill of Rights, IRC 7803(a)(3).
- (7) The IRS Restructuring and Reform Act of 1998 (IRS RRA 98), Section 3705(a), provides identification requirements for all IRS employees working tax related matters.
- (8) IRM 1.2.1.6.2, Policy Statement 5-2, Collecting Principles, describes principles that guide collection.
- (9) IRC 6020(a), Preparation of return by Secretary. If any person shall fail to make a return required by this title or by regulations prescribed thereunder, but shall consent to disclose all information necessary for the preparation thereof, then, and in that case, the Secretary may prepare such return, which, being signed by such person, may be received by the Secretary as the return of such person. (b) Execution of return by Secretary (1) Authority of Secretary to execute return If any person fails to make any return required by any internal revenue law or regulation made thereunder at the time prescribed therefor, or makes, willfully or otherwise, a false or fraudulent return, the Secretary shall make such return from their own knowledge and from such information as they can obtain through testimony or otherwise.

5.4.10.1.3  
(12-20-2019)  
**Responsibilities**

- (1) The Director, Collection Policy, is the executive responsible for the policies and procedures in this IRM.
- (2) The Operations Manager is responsible for managing campus collection activities including telephone, correspondence and systemic transactions, following the procedures in this IRM. They oversee department, team and employee responses to revenue officer requests, inquiries and responses concerning balances due.
- (3) The Department Manager is responsible for overseeing team and employee responses to revenue officer requests for processing and inquiries, along with responses concerning systemic transactions, following the procedures in this IRM. They oversee team and employee actions to resolve balance due accounts owed by taxpayers.
- (4) The Team Manager is responsible for overseeing employee responses to revenue officer requests for processing and inquiries, along with responses concerning systemic transactions, following the procedures in this IRM. They oversee employee actions to resolve balance due accounts owed by taxpayers.
- (5) Employees who process balance due responses are responsible for responding to revenue officer requests for processing and inquiries, along with responses concerning systemic transactions, following the procedures in this IRM.

5.4.10.1.4  
(05-31-2023)  
**Program Management  
and Review**

- (1) **Program Reports:** The following daily and weekly reports are generated by management, and can assist with evaluating the performance of the balance due program:
  - Embedded Quality Review System (EQRS) Reports
  - National Quality Review Systems (NQRS) reports
  - Week at a Glance Reports (WAAG)
  - Monthly Monitoring Report (MMR)
  - Work Planning & Control (WP&C) Reports
  - Case Control Activity System (CCA) Reports
  - Accounts Management System (AMS)
  - Integrated Collection System (ICS)
  - Overage Report Compiler and Sorter (ORCAS)
  - CCP Mistle Report
- (2) **Program Effectiveness:** The program results are housed on the Collection Program and Campus Reports SharePoint site in the Monthly Monitoring Report (MMR). The MMR captures NQRS results to show monthly and cumulative stats. Evaluative (EQRS) and national (NQRS) Quality reviews and consistency reviews are routinely conducted, along with Headquarters reviews to ensure case actions are timely and in accordance with the procedures in this IRM.

5.4.10.1.5  
(05-31-2023)  
**Program Controls**

- (1) Managers are required to follow program management procedures and controls addressed in:
  - IRM 1.4.1, Management Roles and Responsibilities
  - IRM 1.4.2, Monitoring and Improving Internal Controls
  - IRM 1.4.6, Managers Security Handbook
  - IRM 1.4.55, SBSE Campus Collection Support Manager's Guide
- (2) Managers conduct workload reviews to ensure compliance with this IRM.
- (3) The department and operations managers perform operational reviews annually to evaluate program delivery, conformance to administrative requirements and ensure compliance with this IRM.
- (4) Headquarters Collection, Collection Policy, Campus Policy and Collection Campus Operations conduct program reviews as necessary to verify compliance with IRM requirements, address TIGTA/GAO findings, and address any trends that appear.
- (5) ENTITY is the Workload Management System (WMS) used by Collection managers to extract and organize information about case activity and casework quality from ICS.
- (6) Employees must ensure that revenue officer requests for Adjustments, Credit Transfers and payment tracers are submitted in accordance with IRM 5.1.15, Abatements, Reconsiderations and Adjustments.
- (7) Employees must ensure that revenue officer requests for Mandatory 53 Follow-up actions, are submitted in accordance with IRM 5.16.1.6, Mandatory Follow-Up.
- (8) Employees must ensure that revenue officer requests for 6020(b) processing, are in accordance with IRM 5.1.11.7.7, IRC 6020(b) Authority.

- (9) Integrated Data Retrieval System (IDRS) programming ensures that all revenue officer requests for terminal input are consistent with current account balances and status indicators.

5.4.10.1.6  
(05-31-2023)

**Terms/ Definitions/  
Acronyms**

- (1) The table below is a list of common abbreviations, definitions and acronyms used throughout this IRM:

ABBREVIATION	DEFINITION
ACS	Automated Collection System
ALS	Automated Lien System
AMS	Account Management Services
ASED	Assessment Statute Expiration Date
ASFR	Automated Substitute For Return
AUR	Automated Underreporter
BMF	Business Master File
CAWR	Combined Annual Wage Reporting
CCP	Centralized Case Processing (Field Collection)
CDP	Collection Due Process
CEASO	Civil Enforcement Advice and Support Operation
CNC	Currently Not Collectible
CSED	Collection Statute Expiration Date
CW	Classified Waste
DLN	Document Locator Number
EMLD	Emailed
EP/EO	Employee Plan/Exempt Organization
FC	Field Collection
FORT	Field Office Resource Team
FTD	Failure to Deposit
FTF	Failure to File
FTP	Failure to Pay
FUTA	Federal Unemployment Tax Act
GAO	Government Accountability Office
GCP	General Case Processing



ABBREVIATION	DEFINITION
GM	Group Manager
IAT	Integrated Automation Tool
ICS	Integrated Collection System
IDRS	Integrated Data Retrieval System
IMF	Individual Master File
LLC	Limited Liability Company
MMIA	Manually Monitored Installment Agreement
NF-OI	Non-Field Other Investigation
NLUN	Nullified Unpostable
NMF	Non-Master File
NOL	Net Operating Loss
NORESPNS	No Response
NSD	No Source Document
OIC	Offer In Compromise
POC	Point of Contact
PPIA	Partial Pay Installment Agreement
PREVADJ	Previous Adjustment
RCA	Reasonable Cause Assistant
RO	Revenue officer
RSED	Refund Statute Expiration Date
SD	Source Document
SFR	Substitute For Return
SLA	Service Level Agreement
TC	Transaction Code
TE/GE	Tax Exempt/Government Entities
TFRP	Trust Fund Recovery Penalty
TIN	Tax Identification Number

5.4.10.1.7  
(05-31-2023)

**Related Resources**

(1) Here is a listing of some helpful IRM resources:

IRM	Title
IRM 2.3	IDRS Terminal Responses
IRM 2.4	IDRS Terminal Input
IRM 3.17.5	Hardcore Payment Tracers
IRM 3.8.46.1	Discovered Remittances
IRM 4.24.1	Introduction to Excise Taxes
IRM 5.1.4	Jeopardy, Termination, Quick and Prompt Assessments
IRM 5.1.8	Courtesy Investigations
IRM 5.1.9	Collection Appeal Rights
IRM 5.1.11	Delinquent Return Accounts
IRM 5.1.12	Cases Requiring Special Handling
IRM 5.1.15	Abatements, Reconsiderations, and Adjustments
IRM 5.1.19	Liability Collection
IRM 5.1.21	Collecting from Limited Liability Companies
IRM 5.4.13	CCP General Procedures
IRM 5.5	Decedent Estates and Estate Taxes
IRM 5.7	Trust Fund Compliance
IRM 5.12	Federal Tax Liens
IRM 5.14.2	Partial Payment Installment Agreements and the Collection Statute Expiration Date (CSED)
IRM 5.16.1	Currently Not Collectible
IRM 5.18.2	Business Returns IRC 6020(b) Processing
IRM 20.1	Penalty Handbook
IRM 20.2	Interest
IRM 21.3.3.4	Correspondence Procedures
IRM 21.5	Account Resolution
IRM 21.6	Individual Tax Returns
IRM 21.7	Business Tax Returns and Non-Master File Accounts

IRM	Title
IRM 25.6.1	Statute of Limitations Processes and Procedures

5.4.10.2  
(07-15-2024)

**General Procedures**

- (1) Centralized Case Processing (CCP) processes adjustment requests (primarily Status 26 cases) received from Field Collection (FC).
- (2) In an effort to improve productivity, consistency and quality, CCP managers must emphasize the use of available Integrated Automation Technology (**IAT**) Tools. All CCP employees will adhere to the **mandatory** use of **IAT** tools. See IRM 5.4.10.2.3.1, Use of IAT Tools, below.
- (3) Research all adjustment requests to determine whether the action should be completed by CCP, or processed by another area or campus.

**Note:** To process requests received in CCP, you will need to reference other Internal Revenue Manuals (IRMs). For a list of references IRM 5.4.10.1.7, Related Resources.

- (4) Centralized Case Processing will access the Employer Shared Responsibility Payment (ESRP) SharePoint site on a weekly basis to retrieve casework assigned to CCP after EXAM determination has been made for Status 26 ESRP Civil Penalty Abatement Requests. CCP will refer to the If/Then table below to process these types of accounts.

If:	Then:
Exam decides to abate the penalty	CCP employee will input the adjustment, copy and paste the Exam determination from the ESRP SharePoint site into an email to the RO, and document the ICS history of all actions taken. The RO will communicate the determination of the abatement request to the taxpayer or authorized representative and notate in ICS history.

If:	Then:
Exam decides to deny the penalty abatement in part or full	CCP employee will input the adjustment, copy and paste the Exam determination from the ESRP SharePoint site into an email and notify the RO to send ICS Letter 2413 with Exam's applicable verbiage, and document the ICS history of all actions taken. The RO will send Letter 2413 with the applicable verbiage to the taxpayer or authorized representative and notate in ICS history.

- (5) CCP will forward specific adjustments to Accounts Management (AM). AM will not accept Requests for Adjustments directly from Field Collection. Only the adjustments established by the Service Level Agreement (SLA) between Taxpayer Services (formerly Wage and Investment) Division and Small Business/Self Employed (SB/SE) should be forwarded to the established Point of Contact (POC) in AM. The intent of the SLA is to establish uniform standards for the processing of Status 26 casework including:

- Carryback adjustments
- BMF International adjustments
- BMF Domestic Forms 1120 series (including TC 246 PRC 722/723 adjustments)
- BMF Domestic Form 1065 (including TC 246 PRC 722/723 adjustments)
- Forms 1041
- Forms 94X-X that contain COVID-19 employer tax credits and/or social security tax deferrals. (excluding back end aggregate filer social security tax deferrals worked by the Third-Party Payer (TPP) Deferral Program in CCP).

**Note:** CCP will continue to process any Status 26, Forms 3870, Request for Adjustment, for IMF International and IMF Domestic casework, with the exception of those noted. IRM 5.4.10.3.4, Types of Requests Requiring Referral. See IRM 21.3.3.4.9.2, Campus Collection Function, Correspondence/Inquiry/Notice.

IF	THEN
the adjustment is returned from AM requesting additional documentation	CCP will contact the originating RO to request the required information and following procedures in IRM 5.4.10.2.2, CCP Rejection Procedures

IF	THEN
the adjustment can be processed	AM will forward for processing. Once CCP verifies the claim can be processed, via an open control by AM on IDRS, CCP will close the CCP control.

- (6) Return all misrouted cases to Field Collection. See IRM 5.4.10.2.1, Identification of Misrouted Cases, below for instructions. Some examples of misrouted cases that should be returned to the originator are listed below:

**Note:** CCP will route Form 8758, Excess Collections File Additions to the appropriate accounting function for processing.

**Note:** See IRM 5.4.10.2.1 below for identification of misrouted cases.

Types of Misrouted Cases	IRM
Combined Annual Wage Reporting (CAWR) adjustments	IRM 5.1.15.7, Combined Annual Wage Reconciliation (CAWR) Adjustments.
Federal Unemployment Tax Act (FUTA) adjustments	IRM 5.1.15.8, Federal Unemployment Tax Act (FUTA) Tax Adjustments
Audit Reconsideration adjustments	IRM 5.1.15.4.1, Audit Reconsiderations
Automated Underreporter Adjustments(AUR)	IRM 5.1.15.4.2, IMF Automated Underreporter (AUR) Reconsiderations and IRM 5.1.15.4.3, BMF Automated Underreporter (AUR) Reconsiderations.
Automated /Substitute For Return (A/SFR) adjustments	IRM 5.1.15.4.4, Substitute For Return (SFR) Reconsiderations and IRM 5.1.15.4.5, Automated Substitute for Return (ASFR) Reconsiderations. <b>Note:</b> If TC 599 cc 89 is present on the module, the taxpayer agreed to the assessment and CCP can process the adjustment. Verify that no subsequent TC 599 cc XX with an audit assessment is present on the module.

Types of Misrouted Cases	IRM
Tax Exempt/Government Entities (TE/GE)	IRM 5.1.15.9, Tax Exempt and Government Entities (TE/GE) Adjustments
Employee Plan/Exempt Organizations (EP/EO) adjustments	IRM 5.1.15.9, Tax Exempt and Government Entities (TE/GE) Adjustments.
Trust Fund Recovery Penalty (TFRP) adjustments	IRM 5.7.7.5, Abatements and Adjustments of a TFRP
Excise Tax adjustments	IRM 5.7.3.1.3, Personal Liability for Excise Taxable Fuel Taxes
Estate Tax Return adjustments	IRM 5.5, Decedent Estates and Estate Taxes
Identity Theft adjustments	IRM 5.1.15.13, Identity Theft

- (7) Tax examiners must update the control base activity on Integrated Data Retrieval System (IDRS) with where the case should be worked, i.e., CAWRCASE, EXAMCASE, ASFRCASE, etc. and close the CCP control base.

**Note:** Do not consider a case misrouted if a CCP tax examiner takes an action on the case and the case has to be sent elsewhere for further processing, i.e., a return that must be reprocessed.

- (8) Research IDRS and perfect adjustments meeting the criteria for area input to ensure all necessary data elements are present. See IRM 21.5.1, General Adjustments, IRM 21.5.2, Adjustment Guidelines, IRM 21.6 Individual Tax Returns and IRM 21.7 Business Tax Returns and Non-Master File Accounts additional adjustment processing procedures.
- (9) Analyze and perfect payment tracer and credit transfer requests to ensure all area research steps have been taken, required documentation is attached, and all data elements are present. See IRM 21.5.7, Payment Tracers, for payment tracer processing and IRM 21.5.8, Credit Transfers, for credit transfer processing.
- (10) See IRM 5.12.3.3.1, Liability is Satisfied - IRC § 6325(a)(1), regarding the necessity of a manual lien release. Employees of functions with access to the Automated Lien System (ALS) will input lien release requests in these situations. If a manual lien release is required by CCP, prepare a Field Office Resource Team (FORT) referral. For those functions that do not have access to ALS, determine the Centralized Lien Operation (CLO) lien release contact on the IRS intranet by going to:
- IRWeb;
  - SERP;
  - Who/Where;
  - Lien - Centralized Lien Processing
  - Centralized Case Processing (CCP) Lien Teams

**Note:** An internal use only telephone number is also provided along with the contact information provided on the CLO website. Ensure all email communications regarding liens are transmitted via secured email.

- (11) There are specific data elements which must be present on each adjustment, payment tracer, or credit transfer request. Contact the initiator for any missing data. Verify the items below are present on requests received from the revenue officer:
- Taxpayer Name and/or Name Control
  - Taxpayer Identification Number (TIN)
  - MFT Code
  - Tax period(s)
  - Brief explanation of reason for requested action
  - Transaction Codes and/or Credit Reference Number and related amounts;
  - Closing code, when applicable
  - Signature of initiator and employee number;
  - Manager's approval is required on IRC 6658, Bankruptcy-Related Penalty Abatement Requests and paper Penalty Abatements Due to Reasonable Cause. See IRM 5.1.15.16.2, Reasonable Cause Penalty Abatements. Other requests for adjustments under \$100,000 (pre tax module) and payment tracers do not require a manager's approval.

**Note:** Any requests lacking required managerial approval should be returned to the revenue officer.

**Note:** Alert your manager for possible field coordination to improve quality, if a particular area office shows a trend of an increasing number of errors.

5.4.10.2.1  
(12-20-2019)  
**Identification of  
Misrouted Cases**

- (1) All misrouted cases received from Field Collection with original documents should be returned to the originator. Send an email with a **CC to the originator's manager** informing the originator that the case is not CCP criteria if the case is received through the email boxes or if the case is received with no original documents. Below is a list of adjustments that CCP is not authorized to process and how to identify them.
- (2) Combined Annual Wage Reporting (CAWR) adjustments can be identified as listed below:
- SSA-CAWR - MFT 13 TC 240 Penalty Reference Number (PRN) 549 for failure to file (this is a penalty assessment),
  - SSA-CAWR - MFT 13 TC 240 Penalty Reference Number (PRN) 550 for late filing (this is a penalty assessment),
  - IRS-CAWR - MFT 01, 11, 16 (941, 943, 944 or 945) TC 290 DLN blocking series (digits 9, 10, 11) of 500-559 (this is a tax assessment), or
  - IRP Penalty - MFT 13 (BMF) or MFT 55 (IMF) with TC 240 Penalty Reference Number of (PRN) 500-514 (this is a penalty assessment). See IRM 5.1.15.7.3, Information Return Program (IRP) Penalty, and IRM 20.1.7, Information Return Penalties, for additional information on this type of penalty.
  - See IRM 5.1.15.7, Combined Annual Wage Reconciliation (CAWR) Adjustments, for more information.

**Note:** CAWR uses Blocking Series 550-559.

- (3) Federal Unemployment Tax Act (FUTA) tax assessment can be identified by an additional tax with TC 290 on either MFT 10 (Form 940) or MFT 30 (Schedule H, Form 1040) with numbers 50 or 51 in digits 9 and 10 of the DLN. CCP cannot process an adjustment requesting the abatement of the additional tax. See IRM 5.1.15.8, Federal Unemployment Tax Act (FUTA) Tax Adjustments.

- FUTA uses Blocking Series 500-509 & 510-519.

**Caution:** If there is no TC 290 assessment on the TXMOD then it is not a FUTA assessment and CCP can process the adjustment.

- (4) Audit Reconsideration adjustments can be identified on TXMOD by Transaction Code (TC ) 420, (audit) followed by a TC 300 with an amount. See IRM 5.1.15.4.1, Audit Reconsiderations.

- (5) Automated /Substitute For Return (A/SFR) adjustments can be identified by the following:

- A TC 150 followed by "0.00" and the literal "SFR" to the right of the TC 150 assessment Document Locator Number (DLN),
- Tax Class 2 with Document Code 10 in the DLN,

**Note:** ASFR assessments have a Julian date of 887 in the DLN. SFR assessments will have a Julian date of 888 in the DLN.

- Blocking Series 000-299,
- The tax amount assessed will appear as a TC 290 (Collection ASFR Assessment) or TC 300 (Examination SFR Assessment) with blocking series 540-549 or 640-649, and/or
- Transaction Code (TC) 599 with Closing Code (CC) 88, no response to SFR notifications,

**Note:** If TC 599 cc 89 is present on the module, the taxpayer agreed to the assessment and CCP can process the adjustment. Verify that no subsequent TC 599 cc XX with an audit assessment is present on the module. See IRM 5.1.15.4.4, Substitute For Return (SFR) Reconsiderations, and IRM 5.1.15.4.5 Automated Substitute for Return (ASFR) for more information.

- (6) Tax Exempt/Government Entities (TE/GE), of which some of the most common TE/GE forms are listed in the table below:

MFT	TYPE OF FORM	TITLE
67	990/990EZ	Return of Organization Exempt from Income Tax
37	5527	Split-Interest Trust Information Return
02	1120-POL	U.S. Income Tax Return of Political Organization



MFT	TYPE OF FORM	TITLE
34	990-T	Exempt Organization Business Income Tax Return
36	1041-A	U.S. Information Return- Trust Accumulation of Charitable Amounts
50	4720	Return of Certain Excise Taxes on Charities and Other Persons Under Chap.41 and 42 of IRC
44	990-PF	Return of Private Foundation

**Note:** See IRM 5.1.15.9, Tax Exempt and Government Entities (TE/GE) Adjustments, for more information. Also see IRM 21.7.7.2, Exempt Organizations Overview, for a list of the various forms filed by Exempt Organizations and Government Entities.

- (7) Trust Fund Recovery Penalty (TFRP) adjustments can be identified by MFT 55 with TC 240 and Penalty Reference Numbers (PRN) 618, 699 or 697. A TC 538 on MFT 01/03/09/11/12 tax modules also indicates TFRP assessment. See IRM 5.7.7.5, Abatements and Adjustments of a TFRP.
- (8) Excise Tax adjustments, See IRM 5.4.10.3.2 and IRM 4.24.1, Excise Tax - Introduction to Excise Taxes.
- (9) Estate Tax Return adjustments includes Form 706 returns and are processed under MFT 52 or 53 on IDRS. See IRM 5.5.3, Working Decedent Cases.
- (10) Identity Theft adjustments and related transaction are not processed by CCP. Refer to IRM 5.1.15.13, Identity Theft.

#### 5.4.10.2.2 (05-31-2023) CCP Rejection Procedures

- (1) CCP receives two types of requests that meet rejection criteria:
  - a. Incomplete
  - b. Invalid
- (2) An incomplete request is one that cannot be processed without securing missing/incomplete information. (See 5 below for more information about incomplete requests).

**Note:** Example: Form 4844 request for TC input is missing the MFT and tax period.

- (3) An invalid request is one that cannot be processed due to the nature of the request. CCP cannot take the action that is being requested. Unlike incomplete requests, these requests cannot be processed by securing additional information.

**Note:** Example: Form 2424 cannot be processed because the credits that are being requested, are not available, have already been applied to another module, or are expired.

- (4) For invalid requests:
  - a. Send a secure "High Importance" email to the originator.
  - b. CC the CCP manager and the originator's manager. Include "CCP Rejection" in the subject line.
  - c. Provide the TIN and taxpayer name and include a statement explaining why the request could not be processed. The explanation must be clear and complete.
  - d. Insert "DO NOT RESPOND TO THIS EMAIL."
  - e. Close the IDRS control with "INVROREQ" to identify the closure reason as an invalid RO request.
- (5) The Integrated Collection System (ICS) should be reviewed for missing or incomplete explanations. If the information cannot be obtained from ICS, contact the originator for the missing data. Write a brief history in ICS explaining reason for access.
  - a. Send a secure "High Importance" email to the originator and "cc" the group manager requesting the missing or incomplete information. Include "CCP Response Needed" in the subject line. Provide the TIN and taxpayer name and include the following statement: "In order to have the request processed, you must respond to this email or call the tax examiner within 72 hours. If there is no response within 72 hours, your request will be rejected."
  - b. Place case in "S" status and:

<b>Update IDRS History With</b>
The requested information
EMLD RO
72hr/RSP
Follow-up date

- (6) Tax examiner internal forwarding procedures:
  - a. If no response by the end of the tax examiner's tour of duty, make a copy of the request, attach copy of the email sent and place in team's suspense file for lead review. (Retain original request for 72 hours.)
  - b. If originator responds with the requested information within 72 hours, remove copy from suspense file and process case following normal procedures.
  - c. If no response received within 72 hours, close IDRS control base as "NORSPNS".
  - d. Mail the case back to the originator if the case contained original documents. If the case did not contain original documents, place case in Classified Waste. See IRM 21.5.1.4.10, Classified Waste.
- (7) Lead tax examiner daily suspense file review procedures:

- a. Review case to confirm that the case should be rejected.
- b. Check IDRS for history input.
- c. If there has been no response after 72 hours, reject the case back to the originator by sending a secure email to the originator and **cc** the group manager stating the reason for case rejection. Include in the email: **We cannot process your request for taxpayer's name, TIN, MFT and tax year, as submitted because you did not respond within the 72 hour time frame. Please resubmit your request using normal procedures when you have the missing information.**

(8) Insert signature.

(9) Insert **DO NOT RESPOND TO THIS EMAIL.**

(10) Inform assigned tax examiner that the Reject Action has been completed.

5.4.10.2.3  
(12-20-2019)  
**Processing Requests**

- (1) Research adjustment, payment tracer and credit transfer requests meeting CCP criteria on IDRS using Command Code (CC) SUMRY/TXMOD prior to input:

If the module being adjusted	Then
Is not on SUMRY,	Use Command Code MFREQD to activate the account or ACTON to create a "dummy module." See IRM 2.3.10, Command Codes MFREQ and RECON and IRM 2.3.12, Command Code ACTON.
Has an open control (evidenced by Status S, A, or M in the Case Control Section of the module on IDRS),	Contact must be made with the assigned employee prior to adjusting the account. If the control is Status B or C, the adjustment action may be continued. Refer to <i>IUUD: IDRS-Unit &amp; USR Database</i> . <b>Note:</b> Two attempts must be made within 24 hours. If no contact is made, action may be continued. Leave a history on IDRS
Was previously adjusted,	Leave IDRS history indicating PREVADJ and close IDRS control base after verifying that all requested actions have been completed.
TC 170 or TC 171 is present, and you are adjusting withholding,	ES penalty must be addressed even if the RO did not request it. See IRM 20.1.3.1.2, Manual Penalty Adjustments, paragraph (6).
TC 160, 161, 270, or 271 is present, and you are adjusting tax,	FTP penalty and/or FTF penalty must be addressed even if the RO did not request it. See IRM 20.1.2.1.5, Manual Penalty Adjustments. Exception: If TC 270 or TC 271 contains reason code 062, it does not need to be addressed.
TC 180 or TC 186 is present, and you are adjusting tax,	FTD penalty must be addressed even if the RO did not request it. See IRM 20.1.4.23, Manual Adjustments.

If the module being adjusted	Then
TC 340, 341, or 770 is present,	Interest must be addressed even if the RO did not request it. See IRM 20.2.5.6.2, Manual Computations.

- (2) Always open and close a control on the module or ENMOD using command code ACTON when adjusting accounts. Leave a history of the action taken
- (3) When processing a request that cannot be closed immediately, change the status "A" to status "S" using ACTON. See IRM 2.3.12.2, Case Control Using Command Code ACTON.

#### 5.4.10.2.3.1 (07-15-2024)

##### Use of IAT Tools

- (1) **IAT** provides tools that simplify research, reduce keystrokes, eliminates repetitive typing, and increases the accuracy of regular work processes.
- (2) The use of IAT is mandatory and limited to the certain IAT Tools listed below. For User Guides, see the IAT SharePoint at <https://irs.gov.sharepoint.com/sites/IAT/>.
- (3) If an IAT tool is not available, or an employee has a problem with the IAT Task Manager, the case should be processed through IDRS, following established procedures.
- (4) Additional IAT tools will be added to the following list when one is deemed beneficial and seen as adding quality to campus collection work processes.
- (5) The use of IAT tools are mandatory if applicable during the work process. Below is a list of mandatory IAT tools used in CCP.

Name	Purpose
Compliance Suite	Allows users to research for account balances, payment information, installment agreement eligibility and account condition information needed to determine compliance.

Name	Purpose
Credit Transfer	<ul style="list-style-type: none"> <li>• automates the transfer of credits from one module to another</li> <li>• provides a list of transferable credits</li> <li>• ensures appropriate use of codes, amount and dates</li> <li>• process single and multiple payment transfers, lump sum transfers, credit elect transfers, refund transfers, and transfers on CIS cases</li> <li>• allows input of Credit Freezes/Releases (using IDRS CC REQ77 when applicable), input Posting Delays, Designated Payment Codes</li> </ul>
Disclosure	Assist users during the process of authenticating individuals, contacting the IRS, to help prevent the release of sensitive information to unauthorized parties.
eClerical	Perform IDRS research on an account selected by the user to identify Document Locator Numbers which may be used to request a document. The eClerical tool will provide the user the ability to input an order request action on IDRS using CC ESTAB.
Fill Forms	Automates and assists with generating and completing various IRS Adobe PDF forms.
In-Business Trust Fund 2.0	Monitors payments and compliance as well as account status on a list of IBTF (In-Business Trust Fund) cases as a batch process on IDRS.
MMIA Batch	Runs the MMIA batch process to monitor monthly Installment Agreement payments on IDRS.

Name	Purpose
REQ54	Allows for accurate input of adjustments to tax, penalty, and interest; conducts IDRS account research obtaining current amounts and allowing the user to input adjustment amounts.
SBSE DM Batcher Tool	Batches Centralized Case Processing (CCP) case work. The tool batches cases for assignment to tax examiners, closes and inputs controls, and leaves history items via CC ACTON.
TC Search	Conducts IDRS account research to locate transaction codes, filtering the results to reflect only the desired transaction code(s), requested by the user.
TFRP Suite	Allows the user to research each linked Trust Fund module, view payment sorters, process payments, update 971 x-ref data, create AMS history data and update controls.
xMend	Assists in research and input any necessary adjustments to work a Form 1040 series return or Form 1040X.

(6) Below is a list of suggested IAT tools to be used by CCP.

- Address
- Letters
- REQ77
- ACT ON

#### 5.4.10.2.4 (12-20-2019)

#### Refund and Assessment Statute Research

- (1) Review IDRS to determine if the adjustment will result in a refund or credit where the Refund Statute Expiration Date (RSED) has expired. See IRM 25.6.1.5, Basic Guide for Processing Cases with Statute of Limitations Issues.
- (2) When transferring payments or overpayments as a result of an adjustment, the RSED must be taken into consideration. If the RSED has expired the money cannot be transferred to another module. The money must be moved to Excess Collection.
- (3) If the Assessment Statute Expiration Date (ASED) has expired, **do not** process the assessment. When a legal tax assessment is not made timely within the prescribed period for assessment (Assessment Statute Expiration Date) (ASED), it is considered a "Barred Assessment." See IRM 25.6.1.13, Barred Assessments/Barred Statute Cases and IRM 21.5.3.4.1, Tax Increase or Credit Decrease Processing.

- (4) An abatement may be made before or after the ASED; however, the tax cannot be reassessed if it is determined that the tax decrease was erroneous after the ASED has expired. An erroneous abatement is an abatement of tax that is later determined to have been made in error. See IRM 25.6.1.10.2, Erroneous Abatement.
- (5) Thoroughly review IRM 25.6.1.5, Basic Guide for Processing Cases with Statute of Limitations Issues, before processing an adjustment if the RSED or ASED has less than six months remaining.
- (6) If the RSED has expired on the payments or credits, reject the case back to the originator following the CCP Rejection Procedures. See IRM 5.4.10.2.2 above.

5.4.10.3  
(05-31-2023)  
**Adjustments**

- (1) Adjustment and Refund Offset requests may be received on a Form 3870, Request for Adjustment or a Form 4844, Request for Terminal Action.
- (2) Receipt of adjustments request of \$100,000 or more (pre tax module) from the field must have documentation that managerial approval was secured. The approval can be identified by either the RO manager's signature (on either Form 3870, Request for Adjustment, or a Form 4844, Request for Terminal Action), or documented in a statement when the email request is forwarded to CCP. Refer to IRM 5.1.15.5 Adjustments - General Procedures Form 3870, for additional guidance on the Field process. If no indication of manager approval was secured, reject the request back to the RO (originator).

**Note:** Ensure you indicate the reason for the rejection in your response.

- (3) CCP employees who have access to the Integrated Automation Technology (IAT) REQ54 tool are required to use the tool when inputting adjustments. This tool automates the command code REQ54 to assist with adjustments of tax, penalty, interest and the release of freezes. CCP employees are required to use the IAT x-Mend tool when needed to determine the correct adjustment action. This tool researches IDRS and populates the entity portion original figures on the automated "1040X" form and allows the user to input corrected figures. For additional IAT information, refer to the IAT SharePoint at <https://irsgov.sharepoint.com/sites/IAT/>
- (4) Each tax examiner will follow local guidance, to electronically prepare and route all source documents to the CCP clerical function for proper handling. If/When electronic routing is not available, manually prepare a folder for adjustments that require Source Documents with input date and type of input. Label folders with a completed Form 6502, Employee Source Document sticker, indicating the employee profile number, category, input date and number of cases in the folder.
  - a. Keep Form 3870 along with the required documentation, i.e, amended tax returns or missing schedules, as source documents (SD). See IRM 21.5.2.4.5, Source Documents.
  - b. Some Forms 3870 and Forms 4844 not required as source documents are classified waste after actions are completed; See IRM 21.5.1.4.10, Classified Waste.

- c. Forms 4844 requesting input of TC 290 for .00 with Block Series 98 (without original return) or Block Series 99 (with original return) must be input as a source document using command code REQ54 and must be sent to files.
  - d. On ADJ54 input; where no source document(NSD) is required, notate "Per Form 3870 or Form 4844" and reason for adjustment (line 11). See Exhibit 2.4.16-4.
- (5) When using command codes ADJ54 and REQ54 to input adjustments, overlay the "Activity" field with "ROREQFXXXX" (revenue officer request). Input IDRS history on all requests. See IRM 2.4.16, Command Codes REQ54 and ADJ54.

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- (6) See IRM 21.5.2.4, Adjustment Guidelines – Procedures, and Document 6209, Master File Codes for Source Codes, Hold Codes, Priority Codes, Credit Reference Numbers, and Item Reference Numbers.
- (7) Use caution when inputting Hold Codes (HC):
- a. If no other hold code is appropriate use hold code **0**
  - b. The use of hold codes 2, 3, or 4 with an assessment prevents IRS's computers from generating an assessment notice. Therefore, hold codes 2, 3, or 4 should NOT be used unless a manual notice of assessment and demand for payment is made.

Only Reasons to Use Hold Code 4
to avoid an erroneous refund; for example, a tax decrease was input and there is a credit balance that needs to be transferred to another account or tax module.
when reprocessing returns and there is a credit balance.
when payments are Statute criteria and should be moved to Excess Collections. Ensure TC 971 AC 296 is input.
when you are unable to contact the revenue officer to determine if credit should be refunded or offset
when revenue officer requests an adjustment with TC 570
when inputting an adjustment that will create a credit balance and a manual refund needs to be completed.

**Note:** Hold Code 4 prevents credit offsets and suppresses notices. Do not use Hold Code 4, unless one of the conditions above exists. Documents should not be requisitioned for the purpose of determining whether an adjustment should be made.

- (8) When a Form 3870 is received requesting a full abatement of tax due to Bankruptcy Discharge for the X year and box 3 requests input of TC 971 AC 031, input TC 971 AC 031 only. **Do not** input TC 291 to abate tax.
- (9) Requests for filing requirement (FR) change from Form 944 to Form 941 can be processed beginning **January 1** and ending **April 1**. Input **9** for the appropriate cache year to prevent the FR from changing back to Form 944 if a Form



941 was filed for the prior year but after the FR (to Form 941) was entered. See IRM 21.7.2.4.9.1, Form 944 Letters/Inquiries.

- (10) CCP employees must resolve their own unpostable conditions caused by actions taken on the accounts, and receive next level concurrence for the corrective action, within 14 calendar days using the following procedures:
  - a. Research IDRS.
  - b. Check command code UPTIN.
  - c. Research Document 6209 to resolve unpostable condition.
  - d. When documentation is needed to correct the unpostable condition, change your Category Code from NLUN to IRRQ with a pending date. Put case in "S" or "suspense" status with follow-up date.
  - e. If the source document is not received, the manager/lead may contact the Clerical manager to locate the case on the electronic mail disc before contacting the originator.
  - f. Only void the unpostable when the action was previously taken or if the action cannot be taken due to programming errors.
  - g. When in doubt, contact the lead, manager, FORT tax examiner or FORT Technical Advisor.

**Note:** Do Not close IDRS control without taking the necessary action to correct the unpostable condition. Next level authorization for the corrective action should be noted in the TXMOD History section upon concurrence.

5.4.10.3.1  
(05-31-2023)  
**Limited Liability  
Company (LLC)  
Adjustments**

- (1) Form 3870 can also be received to process a return made under IRC 6020(b) when a disregarded entity LLC fails to file employment tax returns for tax periods ended before January 1, 2009, and the liable single member owner (SMO) has previously filed an employment tax return for the same tax period for another business. Process the return made under IRC 6020(b) on Form 3870, Request for Adjustment, as a supplemental tax assessment. Ensure that an additional assessment is not prohibited by an ASER. See IRM 5.4.10.6.2 below and IRM 5.1.11.7.7.4, Preparing Returns for Assessment, and IRM 5.1.15.6.1, Limited Liability Company (LLC) IRC 6020(b) Adjustments.
- (2) Process abatement requests on LLCs following normal procedures.

5.4.10.3.2  
(12-18-2013)  
**Adjustments to Personal  
Liability Assessments  
for Excise Tax**

- (1) CCP will receive requests to abate Personal Liability Assessments for Excise Taxes on a Form 3870 along with a revised Form 9494, Request For Assessment of Personal Liability For Excise Tax, page 3, from Advisory revenue officers, which should be forwarded as Source Documents.
- (2) Advisors must also forward a memorandum of authority to request reversal of a prior adjustment made on the assessment which must be approved by the group manager.
- (3) The Form 3870 will request abatement of either TC 150 or TC 290 on MFT 03. If the Form indicates MFT 45, the request must be sent to the Non-Master File Unit.
- (4) Forward request to CCP-FORT.

5.4.10.3.3  
(05-31-2023)  
**Reasonable Cause  
Assistant (RCA)  
Abatements**

- (1) RCA provides a decision support system accessible via Accounts Management Services (AMS) to make penalty abatement determinations using a series of questions that lead the user to a consistent conclusion while ensuring the appropriate factors are addressed. When necessary, RCA systemically generates a letter after the abatement is completed by CCP. See IRM 5.1.15.16.1, Reasonable Cause Assistant (RCA), for a list of letters.
- (2) Revenue officers (ROs) are required to use RCA when the taxpayer requests relief of certain penalties due to reasonable cause. RCA should be used for the following penalties:
  - a. IMF Failure to File (FTF) and Failure to Pay (FTP). (RCA can be used for MFT 31 - Innocent Spouse/Mirrored Assessment Modules)
  - b. BMF Failure to Deposit (FTD). (BMF FTD penalty relief using RCA is currently limited to MFTs 01, 10, 11, 14 and 16.) Refer to IRM 20.1.1, Introduction and Penalty Relief, for additional information.

**Note:** RCA cannot be used for ASFR, CAWR, or EXAM penalty abatements nor -N or -I freeze accounts.

- (3) CCP will accept Form 3870 requests for reasonable cause abatements on the following types of cases:
  - Cases from technical advisors/advisory revenue officers
  - Cases from OIC specialists (Stat 71 cases)
  - TC 300 penalty abatements only, with exam manager approval
  - CCP FORT will use Form 3870 and process requests within their area
  - Cases with “received date over one year old” must include an explanation. Note: Tax examiners should enter Override Code “R” in the appropriate field of CC ADJ 54 for cases with a received date over one year.
  - Schedule B, an amended Schedule B, or Record of Federal Tax Liabilities (ROFTL) for a Form 94X attached to the form.
  - MFT 07, Form 1066, US Real Estate Mortgage Investment Conduit (REMIC) Income Tax Return

**Note:** Penalty abatement rules on Form 1066 are the same as the rules for Form 1065, US Return of Partnership Income.

- For those BMF MFTs RCA can be used on, a F3870 would be appropriate if there's no FTD penalty on the module.

**Note:** All reasonable cause abatement requests received on Forms 3870 **must** include managerial approval and must be retained as source documents.

- (4) If Form 3870 is received requesting abatements for the penalties listed in (2) above for reasons other than those listed in (3), contact the RO using the narrative below: “On (MM-DD-YYYY) a Form 3870 was submitted requesting to have a penalty abatement input on (TIN/MFT/TAX PERIOD). This request needs to be submitted through the Reasonable Cause Assistant (RCA) system. RCA use is required for IMF FTF and FTP and BMF FTD penalties per IRM 20.1.1.3.6, Reasonable Cause Assistant (RCA) and IRM 5.1.15.16.1, Reasonable Cause Assistant (RCA). Since your request was not submitted using the RCA system your request is being closed. In order to have this request processed it will be necessary to resubmit using RCA through AMS. For more

information you can refer to catalog number 557142. If you have any problems, questions or concerns please send them to  
\*SBSE.RCA.HELP@irs.gov.”

5.4.10.3.3.1  
(12-18-2013)  
**Procedures for RCA  
Cases**

- (1) Research IDRS and verify that the adjustment can be processed by CCP.
- (2) If a partial abatement was previously input and the request on AMS exceeds the money amount on IDRS, the adjustment cannot be completed.
- (3) Cases that are “Mixed” or “Sustained” must be printed. (These cases require a source document.)
- (4) If the adjustment cannot be completed by CCP, input a history on IDRS and AMS indicating why the case is being returned to the manager through the RCA system.
- (5) If the adjustment was previously completed, input a history on IDRS and AMS. Return case to GM through RCA.

**Note:** -I Freeze (restricted interest) and -N Freeze (Appeals) accounts should not be processed through RCA.

- (6) When RCA reaches a conclusion to either abate (remove) or sustain (deny) the penalty relief request, the program automatically displays a print dialog to allow printing the determination that includes all information input by the RCA user. This print must be attached as a source document.
- (7) RCA cannot consider BMF FTP and FTF penalty relief at this time. Nonetheless, most BMF accounts that have been penalized for FTF and FTP penalties also include FTD penalties. Because RCA should be used to consider penalty relief for the FTD penalty, the RCA determination may also apply to the FTF and FTP penalties.
  - a. If the same reasons are used for requesting FTF and FTP penalty relief (as they usually are), the RCA conclusion should apply to all three penalties.
  - b. If more than one penalty is involved, only one IDRS adjustment should be made. Use the PRC that would be applicable for the FTD penalty abatement.
- (8) Reasonable cause penalty abatements must be approved by the group manager when RCA reaches the “Abate conclusion”. When the RCA conclusion is to “Sustain” the penalty and the RO decides to override the RCA conclusion, managerial approval is also required. The RO provides the group manager a written reason and any documentation for the abatement request. The information is retained by the case file.

5.4.10.3.4  
(05-31-2023)  
**Types of Requests  
Requiring Referral**

- (1) Adjustment requests received in CCP involving the following issues **MUST** be referred to the appropriate area;
  - a. Carryback/NOL - route to the designated point of contact (POC) in Accounts Management at Philadelphia Campus. IRM 5.4.10.2.1 above or IRM 21.3.3.4.9.2, Campus Collection Function Correspondence/Inquiry/Notice.

- b. FTD Payment Tracer - route to appropriate Campus based on state location; after researching IDRS. See IRM 21.7.7.4.3.2, IDRS Research for Payments.
- c. Military Deferment (status 26 cases only) – Philadelphia Campus-CCP-Collections-FORT.
- d. CCP will forward specific adjustments to Accounts Management (AM) IRM 5.4.10.2. Only the adjustments established by the Service Level Agreement (SLA) between the Taxpayer Services (formerly Wage and Investment) Division and Small Business/Self Employed (SB/SE) should be forwarded to the established Point of Contact (POC) in AM. Follow local procedures to open a CCP control on IDRS prior to sending cases to AM. See IRM 21.3.3.4.9.2, Campus Collection Function, Correspondence/Inquiry/Notice.
- e. After taking the necessary adjustment action, CCP will forward Form 8758, Excess Collections File Additions, to the appropriate Accounting function for processing.

**Note:** Statute imminent adjustments requiring prompt/quick assessments should bypass Centralized Case Processing and go directly to the Accounting Function from the field. See IRM 25.6.1.9.9.1, Procedures for Expeditious Assessments.

- (2) Route adjustments to reverse offsets on Debtor Master File (DMF) and Treasury Offset Program (TOP) Offsets to the FORT.

#### 5.4.10.4 (05-31-2023)

##### Payment Tracers

- (1) Payment tracer requests will be received in CCP on Form 4446, Payment Tracer Research Record
- (2) CCP employees who have access to the Integrated Automation Technology (IAT) TC Search tool are required to use the tool when researching payment tracers. For additional IAT information, refer to the IAT SharePoint at <https://irs.gov.sharepoint.com/sites/IAT/>.
- (3) Payment tracer requests should include a photocopy of the front and back of the payment document being traced along with required information as indicated in IRM 5.1.15.14.1, Requesting Campus Tracing. If not attached, return to the revenue officer through their manager using rejection procedures. See IRM 5.4.10.2.2 above.
- (4) Use IRM 21.5.7, Payment Tracers, for research actions and Remittance Transaction Register (RTR).

If	And	Then
IDRS shows that the case is controlled by another employee	Blank	Contact must be made with the assigned employee before taking any action.
the payment is located	was applied as intended	Close control to "PYMTFOUND" and take no further action.
the payment located	was misapplied	input a credit transfer using ADD24/34/48 per IRM 2.4, IDRS Terminal Input.

If	And	Then
the payment is not located	Blank	prepare a Form 4446 documenting research performed and forward to the appropriate Hardcore Payment Tracer Function (HPTF) Center Payment Transfer function. See IRM 3.17.5.6, Referrals to Hardcore Payment Tracer Function (HPTF), IRM 3.17.5.6.1, Hardcore Payment Tracer Addresses and Telephone / EEFax Numbers.

5.4.10.5  
(05-31-2023)  
**Credit Transfers**

- (1) Credit transfer requests will generally be received on Form 2424, Account Adjustment Voucher, Form 3809, Miscellaneous Adjustment Voucher or Form 4446, Payment Tracer Research Record. See IRM 21.5.8, Credit Transfers, for processing.
- (2) Credit transfer requests must contain sufficient information, for both the account to be debited and the account to be credited, to accurately transfer the available credit, including the designated payment code, if applicable. The "Remarks" field on the credit transfer input must include a brief explanation for the transfer.
- (3) Credit transfer requests requiring the transfer of credit in excess of
- (4) See source document requirements below:

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If	And	Then
payment posted to the same TIN or related account	credit is available	source document is not required.
payment posted to the same TIN or related account	transfer results in debit balance	source document is required.
payment posted to non-related account	credit is available	source document is required.
payment posted to non-related account	transfer results in a debit balance	source document is required.

**Note:** Also refer to IRM 21.5.8.3.1, Determining Source Document Requirement for Credit Transfers.

**Note:** If the information in the "Remarks" section is missing or unclear, check ICS to obtain the required information. If the information can be determined from ICS, complete the credit transfer and notate the Form 2424 with "see ICS." If information cannot be obtained from ICS, return to revenue officer. Document a history in ICS with reason for non-assigned access.

- (5) You can transfer a credit if at least one of the tax modules is on the Integrated Data Retrieval System (IDRS). If not, activate account to IDRS using Command Code (CC) MFREQD to create a dummy account. Inputting a credit

transfer with only one side active on IDRS will systemically MFREQ a dummy account on the corresponding side of the credit transfer. CC TXMOD is then input to select the primary account and store the TIN, File Source, Name Control, MFT and Tax Period.

**Note:** CCP employees who have access to the Integrated Automation Technology (IAT) Credit Transfer are required to use the tool when inputting credit transfers. For additional IAT information, refer to the IAT SharePoint at <https://irs.gov.sharepoint.com/sites/IAT/>. This tool provides a list of transferable payments, auto-fills reversal transaction codes (TCs), performs unpostable checks, and ensures use of appropriate codes, amounts, and dates to help prevent unpostables.

(6) The command codes used in transferring credits and their compatible forms are as follows:

- ADD34/ADC34 is used with Form 2424, Account Adjustment Voucher or Form 3809, Miscellaneous Adjustment Voucher.
- ADD24/ADC24 is used with Form 2424, Account Adjustment Voucher or Form 3809, Miscellaneous Adjustment Voucher.
- ADD48/ADC48 is used with Form 2424, Account Adjustment Voucher or Form 3809, Miscellaneous Adjustment Voucher.

**Note:** IAT will populate the appropriate command codes when completing credit transfers.

- (7) Consider the effects of pending transactions, previous actions, freeze codes, module balances, posted penalties and interest adjustments, and transactions being input:
- a. All actions need to post the same cycle to prevent the issuance of erroneous notices. Use posting delay codes when inputting multiple actions such as: credit transfer and tax adjustment or an in-and-out credit transfer.
  - b. Each credit transfer affects two modules unless the transfer is for the purpose of changing the payment date only. The credit side of the transaction is posted one cycle after the debit side.
  - c. Do not move payments until they post. Exception: The following payments can be moved if a posting delay code is used:

TYPE	MEANING
AP	pending tax module transaction prior to PN status
CU	corrected unpostable transaction
PN	pending transaction that has passed all IDRS validity checks and has a complete DLN.
RS	RS transaction appended to the entity is identified as ERS when it is displayed with a tax module. Limited to TC 903 and 904



TYPE	MEANING
TP	payment received at the campus input to IDRS from the Remittance Processing System (RPS) with the cycle input.

- (8) Input instructions for credit transfers are contained in IRM 2.4, IDRS Terminal Input. When transferring credits remember:
  - CC SUMRY is used to determine if the module is on IDRS or under control to another employee.
  - Command code sequence must be followed.
  - The debit module must be on IDRS.
- (9) See IRM 5.4.10.2 above regarding the necessity of manual lien releases.
- (10) Credit transfers to or from NMF, URF or XSF cannot be input through IDRS.
  - a. Credit transfers between NMF and MF accounts, and NMF to NMF, within the same campus, will be accomplished by using either a Form 2424 or Form 3809 Credit transfers from NMF to NMF accounts between campuses will be accomplished by using a Form 2158. The campus can be identified by the first two digits of the Credit Reversal DLN. See IRM 3.17.64.9, Credit Transfers
  - b. Unidentified Remittance File and Excess Collection File payment transfers will be sent to the Accounting function at the appropriate Campus using a completed Form 8758 or Form 8765 Input IDRS History. See IRM 21.5.7.3.5, Researching Unidentified Remittances and Excess Collection File.

5.4.10.6  
(05-31-2023)  
**IRC 6020(b) Processing**

- (1) Pursuant to IRM 1.2.2.6.2, Delegation Order 5-2 (Rev. 2) dated 10–21–2013, revenue officers, GS-09, and above, and Collection Centralized Case Processing Managers have the authority to prepare and execute returns under IRC 6020(b).
- (2) Requests for 6020(b) will be received in CCP on a Form 5604, Section 6020(b) Action Sheet, to prepare returns under the authority of IRC 6020(b). ICS should be fully documented by the revenue officer with a complete explanation of the basis for the assessment(s). The explanation should include information such as wages paid, income tax withheld, FTDs or payments, and any calculations or other information used to establish the correct liability for each tax period. This information is important since it could be utilized later should the taxpayer request an appeal, file a suit, or file Form 911, Request for Taxpayer Advocate Service Assistance (And Application for Taxpayer Assistance order) with the Taxpayer Advocate office.
- (3) A copy of the ICS history documentation that explains the basis for the assessment(s) may be attached to the Form 5604. This will eliminate the need for the revenue officer to complete the “basis for assessment” section on Form 5604. Contact the revenue officer for missing information.
- (4) CCP will establish an IDRS control for each tax period requested on Form 5604.

- (5) Returns can be prepared for BMF Forms, Form 720, Form 940, Form 941, Form 941-PR, Form 941-SS, Form 943, Form 944, Form 1065, Form 2290, or Form CT-1. Return requests for the preparation of any other forms to the revenue officer.

**Note:** NOTE: Form 720, 2290, CT-1 should be routed to the FORT for processing.

- (6) Research IDRS to determine if a return has been filed.
- a. If the return was previously filed, update ICS, notating return filed and date posted. Close IDRS control base.  
**Note:** If the request is for IRC 6020(b) preparation of employment tax returns on a disregarded entity LLC for tax periods ended before January 1, 2009, and the liable single member owner (SMO) has previously filed an employment tax return for the same tax period, the return must be prepared under IRC 6020(b) on Form 3870, Request for Adjustment, as a supplemental tax assessment in the name and EIN of the liable party, the SMO. See IRM 5.1.11.7.7.4, Preparing Returns for Assessment. When the adjustment is processed, CCP should note the name and EIN of the LLC in the IDRS history on the module. For additional information, refer to IRM 5.1.15.6.1, Limited Liability Company (LLC) IRC 6020(b) Adjustments.
  - b. If the return has not been filed, prepare the returns requested on the Form 5604 through ICS templates. Prepare the tax returns in sets. A completed set includes an original and one copy of each return for each tax period. If the form is not available in ICS Templates, complete the return manually. See IRM 5.1.11.7.7.2, Preparation and Approval of 6020(b) Returns, and IRM 5.18.2.2.2, Basis of Tax for A6020(b) Modules, for return preparation.
  - c. Prepare Letter 1085 or Letter 1616 in duplicate using the initiating revenue officer's name and contact information on the letters. Mail the taxpayer and, if applicable, any recorded Power of Attorney (POA) the following:

<b>Things to Mail BOTH the Taxpayer AND Recorded Power of Attorney</b>
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The Letter 1085, 30 Day Letter Proposed IRC 6020(b) Assessment or Letter 1616, 30 Day Letter, Proposed IRC 6020(b) Assessment Partnership Return.
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One set of completed returns (original and a copy).
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Publication 5, Your Appeal Rights and How To Prepare a Protest If You Don't Agree.
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A return envelope.
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**Note:** You must update ICS history and IDRS with the mailing date of the Letter 1085 or Letter 1616 and suspense date.

- (7) Maintain the following documents in a suspense file for 45 days:
- A copy of the Letter 1085 or Letter 1616.



- a copy of each return, and
  - Form 5604.
- (8) If the taxpayer:
- requests an appeals conference, send the suspense file and any taxpayer correspondence to the revenue officer. Update ICS history and close IDRS control base.
  - files bankruptcy after a Letter 1085 or 1616 has been mailed, immediately inform Insolvency and provide them with copies of the proposed returns or contact the revenue officer. Unless instructed otherwise, continue 6020(b) processing. Update ICS history and close IDRS control base.
  - responds prior to the 45-day suspense date, follow the instructions below:

IF	THEN
Taxpayer states no employees during the period in question	Input TC 590 cc 63 to IDRS on each module not liable. Contact revenue officer to confirm 6020(b) is not necessary and/or to address credit(s) if applicable. Document ICS.
Taxpayer states business is closed	Input TC 591 cc 63 to IDRS on the earliest period closed. Close all necessary filing requirements. Input business closing date using CC ENMOD. Contact revenue officer to confirm 6020(b) is not necessary and/or to address credit(s) if applicable. Document ICS.
Taxpayer submits a return	Input TC 599 cc 64, code, and prepare for processing. NOTE: If a previous TC 599 (cc other than 63) is present or pending within the last 10 weeks and no return is posted or pending do not process the taxpayer's return received; follow instructions in next box. Document ICS.
Taxpayer submits possible second copy of return (see note in above box)	Input TC 594 cc 63. Print your input screen from IDRS and notate "Source Doc." Stamp your employee number and date of input. Attach return behind the print to be filed in the source doc. Document ICS.

IF	THEN
Taxpayer correspondence is insufficient	Contact revenue officer via telephone or email using procedures. See IRM 5.4.10.2.1. If response not received, continue with 6020(b) processing. Document ICS.
Taxpayer states return will be filed at a later date	Continue with 6020(b) processing and document ICS.
Taxpayer states return was filed under a different Employer Identification Number (EIN)	Verify the return(s) have been filed under the new EIN. a. If the taxpayer filed only for the tax periods addressed on the Letter 1085, input TC 590 cc 63 on those modules. b. If the EIN on the Letter 1085 is no longer liable, input TC 591 cc 63 to the earliest not liable period to close the filing requirements. c. Contact revenue officer to confirm 6020(b) is not necessary and/or to address credit(s) if applicable. Document ICS.
Response indicates the return may have posted to the wrong period and/or EIN and provides the EIN	Contact the revenue officer to complete a Form 3870 indicating <b>Criteria Transfer</b> Processing or <b>Reprocess to the correct EIN</b> . Document ICS.
Remittance received with a return	Prepare Form 3244 and attach the check to the return. Give to unit lead or manager for review and follow above guidelines for processing the return. Document ICS.
Taxpayer indicates possible identify theft	Contact or forward correspondence the revenue officer and document ICS.
Letter 1085 is returned opened and indicating wrong taxpayer	Forward correspondence to the revenue officer and document ICS.

- Close IDRS control base and dispose of the suspense file.

- (9) Review the account after the 45-day suspense period. If the taxpayer has failed to voluntarily file a correct return by the follow-up date or sign and return the 6020(b) return, then:

- a. Research IDRS for posted returns or satisfying transaction code.
  - b. If a return has posted or there is a satisfying transaction code, input a history to ICS. Close IDRS control base.
- (10) If the module is not satisfied, process the returns for assessment under the authority of IRC 6020(b).
- a. Code returns with TC 599-63, on the left margin of the return.
  - b. Code returns with Condition Code 4, at the center bottom of the return.
  - c. Ensure the returns contain the 6020(b) statement on the bottom of the return and secure the manager's signature.
  - d. Date stamp the returns.
  - e. Input a TC 599-63 on IDRS using FRM49 for each tax module that has a 6020(b) return.
  - f. Complete Section 2 of Form 5604 and attach the original to the earliest tax period on the Form 5604 and copies to all other returns.
  - g. Close IDRS control and send the returns for processing to the appropriate submission-processing site.
  - h. Close the delinquent returns on ICS if applicable.
  - i. Update ICS history with the date the return was sent for processing.

5.4.10.6.1  
(05-31-2023)  
**IRC 6020(b) Adjustments  
Processed by CCP**

- (1) The instructions in (2) below are specific to CCP processing of IRC 6020(b) adjustments submitted by Field Collection (FC) revenue officers. The following instructions will result in the ASER field being populated on TXMOD when a return is secured by FC in conjunction with a IRC 6020(b) assessment.
- (2) Process the adjustment to 6020(b) assessments as follows:
- a. Input the appropriate TC 290 or TC 291 (along with the TC 18X, FTD penalty adjustment and other penalties) as indicated on the Form 3870. For required information, see IRM 5.1.15.6, Business Master File (BMF) IRC 6020(b) Adjustments.
  - b. Input TC 599 cc XX as indicated on the original return. If omitted, use TC 599 CC 69 on partial abatements or TC 599 cc 71 for full abatements.
  - c. Input TC 971 AC 012. Use the return received date for the date of the TC 971 AC 012.
  - d. Route the Form 3870 and return in accordance with current processing procedures for source documents.

**Note:** State FUTA certification must be attached to **all** 940 adjustment requests including IRC 6020(b) adjustments unless no credit is claimed for state contributions or full abatement of a IRC 6020(b) assessment where it was determined the taxpayer was out of business the entire year and not liable for taxes reported on Form 940. See IRM 5.1.15.8, Federal Unemployment Tax Act (FUTA) Tax Adjustments.

5.4.10.6.2  
(12-18-2013)  
**IRC 6020(b) Adjustments  
on Limited Liability  
Company (LLC)**

- (1) When a disregarded entity Limited Liability Company (LLC) fails to file employment tax returns for tax periods ending before January 1, 2009, prepare an IRC 6020(b) return. Although the single member owner (SMO) may file employment tax returns for these tax periods in the name and EIN of the SMO or the name and EIN of the LLC, the IRC 6020(b) return must be prepared in the name and EIN of the liable party, the SMO. If the SMO has previously filed an employment tax return for another business under the SMO EIN for the same tax period, then the return prepared under IRC 6020(b) should not be submitted to Submission Processing as a secured return. The return prepared

under IRC 6020(b) will be processed on Form 3870 as a supplemental tax assessment. Review ASER before processing the additional assessment.

- (2) The revenue officer will submit Form 3870 to CCP using the name and EIN of the SMO with the following statement in the Reason for Adjustment section of the form: "This liability resulted from the operation of (Name and EIN of LLC), for which (Name of Single Member Owner) was liable as the employer, it should be added to the original assessment as a supplemental assessment."
- (3) Notate the name and EIN of the LLC in the IDRS history on the module.
- (4) Follow normal procedures to process an abatement request on an LLC/SMO.

5.4.10.7  
(05-31-2023)  
**Form 53**

- (1) The purpose of Currently Not Collectible (CNC) is to ensure collection action is suspended. Accounts may be reported CNC for a variety of reasons using transaction code (TC) 530. See IRM 5.16.1.2 Currently Not Collectible Procedures, for a list of the most commonly used CCs and definitions.
- (2) The request to place an account in CNC status requires the approval of a manager. See IRM 5.16.1.5, Managerial Approval, for exclusions.
- (3) The sections below provide instructions for terminal input of "Assessed" and "Pre-Assessed" tax periods along with instructions for monitoring of Mandatory Follow-up cases.

5.4.10.7.1  
(12-20-2019)  
**Form 53 — Assessed**

- (1) Form 53 sent to CCP for manual input of the TC 530 CC XX will be received from Field Collection on various forms, such as, Form 53, Currently not Collectible; Form 3177, Notice of Action for Entry on Master File; and Form 4844, Request for Terminal Action. The information required includes the tax period(s) MFT and the closing code. The Form 53 should be annotated "Assessed".
- (2) Parts 2 and 3 of Form 53 completed on ICS will be transmitted to CCP via a systemically generated email after approval of the CNC by the group manager. TC 530 cc XX will systemically upload from ICS to IDRS command code
- (3) Paper Form 53 requests require manager approval by the immediate manager of the revenue officer. Return unapproved requests to the revenue officer. See IRM 5.16.1.5, Managerial Approval.
- (4) See IRM 5.16.1.2.5, Tolerance, for tolerance accounts being closed with TC 530 cc 09 and cc 19 that do not require managerial approval.

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5.4.10.7.2  
(12-20-2019)  
**Terminal Input and  
Handling of Form 53**

- (1) ICS systemically uploads TC 530 cc XX on TXMOD upon the group manager's approval. Utilize the If/Then table below when processing parts 2 and/or 3 of Form 53. TXMODA research or input is not required during processing:

If	Then
IRS RCV date is less than 3 days	Take no action on IDRS command code TXMODA. TC 530 will systemically upload to IDRS before the 3RD day from the GM's approval. Proceed with all other parts of the request on IDRS command code ENMOD.
IRS RCV date is 3 days or more	No action required for TC530 input. Proceed with all other parts of the request on IDRS command code ENMOD.
Item 10 with a <b>Yes</b> on the Form 53 indicates change to BMF filing requirements.	Research IDRS using Command Code (CC) ENMOD and input the required action by using CC ENREQ.
Item 6a (1) or (2) or 6b on Form 53 indicates TC 130 is needed, and ENMOD (TIN and EIN) shows no presence of TC 130 or there is a reversed TC 130.	Input TC 130 on ENMOD using REQ77. TC 130 is needed on BMF entity to trigger refund offsets and on IMF entity to trigger CNC reactivation of BMF accounts.

- (2) For all other Currently Not Collectible (CNC) requests (i.e. F4844, manual F53), ensure that TC 530 with the appropriate closing code is input on IDRS CC TXMODA, as requested on the applicable form. If requested, input TC 130 and update filing requirements.
- (3) Do not input TC 530 cc XX if TC 150 has not yet posted. Refer to IRM 5.4.10.7.3, Processing of Pre-Assessed Form 53.
- (4) When Form 2363, Master File Entity Change, is attached, input the new address and/or Area Office Location code using CC ENREQ
- (5) When the account is reported CNC, CCP must use one of the following values for Responsibility Unit Code (RUC) or Jurisdiction Code when using Command Code (CC) FRM77 input on CNC accounts.

Value	Functional Area
1	Field Office
2	Revenue Officer
3	Campus
4	ACS
6	Exam
7	Appeals
8	PRP/Taxpayer Advocate
9	Other (Accounts Management & Taxpayer Assistance Center)

**Note:** This information can also be found in Exhibit 2.4.19-5.

5.4.10.7.3  
(12-20-2019)

**Processing of Form 53  
on Pre-assessed  
Modules**

- (1) The Form 53 request for input of a TC 530 on an un-assessed or pre-assessed module occurs when a taxpayer is determined to be CNC and tax period(s) have an assessment that has not posted to IDRS. CCP monitors the tax period(s) for the posting of the TC 150 and immediately inputs the TC 530 on IDRS using CC REQ77 to avoid collection activity against the taxpayer.
- (2) Form 53s sent to CCP for input of the TC 530 cc XX on un-assessed modules will be received from the FC on various forms, such as Form 53, Currently Not Collectible; Form 3177, Notice of Action for Entry on Master File; and Form 4844, Request for Terminal Action. The information required includes the tax period(s), MFT and the closing code. The Form 53 should be annotated "Pre-Assessed".
- (3) Ensure that proper approvals have been secured prior to input of a CNC request. Return unapproved requests to the revenue officer. See IRM 5.16.1.5, Managerial Approval.

5.4.10.7.3.1  
(12-20-2019)

**Processing of  
Pre-assessed Form 53**

- (1) The tax examiner will create an IDRS control base with a 6-week follow-up date from the date of receipt of the Form 53 in CCP for the posting of a TC 150 using CC ACTON.
- (2) Input a history item on ENMOD with the MFT and tax period. For example, input "UM01-1203" to indicate unassessed module for 01-201203.
- (3) On the follow-up date, check IDRS using CC TXMOD for posting of TC 150 and/or additional assessment(s).
  - a. If the TC 150 or additional assessment is present, input the TC 530. See IRM 5.4.10.7.2, Terminal Input and Handling of Form 53 above.
  - b. If the TC 150 or additional assessment has not posted, set another 6-week follow-up date. When the second follow-up date has been reached, check for the posting of TC 150. If the return/assessment still has not posted, reject the request back to the revenue officer with instruction to re-submit the tax return(s). Annotate Form 53 and close the applicable IDRS control bases.

5.4.10.7.4  
(05-31-2023)

**Form 53 Mandatory  
Follow-up**

- (1) Revenue officers request mandatory follow-ups if there is evidence that the taxpayer's ability to pay will improve and either computer-generated reactivation is not available or the improvement will happen significantly sooner than systemic reactivation can occur. The RO creates a systemic Non-Field Other Investigation (NF- OI) "101-Mandatory 53" and the ICS case is systemically assigned to CCP for monitoring.
- (2) Cases not processed on ICS, should contain the specific follow-up actions and the date required in the Mandatory Follow-up Action section of Form 53 (or equivalent) in sufficient detail to ensure appropriate follow-up. Also, information in the case history should permit review of the follow-up action after part 4 of Form 53 is detached. As each follow-up action is completed, update part 4 to show the date of the next follow-up.
- (3) A mandatory follow-up should **not be** requested in the following instances:

- a. To update and review a CIS on the chance that a taxpayer's financial condition will change.
- b. If follow-up will occur in less than 90 days; these cases should be held in the RO inventory and not transferred to CCP.
- c. To check on future compliance with filing requirements.
- d. To verify that payments are being made on an installment agreement.
- e. To verify that estimated tax payments are being made.
- f. To determine offset of a potential refund.
- g. To attempt to locate a taxpayer whose accounts were reported CNC with closing code 03, 06, 12, 17, 18 or 19.
- h. If the aggregate account balance, including accruals, is less than the following Bal Due deferral levels:

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**Note:** If the case is received for one of the reasons above, or does not meet any current Memorandum of Understanding (MOU) or deviation in place, return to originator.

- (4) Accounts may be reported CNC using cc 13 when an operating (in business) corporation, exempt organization, or limited partnership cannot pay its back taxes and enforcement cannot be taken because the business has no distrainable accounts receivable or other receipts or equity in assets. These cases are sometimes referred to as "In-Business 53s."
- (5) Closing code 13 may also be used for Limited Liability Corporation (LLC) cases (where the LLC is identified as the liable taxpayer), when an operating business cannot pay its back taxes and enforcement cannot be taken because the LLC has no distrainable income or equity in assets.
- (6) Refer to IRM 5.16.1.6, Mandatory Follow-Up , and IRM 5.16.1.2.7, In-Business Corporations, Exempt Organizations, Limited Partnerships, or Limited Liability Companies for additional information.

5.4.10.7.4.1  
(12-20-2019)

**Initial Analysis of Form  
53 Mandatory Follow-up  
Cases**

- (1) Within 5 business days of ICS case assignment, examiners must conduct ICS and IDRS research to determine if the requests should be rejected back to the originator, or retained for follow-up monitoring and cases actions. The creation of the NF OI **Mandatory 53** must be established on ICS, by the originator.
- (2) If **all** of the following questions are answered Yes, proceed with the monitoring procedures. If any are answered No, follow CCP rejection procedures in IRM 5.4.10.2.2.
  - a. Are all balance due and pre-assessed modules shown on IDRS referenced in the ICS history?
  - b. Have all delinquent returns been addressed?
  - c. Has the TFRP been addressed on all periods?
- (3) Questions a. through c., and their correlating responses, must be included in the ICS history left by the CCP examiner to support actions such as delayed monitoring and/or case rejection.



- (4) Requests that exceed 24 months must include an explanation in the ICS history, or CCP will limit the time to 24 months. Input the appropriate follow-up date on ICS and update ICS history for the mandatory follow-up action needed.
- (5) For sole proprietor cases, input TC130 on IDRS, if not already present.
- (6) On a bi-monthly basis, CCP runs a GII report to check IDRS for new balance dues and/or delinquent returns.

5.4.10.7.4.2  
(05-31-2023)

**Review of Form 53  
Mandatory Follow-up  
Cases**

- (1) If ICS notification is received that the revenue officer (RO) has been re-assigned to the case, close the NF OI and take no further action. **Do not** transfer the case if the RO only has an open Other Investigation (OI) to complete the TFRP investigation. Notifications must be worked within 5 business days of receipt.
- (2) CCP employees will process mandatory follow-ups per instructions below.
- (3) CCP must request a copy of the transcript for NMF accounts requiring follow-up.
- (4) The mandatory follow-up should be 18 to 24 months after the date of the Form 53. Requests that exceed 24 months must include an explanation in the history. If no explanation provided, set a 24 month follow-up.
- (5) If the case has reached the follow-up date on ICS, research IDRS for the status. **Do not contact the originating revenue officer.** Take the following actions:

If	Then
the accounts are full paid (Status 12)	document ICS, and close NF OI on ICS.
the accounts are in Status 71 or 72	input history on ICS and set a new follow-up for one year on ICS.

- (6) The six-month compliance checks were replaced by a bi-monthly GII run. During the GII run, a report is generated for each CCP examiner who has ICS inventory. All cases with new balance due accounts and delinquent returns must be addressed following steps a) through d) below.
  - a. Issue an OI to the Group Manager Hold File (XXXX-XX00) of the group assigned to the zip code using ICS parameter tables. Include the following wording in the remarks section of the OI and in the ICS history: **"Prior accounts on this taxpayer were reported CNC using closing code 13. The taxpayer subsequently incurred additional bal dues or del rets. Please address these outstanding delinquencies, and if necessary request input of TC 531 to reverse the CNC. Per IRM 5.16.1.6(9), if the taxpayer is now out of business, the closing codes for the CNC periods should be updated to cc 10 for a defunct corporation. If this OI cannot be resolved by the due date, an extension must be requested or the CNC will be reversed and assigned to the GM hold file."**
  - b. Set a 45-day follow-up on the OI.



- c. If there is no response to the OI or if there is no request to extend the follow-up on the OI within 45 days, input of TC 531 and assign case to Group Manager hold file (00).
  - d. If the RO responds to the OI, see boxes 2 and 3 in chart below as appropriate.
- (7) When the **mandatory 53 date** is reached and the accounts have remaining balance dues (bal dues), take the following actions:
- a. Input history on ICS.
  - b. Issue an OI to the Group Manager Hold File (XXXX-XX00) of the group assigned to the zip code using ICS parameter tables. Include the following wording in the remarks section of the OI and in the ICS history: **“The mandatory follow-up will include securing a new CIS, conducting a full compliance check, and reviewing the corporation’s or LLCs latest income tax returns as applicable. This review will determine whether the account will be reactivated or scheduled for additional mandatory follow-up. See IRM 5.16.1.2.7(8)”**
  - c. Set 45-day follow-up on the OI.

**Note:** Case is considered closed when the OI control is closed.

- (8) When the Mandatory Follow-up date or OI follow-up date is reached, take the appropriate actions based on chart below:

IF	and	Then
there is no response to the OI or, if there is no request to extend the follow-up on the OI	case was closed as: <b>TC 530 cc XX</b>	<ol style="list-style-type: none"> <li>1. Transfer the OI to the Group Manager hold file (00).</li> <li>2. Document ICS with the following history: “Case transferred to field due to no response to CCP OI.”</li> <li>3. Input TC 531 to reverse CNC and assign case to Group Manager hold file (00).</li> <li>4. Close CCP NF-OI.</li> </ol>
after the RO completes the actions on the OI	<b>the case no longer requires monitoring</b>	Close NF-OI.

IF	and	Then
after the RO completes the actions on the OI	<b>the account remains in 53 status</b>	The revenue officer should request to update the closing code to reflect current conditions. If a new closing code is needed the revenue officer should request input of TC 530 with the new closing code on the CNC modules. The revenue officer should send an approved Form 4844 requesting input of TC 530 with the new closing code on the CNC modules. (Check IDRS for update before closing OI). Set new follow-up , provided by the RO. If none was provided, reach out to the RO to secure one.

5.4.10.8  
(05-31-2023)  
**Processing Form 900,  
Tax Collection Waiver**

- (1) It is the policy of the Internal Revenue Service that CSED extensions are permitted only in conjunction with PPIAs and only in certain situations (see IRM 5.14.2.2.3, Waiver Procedures for Partial Payment Installment Agreements). It is the policy of the Internal Revenue Service that CSED extensions are limited to five (5) years beyond the original CSED for each tax account (plus up to one year). Group Managers will approve CSED extensions. The CSED may be extended more than once for each balance due account as specified in IRM 5.14.2.3, Collection Statute Expiration Date (CSED): Law, Policy and Procedures.
- (2) A Form 900 Waiver is a Tax Collection Waiver. It is a legal document executed by a taxpayer, which allows the Internal Revenue Service (IRS) to extend the amount of time allowed to collect a tax liability. The maximum time allowed to collect taxes is identified as the Collection Statute Expiration Date (CSED).
- (3) Parts 1 and 3 of Form 900 Waivers secured in conjunction with installment agreements will be forwarded to CCP for input.
- (4) The Form 900 Parts 1 and 3 must be accompanied by a copy of the Form 433-D.
- (5) Part 2 is the taxpayer's copy and Part 4 should be retained in the RO case file.

- (6) Perform an initial review of the 900 Waiver to ensure it is complete and correct. The following information must be present on the Form 900:
  - a. Verify taxpayer entity information (TIN/Name/Address).
  - b. CSED extension – Must be at least 1 year beyond current CSED.
  - c. Authorization signatures – The 900 Waiver is valid for input if at least one-taxpayer signs and it is approved by the Group Manager.

**Note:** If the extension is for joint filers, both individuals should sign the Form 900.

- (7) More than one tax period can be listed on the waiver. The tax period and extension date for each individual tax year must be listed.
- (8) Separate Form 900 Waivers are required for:
  - Each entity
  - IMF accounts (1040, etc.)
  - BMF accounts (941, Civil Penalty, etc.)
  - NMF accounts - If the account is active on IDRS, input NMF TC 550; otherwise forward NMF request 900 Waiver to NMF unit on a Form 3210 to Cincinnati Campus (CSC).
- (9) Assessment Date(s) of the tax periods must include all assessments per tax period for which the CSED is being extended.

**Note:** Example: There is a TC 150 and TC 290 with assessment dates of 4/15/2010 and 6/15/2010 for tax period 12/31/2009. You must include both assessments on 900 Waiver since both assessments are collectable and need to be extended until 10/30/2023.

- (10) If it is determined that information is missing or incorrect and the TC 550 cannot be input, reject the 900 Waiver back to the revenue officer.

5.4.10.8.1  
(05-31-2023)  
**Inputting and Filing  
Form 900 Waiver**

- (1) Input a TC 550 using REQ77.
- (2) Input "1" for the Trans-Register-Ind.
- (3) Input new requested CSED for the extension date.

**Note:** Use the date the group manager signed the waiver as the transaction date in the Trans-DT area.

- (4) Input correct CSED code in the CSED-CD area. No alpha code is needed for Civil Penalty/BMF.
  - P = primary taxpayer signed waiver.
  - B = both taxpayers signed waiver.
  - S = secondary taxpayer signed waiver.
- (5) Input predetermined Definer Code for the 550 Definer-CD.
- (6) In the Remarks area, type "The delegated representative's name per Form 900 Waiver with IA".
- (7) Date and initial back of Part 3 (input copy) of 900 Waiver and send for review.

- (8) After input of an extended CSED, a review must be performed to ensure:
  - a. Extension dates are the same on the Form 900 and IDRS; and
  - b. Status 60 was also input or the agreement is being monitored by CCP.
- (9) After input, Part 1 of Form 900 (the original) will be kept in an accessible file in CCP for three years beyond the latest date to which CSEDs were extended. IRC 6511(a) provides the right to make claims for refunds within 2 years from when taxes are paid or 3 years from when the return was filed, whichever period expires later
- (10) Part 3 of the Form 900 will be attached to the related partial payment installment agreements (PPIA).

**Note:** Form 8620, Statute Extension IRC 6503(c), should be processed as a Form 900 Waiver. After the TC 550 has been input on IDRS, the Form 8620 should be marked "Keep" and given to clerical to file with the waivers. See IRM 5.1.19.3.7.4, Procedures For Adjusting the CSED, for more information.