



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

5.4.11

MAY 24, 2021

## EFFECTIVE DATE

(05-24-2021)

## PURPOSE

- (1) This transmits revised IRM 5.4.11, Case Processing, CCP Installment Agreements.

## MATERIAL CHANGES

- (1) IRM 5.4.11.1: Added new subsection on Program Scope and Objectives in compliance with IRM 1.11.2 standards. This change renumbers the rest of the IRM subsections.
- (2) IRM 5.4.11.1.2, Authority section to include Taxpayer Bill of Rights (TBOR). Content added based on guidance from the Division Counsel/Associate Chief Counsel (National Taxpayer Advocate Program) and Branch 3 of the Associate Chief Counsel (Procedure and Administration).
- (3) IRM 5.4.11.2(4)(d): Updated IRM links for Unpostables to IRM 5.4.10.3(13)Adjustments.
- (4) IRM 5.4.11.3(5)(g): Removed the exception from Processing Guaranteed, Streamline and In-Business Express Installment Agreements.
- (5) IRM 5.4.11.4(3)Updated MMIA cases can be received from other functions; to Add: Accounts Management (AM).
- (6) IRM 5.4.11.4.1(11)Removed Note from Initial Analysis of MMIA, IBTF, PPIA-CWL Cases.
- (7) IRM 5.4.11.4.2(1)(a)Replaced "DDIA rejections also need AMS history item." With "If the case is not on ICS you must annotate the reason(s) for return/rejection on AMS."
- (8) IRM 5.4.11.1(2)(d)Removed content "TC 971 AC 063 is present."
- (9) IRM 5.4.11.5.1(12),Monitoring Continuous Wage Levies, added the following after the first sentence, "Input a separate history on ICS using the FORT referral Template that states the issue for the FORT Referral on ENMOD."
- (10) IRM 5.4.11.6.2: Reverse paragraphs 2 and 3. Reworded paragraph 2 for clarification.
- (11) IRM 5.4.11.6.3: Added clarification of annotation on ICS/AMS. Reworded paragraph 2 for clarification.
- (12) IRM 5.4.11.6.4: Added clarification of annotation on ICS/AMS.
- (13) IRM 5.4.11.6.5(2):If and Then chart, 4th BOX/Remove the language (IDRS problem has been fixed) in parenthesis from the third bullet under the "Then Column."
- (14) IRM 5.4.11.7(4) Added Caution regarding PDIA.
- (15) IRM 5.4.11.7(4) Caution for IRM 5.19.1.5.4.14.1 and IRM 5.19.1.5.4.14.2 are now IRM 5.19.1.6.4.13 IRM 5.19.1.6.4.14.1
- (16) IRM 5.4.11.8.1(4) , Initial IBTF & PPIA Default Procedures, corrected hyperlinks to reflect IRM 5.4.11.8.2 for IBTF & PPIA Default Procedures, and IRM 5.4.11.8.3 MMIA Default Procedures.
- (17) IRM 5.4.11.9.1(1) PPIA Review Letter (CP522P) Responses. Added hyperlink IRM 5.19.13 Campus Procedures for Securing Financial Information.

- (18) IRM 5.4.11.9.1(2) PPIA Review Letter, change 8 cycles to 18 cycles.
- (19) IRM 5.4.11.9.1(25) PPIA Review Letter (CP522P) Responses, updated bullet number 3 to read: Managers will review the case within 5 business days and document AMS of approval or disapproval.
- (20) IRM 5.4.11.10 Added a new subsection Direct Debit Installment Agreement (DDIA) Requests from Field Collections.
- (21) Editorial changes have been made throughout to update terminology and references, to comply with current writing standards, to correct formatting issues; and to revise wording for clarity, update web address and IRM references.

#### **EFFECT ON OTHER DOCUMENTS**

This IRM supersedes IRM 5.4.11, dated October 6, 2016. The following interim guidance is incorporated: IPU 17U0504, Expanding CCP Collection Authority to CNC PPIA Accounts, dated 3/15/2017; IPU 17U1417, Eliminates the Requirement to Review Continuous Wage Levies for AC 971-063 as Non-Applicable, dated 10/11/2017; IPU 20U0026, Updated Hyperlink for Asset/Income/Expense Verification and Substantiation, dated 1/2/2020.

#### **AUDIENCE**

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Small Business/Self-Employed

5.4.11

CCP Installment Agreements

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5.4.11.1  
(05-24-2021)  
**Program Scope and Objectives**

- (1) Centralized Case Processing (CCP) employees are responsible for ensuring the required documentation is present in order to support the processing of Installment Agreement cases..
- (2) **Purpose:** This IRM provides guidance and instruction to SB/SE employees in Centralized Case Processing, Campus Collection for processing installment agreements.
- (3) **Audience:** The primary audience for this IRM is Centralized Case Processing, Campus Collection employees and their managers.
- (4) **Policy Owner:** Director, Collection Policy.
- (5) **Program Owner:** SB/SE Collection Policy, Campus Policy
- (6) **Primary Stakeholders:** Campus Collection Centralized Case Processing employees, Field Collection employees, and employees in Automated Underreporter, Field Examination, Campus Examination, and CAWR/FUTA.
- (7) **Program Goals:** The purpose of this IRM is to ensure that Centralized Case Processing, Campus Collection employees understand the different types of requests for processing installment agreements.

5.4.11.1.1  
(05-24-2021)  
**Background**

- (1) A taxpayer may request an installment agreement providing certain criteria for each type of agreement are met.
- (2) Installment Agreements (IA) are arrangements whereby the Internal Revenue Service allows taxpayers to pay liabilities over time.
- (3) If full payment cannot be achieved by the Collection Statute Expiration Date (CSED), and taxpayers have some ability to pay, Partial Payment installment agreements (PPIA) may be granted.
- (4) During the course of these agreements, penalty and interest continue to accrue.
- (5) Generally, no levies may be served while an installment agreement is pending or is in effect.
- (6) For more information on installment agreements, see IRM 5.14.

5.4.11.1.2  
(05-24-2021)  
**Authority**

- (1) The authorities for this IRM include:
  - IRC 6159, Agreements for Payment of Tax Liability in Installments.
  - Treasury Reg § 301.6343.
- (2) IRM 1.2.1.6.1, Policy Statement 5-1, Enforcement is a necessary component of a voluntary assessment system
- (3) IRM 1.2.1.6.1, Policy Statement 5-2, Collecting Principles
- (4) IRC 6502 provides procedures for ten-year CSED.
- (5) 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.

- (6) IRC 6320 and CFR 301.6320-1, the right to appeal the filing of a Notice of Federal Tax Lien.
- (7) IRC 6330 and CFR 301.6330-1, the right to appeal before or after levy action is taken, depending on the type of levy.
- (8) IRC 7122(e), the right to appeal the Service's rejection of an installment agreement request.
- (9) 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 CFR 301.6159-1(e)(5).
- (10) Taxpayer Bill of Rights, IRC 7803(a)(3).

5.4.11.1.3  
(05-24-2021)  
**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.

**Note:** Employees who process balance due responses are responsible for responding to revenue officer requests for processing and inquiries.

5.4.11.1.4  
(05-24-2021)  
**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 balanced due program.
  - Employee Inventory Report, Employee Case Type Report and Closure Due Date Report (generated through Integrated Collection System (ICS))
  - Week at a Glance Report (WAAG)
  - Overage Report Compiler and Sorter (ORCAS)
  - Monthly Monitoring Report (MMR)
  - Work Planning & Control (WP&C) Reports
  - Case Controlled Activity System (CCA) Reports
- (2) **Program Effectiveness:** The Program results are housed on The Collection Program and Campus Report 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.

5.4.11.1.5  
(05-24-2021)  
**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, SB/SE 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 Tax 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 for ICS.
- (6) Account Management System (AMS) is used by Collection managers to verify required account documentation and actions taken when necessary per IRM 5.4.11.
- (7) Integrated Collection System (ICS) is used by Collection managers to provide workload assignment/tracking, inventory control and case analysis.

5.4.11.1.6  
(05-24-2021)  
**Terms/Definitions/  
Acronyms**

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

ABBREVIATIONS	DEFINITION
ACA	Affordable Care Act
ALN	Agreement Locator Number
ALS	Automated Lien System
AMS	Account Management Services
ASED	Assessment Statute Expiration Date
BMF	Business Master File
CCP	Centralized Case Processing
CDP	Collection Due Process
CLO	Centralized Lien Operation

ABBREVIATIONS	DEFINITION
CNC	Currently Non-Collectable
CSCO	Compliance Services Collection Operations
CSED	Collection Statute Expiration Date
CWL	Continuous Wage Levy
DDIA	Direct Debit Installment Agreement
FC	Field Collection
FORT	Field Office Resource Team
FPLP	Federal Payment Levy Program
IA	Installment Agreement
IAT	Integrated Automation Tool
IBTF	In-Business Trust Fund
ICS	Integrated Collection System
IDRS	Integrated Data Retrieval System
IMF	Individual Master File
LEM	Law Enforcement Manual
LLC	Limited Liability Company
MAL	Manual Action List
MMIA	Manually Monitored Installment Agreement
NF OI	Non-Field Other Investigation
NMF	Non-Master File
OIC	Offer In Compromise
OVDI	Offshore Voluntary Disclosure Initiative
PDIA	Payroll Deduction Installment Agreement
PPIA	Partial Payment Installment Agreement
RCA	Reasonable Cause Assistant
RO	Revenue Officer
SMO	Single Member Only
SRP	Shared Responsibility Payment
TAS	Taxpayer Advocate Service

ABBREVIATIONS	DEFINITION
TC	Transaction Code
TDI	Taxpayer Delinquency Investigation
TFRP	Trust Fund Recovery Penalty
TIN	Taxpayer Identification Number
WOEA	Warning of Enforcement Action

5.4.11.1.7  
(05-24-2021)

#### Related Resources

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

- IRM 2.3, IDRS Terminal Responses
- IRM 2.4, IDRS Terminal Input
- IRM 5.1.9, Collection Appeal Rights
- IRM 5.1.11, Delinquent Return Accounts
- IRM 5.1.12, Cases Requiring Special Handling
- IRM 5.1.21, Collecting From Limited Liability Companies
- IRM 5.1.19, Liability Collection
- IRM 5.4.13, CCP General Procedures
- IRM 5.5, Decedent Estates and Estate Taxes
- IRM 5.7, Trust Fund Compliance
- IRM 5.12, Lien Release and Related Topics
- IRM 5.14, Installment Agreements
- IRM 5.14.2, Partial Payment Installment Agreements and The Collection Statute Expiration Date (CSED)
- IRM 5.16.1, Currently Not-Collectable
- 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 25.6.1, Statute of Limitations, Processes and Procedures

5.4.11.2  
(05-24-2021)  
**Overview**

- (1) Installment Agreements (IA) are arrangements whereby the Internal Revenue Service allows taxpayers to pay liabilities over time. If full payment cannot be achieved by the Collection Statute Expiration Date (CSED), and taxpayers have some ability to pay, Partial Payment Installment Agreements (PPIA) may be granted. During the course of agreements, penalty and interest continue to accrue. Generally, no levies may be served during installment agreements.
- (2) The Integrated Data Retrieval System (IDRS) is used to monitor most IA's for timely payments on accounts, as well as to determine whether taxpayers remain in compliance with current filing and paying requirements. IDRS also monitors agreements based on the Installment Agreement Locator Number (ALN) recorded at the time agreements are input. See IRM Exhibit 5.14.1-2, Installment Agreement Locator Numbers. Some agreements require special monitoring, such as when accounts reside on Non-Masterfile (NMF) or if payment amounts are varied. These accounts must be manually monitored.

- (3) This chapter provides procedures for processing all types of IA's received in Centralized Case Processing (CCP), including Manually Monitored installment agreements (MMIA), and In-Business Trust Fund (IBTF) balance dues. Many of these accounts involve in-business payroll tax accounts, and/or large dollar accounts. See IRM 5.14.7, BMF Installment Agreements.
- (4) In all instances:
  - a. Mandatory IAT tools must be utilized.
  - b. History items must be left on all cases with action taken. Histories must contain enough information so any person reading the history can easily determine what decisions were made, why those decisions were made, what actions were taken and what further actions are required to resolve the issues. Update:  
ICS/AMS on IBTF, PPIA and CWL cases  
ICS and AMS on MMIA cases.
  - c. Annotate ICS/AMS case history with actions taken.
  - d. CCP employees must resolve their own unpostable conditions caused by actions taken on the accounts. See IRM 5.4.10.3(13), Adjustments.

5.4.11.2.1  
(10-06-2016)

**Types of Installment  
Agreements**

- (1) When taxpayers are unable to pay a liability in full, an IA will be considered.
- (2) There are various types of installment agreements that may be granted to taxpayers:
  - a. Guaranteed Installment Agreement – Taxpayers with Individual income tax liabilities of \$10,000 or less (exclusive of penalties and interest); See IRM 5.14.5.3, Guaranteed Installment Agreements.
  - b. Streamlined Installment Agreements – Taxpayers with liabilities of \$50,000 or less; See IRM 5.14.5.2, Streamlined Installment Agreements.
  - c. In-Business Trust Fund Express Installment Agreements; See IRM 5.14.5.4, In-Business Trust Fund Express Installment Agreements.
  - d. Manually Monitored Installment Agreements (MMIA); See IRM 5.14.9.5, Manually Monitored Installment Agreements, including MMIA In Business Trust Fund (IBTF) agreements; See IRM 5.14.7.4, In-Business Trust Fund Installment Agreements Requiring Financial Analysis and Determining Ability to Pay.
  - e. Partial Payment Installment Agreements (PPIA), which can be systematically or manually monitored; See IRM 5.14.2, Partial Payment Installment Agreements and the Collection Statute Expiration Date.
  - f. Direct Debit Installment Agreements; See IRM 5.14.10.4, Direct Debit Installment Agreements.
  - g. Payroll Deduction Installment Agreements; See IRM 5.14.10.2, Payroll Deduction Installment Agreements.
  - h. Installment agreements involving Limited Liability Companies (LLC); See IRM 5.14.7.3, Installment Agreements Involving Limited Liability Companies.
  - i. Routine Installment Agreements- Installment Agreements that do not meet the criteria for any other type of installment agreement ( Guaranteed, Streamlined, IBTF or IBTF Express . See IRM 5.14.9.4, Routine Installment Agreements
  - j. Affordable Care Act (ACA) individual Shared Responsibility Payment (SRP) A standalone SRP occurs when a balance due is created on an module with MFT 35 File Source 1 (SRP 5000A) and there is no other Balance Due module with a different MFT in Status 22, 24, or 26, nor a TDI module

in status 03. If an additional SRP balance due occurs in a subsequent year, and still no other modules with a different MFT, it is (they are) still considered a standalone SRP.

- (3) SRP Manually Monitored Installment Agreements: If the taxpayer has requested an account to be split due to a divorce or innocent spouse, current procedures do not allow for mirroring the assessment until 2016. The case will be sent to Manually Monitored (MMIA). SRP cases can be maintained in MMIA Philadelphia until they can be mirrored. As with all agreements, the taxpayer must have filed all tax returns that are due prior to entering into the agreement

5.4.11.3  
(05-24-2021)  
**Processing Guaranteed,  
Streamline and  
In-Business Express  
Installment Agreements**

- (1) IA requests will be received, by mail or electronic submission, in CCP for input from the Field Collection (FC) on a Form 433-D, Installment Agreement, Form 2159, Payroll Deduction Agreement or Form 4844, Request for Terminal Action.
- (2) Cases must be controlled within five (5) business days.
- (3) CCP has 21 business days from the CCP receive date to input the IA.
- (4) If the IA was submitted as a routine IA/IBTF Express and it should have been submitted as an Manually Monitored IA, reject the IA to the originator.

**Note:** See IRM 5.14.9.5, Manually Monitored Installment Agreement, including MMIA In Business Trust Fund (IBTF) agreements. See IRM 5.14.7.4, In-Business Trust Fund Installment Agreements Requiring Financial Analysis and Determining Ability to Pay, to determine if case meets MMIA or IBTF criteria.

- (5) Verify the information on the received form and input necessary information:
- Taxpayer name
  - Taxpayer Identification Number (TIN)
  - Secondary or cross reference TIN
  - Taxpayer address
  - Taxpayer telephone number(s)
  - Levy Source(s)
  - Agreement Locator Number (ALN)
- (6) Check IDRS before inputting IA.
- Accounts containing freeze codes -O, -Z, -J, -Y, -W and -V will be rejected to the originator without contact.
  - Accounts containing freeze code W- caused by a TC 470 on the module, input a TC 472 on accounts and continue processing.
- Note:** These accounts and accounts containing MFREQ modules will be suspended for two-weeks to allow IDRS posting.
- If a taxpayer is not in compliance, reject case back to originator.
  - If case is assigned to a tax examiner, reroute case.
  - If account contains any preassessed modules, leave history on ENMOD and C/W form.

- (7) If information is missing and or incomplete, or conditions exist to prevent a case from going into ST 60, check IDRS and or Integrated Collection System

(ICS) for updated information. Attempt to contact the originator. If unable to obtain necessary information for input within 48 hours, notify the originator of the rejected Form 433-D by email with a CC to the group manager. Input an ICS history and close control base.

**Exception:** If the Status 23 module was not included in the IA and it does not change the requested type of IA based on the payment calculation, add the Status 23 module to the requested IA.

(8) See Exhibits 6, 7 and 8 in IRM 5.19.1, IDRS input of Installment Agreements.

(9) A taxpayer may add open Individual Shared Payments to the original installment agreement. However, if the taxpayer wants to add a subsequent MFT 35 to an existing agreement and it no longer meets Streamlined IA criteria, the employee should ask for a financial statement:

- If they do not respond, the existing IA will stay in place and stand alone MFT 35 will be recessed. Agreement will not default PDIA - A new Form F2159 Is NOT needed/required to add a new liability to an existing PDIA. A PDIA may be updated to include the Individual SRP liability by issuing a Letter 2571C to the employer informing them of the new balance.
- If the taxpayer chooses to send in a new Form 2159 with the new period, we will accept/process it but it is NOT required. Streamlined PDIA Agreements - All open Individual SRP modules should be added to the original installment agreement.
- If the IA is a DDIA, the taxpayer must provide a new signed Form 9465 or Form 433-D to include the MFT in the agreement, if they are increasing the payment amount.

**Caution:** See IRM 5.19.1.6.4.13.2, Taxpayer Problems With DDIA and IRM 5.19.1.6.4.14.1(2), Input of PDIA as changes to these accounts require special handling.

(10) SRP Mirrored Installment Agreements: Current procedures do not allow for mirroring the assessment until 2016. The case will be sent to Manually Monitored Installment Agreements (MMIA), currently in Philadelphia until the time when the assessment can be split. SRP cases can be maintained in MMIA Philadelphia until they can be mirrored. As with all agreements, the taxpayer must have filed all tax returns that are due prior to entering into the agreement.

(11) To reject a case:

1. Update ICS with reason for reject.
2. Update ENMOD history to document the case has been rejected back to RO.
3. Close control base.
4. Notate on document "CW-rej to RO" and employee's IDRS number.

(12) To reroute a case:

1. Update ENMOD history to document the case has been rerouted.
2. Close control base.

3. Notate on the top of the document, the case was rerouted. If the case is being rerouted to a TE, you must write the complete Tsign on the top of the form.
4. Notate ICS with actions taken.

5.4.11.4  
(05-24-2021)

**Receipt of Manually  
Monitored Installment  
Agreements (MMIA) and  
In-Business Trust Fund  
Installment Agreements  
(IBTF-IA)**

- (1) CCP receives MMIA and IBTF cases as a Non-Field Other Investigation (NF-OI) based on ICS case closure from Field Collection (FC).
- (2) If an IBTF agreement is received that meets IBTF express agreement criteria, see IRM 5.14.5.4, Streamline, Guaranteed and In-Business Trust Fund Express Installment Agreements, reject the case back to the originator to be submitted as an IBTF Express Agreement.

**Exception:** If case is in Status 60, close the NF and send a secured e-mail to IQA to Tsign the case to the field.

- (3) MMIA cases can be received from other functions; Automated Collection System (ACS), Field Assistance, Collection Service Center Operation (CSCO) and Accounts Management (AM). These cases will be received on a Form 433-D, Installment Agreement, and cannot be mirrored. If not established, create the case on ICS using the appropriate taxpayer identification number (TIN) based on the earliest collection statute expiration date (CSED), with the name of the taxpayer for whom the IA is being granted. Include only balance due modules in the IA for the appropriate TIN. Establish separate addresses if necessary.
  - a. Verify terms on Form 433-D and compare to AMS history.
  - b. Verify case meets MMIA criteria. See IRM 5.19.1.6.6, Manually Monitored Installment Agreement, MMIA.
  - c. If the case is closed incorrectly, cannot be monitored, not in compliance at the time the Form 433-D is secured, or is missing information and not in ST 60, reject the case. See IRM 5.4.11.4.2, Returning Rejected Cases to Originator.
  - d. Cases received from functions other than CFf will be assigned to tax examiners within 10 business days from receipt of the Form 433-D, Installment Agreement.

5.4.11.4.1  
(05-24-2021)

**Initial Analysis of MMIA -  
IBTF - PPIA - CWL  
Cases**

- (1) Initial analysis will be completed within 21 business days from the employee assignment date. Annotate ICS/AMS case history of all actions taken.
- (2) New installment agreements must include all open modules, including SRP, MFT 35.
- (3) Verify on ICS the following information:
  - a. Case Sub-code is 900 (IBTF-IA), 901 (MMIA), 902 (CWL), 911 (routine PPIA), 906 SMO/LLC IBTF-IA, or 907 SMO/LLC MMIA, 929-Non Field MMIA/Non-IAT, 927-Non Field MMIA/IAT, or 931 for Field Non-IAT cases (unable to be monitored by Integrated Automation Technologies (IAT).
  - b. Location Code is SX-Y, or SX-N (CCP use only).  
The literal X is:  
B for IBTF  
M for MMIA,  
C for CWL, and  
P for PPIA cases.

- c. ST 22, 24, 26 for MMIA or ST 60 for IBTF-IA or ST 26 CWL.
- d. Terms of the IA.

**Note:** Requests for back-up 53's require a completed Form 53, Report of Currently Not Collectible Taxes, signed by the group manager.

- e. Set a follow-up date if a cross-reference TIN needs to be included in the IA after a TFRP assessment posts or there are any pre-assessed modules.
- f. Input of TC 971 AC 063, if not previously input.

**Exception:** If the case is for manually monitoring a continuous levy, do not input a TC 971 AC 063 on balance due accounts included on the continuous wage levy. If TC 971 AC 063 is present on any modules for monitoring use CC REQ77 and input the reversal TC 972 AC 063 using the date of the original TC 971.

- g. Verify SMO/LLC IBTF IA's are truly a SMO/LLC IBTF IA. If SMO/LLC IBTF IA's contain both pre and post 01/01/2009 assessments, see IRM 5.14.7.3.2, Installment Agreements When Owner (SMO) and LLC are Liable for Assessments in LLC Name, TC 971 AC 364/365/366 must be present on each module included in the IA. These codes identify the liable taxpayer for each period. See IRM 5.1.21.14.3, Identity of the Taxpayer on Integrated Data Retrieval System (IDRS). Input the appropriate TC 971 if it is not present. Check IDRS to see if all pre 01/01/2009 modules have a TC 971 AC 365 with a x-ref TIN (can be a SSN or EIN). If no TC 971 AC 365 is present, locate the x-ref TIN on ICS/IDRS and input the TC 971 AC 365. On ICS, look at the Name/Address Record. Look for a **J** or **K** address. The x-ref TIN should be available by viewing the address record. If you are unable to locate an x-ref TIN for the SMO, contact the RO by phone or email. If unable to make contact with the RO, issue an OI to the field telling them to request the input of a TC 971 AC 365 with a x-ref TIN for the SMO on the pre 01/01/2009 modules.
- h. On MMIA cases verify the User Fee was applied and posted correctly. See IRM 5.19.1.6.4.6, IA Payment Methods and User Fees (UF) Overview, for establishing user fee modules, if not posted.

**Note:** No user fee is deducted from continuous levy cases.

- i. Compliance Issues (open delinquent returns (Del Rets) and/or balances due (Bal Due) not included in the IA), See IRM 5.14.1.4.2, Compliance and Installment Agreements.
- j. If an IA request is received from an RO that includes a module(s) with MFT 74 or 76, **DO NOT REJECT** the IA. The IA should be input as usual. Cases with MFT 74 and/or MFT 76 modules are MMIA cases if these modules are excluded. Monitor the IA per IRM 5.4.11.5, Monitoring non-IAT Cases. Ensure the correct type of IA (IBTF, Routine, etc.) is selected.
- k. If the ST 23 module(s) was not included in the IA and it does not change the requested type of IA based on the payment calculation add the ST 23 to the requested IA. If the ST 23 changes the type of IA follow reject procedures per IRM 5.4.11.4.2, Returning Rejected Cases to Originator.
- l. IAs received from the field should include all balance due modules. CCP will reject IAs back to the originator if the agreement does not include all balance due modules. When rejecting the case, reference IRM 5.14.1.4.2, Compliance and Installment Agreements, and document ICS with the reason for rejection. The exceptions to this IRM requirement are IAs listed

in IRM 5.14.7.3.2, Installment Agreements when Owner (SMO) and LLC are Liable for Assessments in the LLC Name.

**Note:** CWL's are not IAs and the IA request may not include accounts in ST 53 and systemically uploaded IA's.

If	Then
ST23 modules(s) were not included in the IA, and it <b>does not</b> change the requested type of IA base on the payment calculation,	<ul style="list-style-type: none"> <li>add the ST23 to the requested IA.</li> </ul>
ST23 modules(s) were not included in the IA and it <b>does</b> change the type of IA,	<ul style="list-style-type: none"> <li>follow reject procedures per IRM 5.4.11.4.2, Returning Rejected Cases to Originator.</li> </ul>
If an IA has been systemically uploaded and there are delinquent returns,	<ul style="list-style-type: none"> <li>follow 6020b processing procedures per IRM 5.4.11.6.3, IBTF-IAT Monitoring Procedures.</li> </ul>
If an IA has been systemically uploaded to ST60 and the account has balance dues that were not included in the IA and not in ST60,	<ul style="list-style-type: none"> <li>open an other investigation (OI) request to the RO for the information needed to revise the IA.</li> <li>If the RO fails to respond to the OI, close the OI and document the history.</li> </ul>
If the IA has been systemically uploaded to ST60 and it included modules that the RO did not include,	<ul style="list-style-type: none"> <li>send the RO an email to inform them of the inclusion.</li> </ul>
If a balance due module is not included in the IA and is in Status 21,	<ul style="list-style-type: none"> <li>do not contact the RO and allow the IA to default.</li> </ul>

m. Ensure IBTF cases have a NF-OI on ICS for case monitoring.

**Note:** PPIA cases must have a PPIA NF-OI open.

n. Verify an NF-OI is on ICS for monitoring the case.

**Note:** An NF-OI is not needed on MMIA cases.

(4) Ensure case is Tsigned on IDRS.

**Exception:** MMIA and PPIA Routine cases.

**Note:** If unable to Tsign, set two week follow-up to Tsign or email IQA to Tsign.

(5) For SMO/LLC agreements, input a history on ENMOD stating the case is a SMO/LLC IBTF-IA with the total IA payment amount and individual payment liability of the SMO and LLC.

- (6) Set a two week follow-up for any modules that have been MFREQ or a TC 472 has been input.

**Note:** Pre-assessed modules require a follow-up date to reverse the pre-assessed indicator.

- (7) If the case is closed incorrectly, cannot be monitored, not in compliance, or is missing information and not in ST 60, reject the case. See IRM 5.4.11.4.2, Returning Rejected Cases to Originator.
- (8) If the case is closed as an IBTF, and is in ST 60, but should be a:
- PPIA, then run the payment calculator, document the case with the calculator information and notify the Lead to transfer the OI to the PPIA team for monitoring. Upon receipt of case, PPIA team will update asset code on IDRS to 1.
  - MMIA, default the IA and suppress the default notice, input CC STAUP 2200, change the sub code to 901 and notify the Lead to transfer the OI to the MMIA team for monitoring. The MMIA team will close the OI when all modules are in ST 26.
- (9) If the case is closed as a PPIA, is in ST 60, and the taxpayer is:
- in business and the account will be full paid within the CSED, close PPIA OI and notify Lead to transfer NF-OI to the IBTF group. Delete ICS two year financial review follow up. Run payment calculator, document case with calculator information.
  - out of business and the account will be full paid within the CSED, close PPIA OI and delete any ICS follow ups. Update CC IADIS to reflect non-PPIA terms. Run payment calculator, document case with calculator information.
  - in business, and the account will NOT be full paid within the CSED, change the sub code to 900, open an IBTF OI and contact IQA to update IDRS Tsign.
  - out of business and the account will NOT be full paid within CSED, monitor case for two year financial review. Routine PPIAs are not Tsigned to CCP. If CCP Tsign is present, contact IQA for Tsign to originator and verify subcode is 911 for Routine PPIA.
- (10) Cases meeting “mirroring” criteria below must be forwarded to CSCO. See IRM 5.19.1.6.7.1, Front End Mirror Assessments Process for IA Closures.
- IA established with secondary taxpayer.
  - Primary taxpayer is currently not collectable, unable to locate, etc. (ST 53), deceased, in notice status, ST 26 or paying under separate IA.

**Note:** If the name control is not the same as INOLE, or the TIN assigned to either entity is temporary, or contains international entities, the case cannot be mirrored and must be manually monitored.

- (11) See Exhibits 1-6, 1-7 and 1-8 in IRM 5.19, Liability Collection, for IDRS input of IAs that were not systemically uploaded.
- (12) Verify the correct ALN. See IRM 5.19.1-9, Installment Agreement Locator Numbers.

- (13) The tax examiner will compute balances for each tax period included in the IA to the due date of the next payment. This amount will be used to complete and mail Letter 3856, Monthly Reminder for Installment Agreement Payments, or Letter 3856A, Monthly Reminder for Installment Agreement Payments for Joint Liabilities. Include a pre-addressed envelope with the MMIA Lockbox address to the taxpayer for the next payment on MMIA cases. Do not include any cross-reference balance dues on the letter. Reminder notices for IBTF cases are sent systemically through IDRS.

**Note:** A Letter 3856 will not be sent on CWLs or PDIA's.

- (14) Cases not meeting systemic IAT criteria, see below, will require monthly manual monitoring with a scheduled follow-up date, seven (7) days after the payment due date.

- IAs where the taxpayer makes payments a few times a year or at different intervals.
- Irregular payment amounts.
- Payroll deduction cases.
- Spouse(s) with multiple SSN's.

**Example:** Taxpayer has filed jointly with different spouses.

- Invalid SSN's.
- Non-Masterfile assessments (NMF).
- IBTF agreement which include MFT 74 & 76 modules.

**Note:** If an IA request is received from an RO that does not include a module(s) with MFT 74 or 76, DO NOT REJECT the IA. The IA should be input excluding the MFT 74 and/or MFT 76 modules. Monitor the IA per IRM 5.4.11.5 , Monitoring non-IAT Cases. Ensure the correct type of IA (IBTF, Routine, etc.) is selected.

- SMO/LLC agreements with multiple statuses.

- (15) If a case meets IAT monitoring requirements, provide the IAT administrator with the following information and document ICS case history: IAT monitoring process implemented on this case. No histories, follow-ups, or reviews will be performed on this case unless the account appears on the Manual Action Report.

- a. TIN of IA account and any cross reference TINs.
- b. Terms of agreement, including payment amount, due date and any future changes.
- c. Employee assignment number and name.

**Note:** On MMIA cases correct invalid ENMOD histories before submitting information to IAT administrator. See IRM 5.4.11.6.2(2), , MMIA - IAT Monitoring Procedures.

- (16) Complete appropriate checklist for cases received.

- (17) Input a follow-up date on ICS and case history if case cannot be monitored by IAT and requires manual monitoring.

5.4.11.4.2  
(05-24-2021)  
**Returning Rejected  
Cases to Originator**

- (1) Once a case meets rejection criteria, follow the below procedures:
  - a. Annotate the ICS case history with the reasons for the return of the IA. If the case is not on ICS you must annotate the reason(s) for return/rejection on AMS.
  - b. Monitor for posting of the TC 030.
  - c. After the TC 030 posts, send a secure email to IQA to **undo** the IA.
  - d. After the IQA performs the undo IA (TC 972), CCP will close all OI follow-ups on ICS and close the NF-OI. Transfer balance dues to the originator.
- (2) Return sub code to the original case sub code (national) or 000.

5.4.11.4.3  
(10-06-2016)  
**Inventory Management**

- (1) Use all available generated reports to monitor inventory.
- (2) Check for ICS notifications daily and take appropriate action:
  - a. Newly assigned cases or reassigned cases
  - b. Expired follow-up dates
  - c. Re-opened cases
  - d. New histories on a case
- (3) Check daily:
  - a. Emails - respond in a timely manner
  - b. Efax - notate AMS upon receipt
- (4) Delete unnecessary ICS notifications.
- (5) Ensure case has appropriate Tsign and ICS subcodes.
- (6) Provide any necessary information to the IAT administrator. IRM 5.4.11.4.1, Initial Analysis of MMIA - IBTF - PPIA Cases.

5.4.11.5  
(05-24-2021)  
**Monitoring Non-IAT  
cases**

- (1) Manually Monitored Installment Agreements (MMIA) and In-Business Trust Fund Installment Agreements (IBTF) will be monitored for payment and compliance by CCP every thirty days, either manually or by IAT (Integrated Automation Technology). Installment agreements meeting the criteria for IAT monitoring must be monitored through the IBTF/MMIA Batch Process tool.

**Note:** Use ANMF to obtain information for Non-Masterfile accounts.

**Note:** For accounts monitored by IAT see IRM 5.4.11.6, Installment Agreements Monitored by Integrated Automation Technologies (IAT).

- (2) To monitor accounts manually:
  - a. Verify payment was made and posted as required in the terms of the IA.
 

**Note:** SMO/LLC agreements may require payments to be split and applied to the individual payment liability of the SMO and LLC as directed in the agreement.
  - b. If payment is missed and a skip has been used, follow default procedures. IRM 5.4.11.8, Default and Termination Procedures.
  - c. If account is full paid, input history to ICS and AMS, close case (NF-OI), and send Letter 4222, Field Collection Case Resolution, via ICS to the taxpayer and send case file to Closed Case function, if applicable.

**Note:** If MMIA, and spouse portion is full paid, and a continuous wage levy is on the primary TIN, put account into ST 60 using ALN 0208 and Tsign the case to Area Office (AO000000).

- d. Verify user fee has been paid. See IRM 5.19.1.6.4.6, IA Payment Methods and User Fees (UF) Overview.
- e. If case conditions have changed and the account can be monitored by IDRS or IAT, follow procedures for IDRS monitoring. IRM 5.4.11.3, Processing Guaranteed, Streamline and In-Business Express Installment Agreements, or IAT monitoring. If the case can be monitored by IDRS close case (NF-OI).
- f. If IBTF taxpayer is out of business, TFRP has been addressed, and taxpayer is in compliance with all terms of the agreement, close appropriate filing requirements, change the ALN to 0209 and close the case to allow systemic monitoring. If account will not full pay within the CSED, change ALN to 0212 and notify Lead to transfer the case to the PPIA unit for monitoring.
- g. Verify account for compliance, using IAT tools.

**Note:** If an open del ret on BMFOL/IMFOL is greater than 16 months from the date the case was closed by FC and the module is not on SUMRY, the taxpayer is in compliance.

- h. If an account has a new balance due and taxpayer has not responded within 45 days of the balance due notice, follow default procedures. IRM 5.4.11.8, Default and Termination Procedures for MMIA/IBTF. If the new liability (ICOMP) will result in no more than two additional monthly payments and the agreement will not extend beyond the imminent ASSED/CSED and it will not change the type of IA, reinstate the agreement. Assess the appropriate user fee and open an ENMOD control base to the FORT for a lien determination when the new unpaid balance of assessment exceeds \$10,000.00.
- i. If account has an open TDI (ST 02 or 03) and it has been 10 weeks since the TDI notice was issued to the taxpayer, initiate 6020(b) processing for BMF returns. See IRM 5.4.10.6, IRC 6020(b) Processing. Open an ENMOD control base to the FORT. Continue monitoring account.
- j. If the taxpayer has an existing/agreed IA (status or ST 60 - existing IA) the SRP is considered a standalone that can be included in the IA and will not default the IA. If the taxpayer does not want the SRP added to the existing IA, then the SRP will be moved to recess (TC 530 cc 35). This will take place at the campus and the case will not be assigned to ACS or Field Collection. The case will be subject to refund offset if the taxpayer does not request to have the MFT 35 included in the installment agreement. A subsequent MFT 35 **WOULD NOT** cause a default on existing installment agreements.
- k. The tax examiner will compute balance dues for each tax period included in the IA to the due date of the next payment. This amount will be used to complete and mail Letter 3856, Monthly Reminder for Installment Agreement Payments, or Letter 3856A, Monthly Reminder for Installment Agreement Payments for Joint Liabilities. Include a pre-addressed envelope with the MMIA Lockbox address to the taxpayer for the next payment on MMIA cases. If a Letter 3856 is returned as undeliverable, update ICS and AMS case history.

**Note:** A Letter 3856 will not be sent on continuous levies, Payroll Deduction Installment Agreements (PDIA), and cases with a -O freeze (disaster cases).

- l. For PPIAs where the statute has expired, notify the taxpayer that payment(s) should no longer be sent. Review the account to confirm the CSED has expired on the final module of the PPIA. Send Letter 4222 via ICS, informing the taxpayer the CSED has expired, and they are not required to make payments.
  - m. If Appeals is conducting an investigation and or hearing on an unrelated issue, CCP will hold the case until Appeals makes a determination regarding an appeal of the installment agreement termination. See IRM 5.14.11.7, Appeals of Defaulted and Terminated Agreements.
  - n. Annotate ICS and AMS case history of all action taken.
  - o. Schedule a follow-up date on ICS seven (7) calendar days after the payment due date.
  - p. If resolution cannot be completed within CCP, transfer the case on ICS to the appropriate FC group pursuant to the zip code and grade level of the case listed in the parameter tables located in ICS. If there is currently an OI assigned to FC, transfer the case to the proper employee.
- (3) Restitution cases received from the field should be monitored as follows:
- a. Verify that payment were applied per RO guidance and the IA closing.
- (4) Offshore Voluntary Disclosure Program (OVDP) cases are received from the field to be monitored as follows:
- a. Verify that payments were applied per RO guidance,
  - b. If case defaults, send Letter 2975 manually, but do not include appeal rights.

5.4.11.5.1  
(05-24-2021)  
**Monitoring Continuous  
Wage Levies**

- (1) Continuous Wage Levies are not installment agreements. Continuous Wage Levies will be monitored for payment and compliance by CCP. Some Continuous Wage Levies are monitored in ST 60 on IDRS. See IRM 5.11.5.6.2, Systemic Monitoring of Continuous Levy Payments.

**Note:** Federal Payment Levy Program (FPLP) levies are not eligible to be closed as Continuous Wage Levies (CWL). See IRM 5.11.5.6.3, Manual Monitoring of Continuous Levy Payments. FPLP cases can be identified with a FPLP-3 indicator on the ICS Balance Due Module Summary screen or an unreversed TC 971 AC 060 on IDRS. See IRM 5.11.7.2.3 , FPLP Systemic Processes and Indicators.

- (2) For initial CWL cases, research and document ICS for the following:
- a. Reasons for manual monitoring
  - b. Levy sources and terms. Add levy source to IDRS using command code LEVY(X) and ICS if not present.
  - c. Last payments received
  - d. Lien indicators on IDRS. If not present contact the originator.
  - e. CSED extensions (TC 300, 186 etc.) on each module and note in ICS history.

- f. Input follow-up based on the terms of the agreement at a minimum of 30 days after the payment due date. If the terms of the agreement indicate irregular payments will be made, set the follow-up for 30 days. If no payments are received after 90 days, see IRM 5.4.11.5.1 Monitoring non-IAT Cases.
- (3) Verify payment was made and posted as required in the terms of the levy.
- (4) If payment is missed, follow up with the payer.
- (5) If the reason for non-payment was temporary, secure the date payments will resume and set a follow-up for seven business days from the date provided.
- (6) If the payment stopped for any reasons listed below:
  - a. taxpayer is no longer employed,
  - b. taxpayer is no longer affiliated with payer,
  - c. taxpayer is no longer entitled to payments, or
  - d. payer refuses to send payments
- Return case to field for further collection activity or determination. If the CSED will expire in less than eight months see IRM 5.1.8.1.2, Additional Criteria for Transfer of Domestic Accounts, and set a 14 day follow-up.
- (7) When contacted by a taxpayer/authorized representative claiming hardship, or requesting to be converted from a CWL to an installment agreement, assigned to CCP, advise the taxpayer/authorized representative to contact the originating RO and be prepared to provide financial information. Leave an ICS history and continue to monitor the CWL. If the taxpayers asks to be referred to the Taxpayer Advocate Service (TAS), or the taxpayer meets TAS criteria and the taxpayer's issue cannot be resolved the "same day" (within 24 hours), complete Form 911, Request for Taxpayer Advocate Service Assistance (and Application for Taxpayer Assistance Order), and refer the taxpayer to TAS. See IRM 13.1.7, Taxpayer Advocate Service (TAS) Case Criteria, for more information. If you are able to resolve and close the TAS issue on the same day as the TAS contact, do not refer the inquiry to TAS.
- (8) If subsequent payments have been received, continue monitoring the case. Set the next follow-up based on the terms of the levy.
- (9) If CCP processing cannot resolve issues on these cases, transfer to the field for follow-up action. Document the reason for the transfer in the ICS history.
- (10) Determine if the continuous wage levy can be monitored by IDRS. Levies that result in regular remittances, may be monitored systemically if the earliest CSED is further than 18 months into the future. If the account can be monitored systemically, put account into ST 60 using ALN 0208 with terms including the name, address and telephone number of the payer office, suppress reminder notice and Tsign the case to Area Office (AO000000). Input ICS/AMS case history of actions taken and close case. See IRM 5.11.5.6.2, Systemic Monitoring of Continuous Levy Payment.
- Note:** FPLP CWL's may not be systemically monitored. See IRM 5.19.9.3.5.1, FPLP Levy vs ACS Paper Levy.

- (11) The following actions must be taken when monitoring CSED(s):

- a. If one or more CSEDs expire, but the remaining balance due periods included on the levy are within the statutory period for collection, do not release the levy.
- b. Monitor levy payments until all balance due periods included on levies are paid or the last CSED is about to expire (whichever is first).
- c. If some balance due periods are fully paid, or the CSEDs expired and, as a result, the case now qualifies for systemic monitoring, follow the procedures in (4) above, See IRM 5.11.5.6.2, Systemic Monitoring of Continuous Levy Payments. Input ICS history indicating "The following period(s) have expired CSED(s)" then list the appropriate balance due periods.
- d. For wage levies that will be released when the CSED expires, input a TC 971, AC 687, misc. 002 for each module included in the continuous wage levy.
- e. For other continuous levies that reach a taxpayer's right to future payment and will not be released when the CSED expires, input a TC 971, AC 687, misc. 001 for each module included in the continuous levy.
- f. If the levy form is available, record this information on the levy. Ensure it includes a list of the tax periods that have expired CSED(s).

(12) Verify account for compliance using BMFOL/IMFOL on IDRS.

**Note:** If open on BMFOL/IMFOL is greater than 16 months from the date the case was closed by FC and the module is not on SUMRY, the taxpayer is in compliance.

- (13) If account has a new balance due, open an ENMOD control base to the FORT. Input a separate history on ICS using the FORT referral template that states the issue for the FORT referral on ENMOD. Schedule a follow-up date on ICS for 75 calendar days from the date the case is referred to the FORT.
- (14) If the account has an open TDI (ST 02 or 03), initiate 6020b processing for Form 940, Employer's Annual Federal Unemployment Tax Return, and Form 941, Employer's Quarterly Federal Tax Return, returns. See IRM 5.4.10.6, IRC 6020(b) Processing. Prepare a FORT referral for all other BMF and IMF returns.
- (15) If the account will be paid in full within six (6) weeks prepare a notice of levy release. The notice of levy release must be sent to the payer 30 days prior to the account being full paid, advising the payor of the amount required to satisfy the levy. A Form 668-D, Release of Levy/Release of Property from Levy, will not be issued until:
  - a. All liabilities are full paid.
  - b. The last CSED is about to expire, so the wage levy is released far enough in advance that no payments are received after the expiration of the CSED.
  - c. One of the criteria in IRM 5.11.2.3, Releasing Levies, exists.

5.4.11.6  
(10-06-2016)  
**Installment Agreements  
Monitored by Integrated  
Automation  
Technologies (IAT)**

- (1) The IAT (formerly known as IDRS Decision Assisting Program (IDAP)), systematically monitors Manually-Monitored Installment Agreements (MMIA), In-Business Trust Fund Installment Agreements (IBTF) and Partial Payment Installment Agreements (PPIA) for payments and compliance.

- (2) Cases not meeting systemic parameters of the IAT monitoring process will be generated on a Manual Action List (MAL).
- (3) Only IAT administrators update and/or make changes to cases monitored by IAT.
- (4) IAT generates monthly reminder notices (Letter 3856, Monthly Reminder for Installment Agreement Payments), and notice of default (Letter 2975, Notice of Intent to Levy under IRC section 6221(d)) on manually monitored IAs not included on the Manual Action List.

5.4.11.6.1  
(10-06-2016)  
**IAT Administrator  
Responsibilities**

- (1) Update the following changes to the IAT list daily:
  - a. Add TINs of new cases.
  - b. Remove TINs of closed cases.
  - c. Revisions of TINs for other changes.
  - d. TINs of reinstated IA's.
- (2) The IAT administrator runs the MMIA/IBTF-IA batch process daily. Batch reports include:
  - a. Manual Action List
  - b. Information Only List
  - c. Print of letters: Letter 2975 Notice of Intent to Levy under IRC section 6221(d) and Letter 3856, Monthly Reminder for Installment Agreement Payments, CP522P, Notice of Periodic Review of Current Installment Agreement.
- (3) Distribute reports and letters to the assigned tax examiner by Tsign.
- (4) Generate the ASER report by the 7th of each month and distribute to the assigned tax examiner by Tsign. Verify the report is completed by the 28th of each month.

5.4.11.6.2  
(05-24-2021)  
**MMIA - IAT Monitoring  
Procedures**

- (1) Work the Manual Action List (MAL) upon receipt. Refer to the "Reason Box" to determine appropriate procedures.
- (2) Complete a Compliance check.
- (3) Annotate ICS and AMS case history, of all action taken.

<b>If the reason box states:</b>	<b>And ...</b>	<b>Then ...</b>
Balance Due Modules NOT Found on Primary TIN	primary account is full paid	<ul style="list-style-type: none"> <li>• Close modules on ICS</li> <li>• If balance due remains for secondary taxpayer input to ST 60.</li> <li>• Send Letter 4222 via ICS to taxpayer.</li> <li>• Send field cases to Closed Case function. All others are classified waste.</li> <li>• Provide updated information to IAT administrator.</li> <li>• If MMIA spouse portion is full paid and a continuous wage levy is on the primary TIN, put account into ST 60 using ALN 0208 and Tsign the case to Area Office (AO000000).</li> </ul>
No FS2 BD Mods for Primary/ Secondary TIN	account is full paid	<ul style="list-style-type: none"> <li>• Verify TIN is correct on IAT file.</li> <li>• Send Letter 4222 via ICS to taxpayer.</li> <li>• Close modules on ICS</li> <li>• Provide updated information to IAT administrator.</li> </ul>
No FS2 BD Mods for Primary/ Secondary TIN	account is not full paid	<ul style="list-style-type: none"> <li>• Verify TIN and cross references are correct on IAT file.</li> <li>• Provide updated information to IAT administrator.</li> </ul>
No Data Found on TIF for Primary SSN	Check IMFOL for balance due.	<ul style="list-style-type: none"> <li>• If account is in ST 53, input follow-up date and monitor account manually.</li> <li>• Advise IAT administrator to delete TIN.</li> <li>• Input ENMOD history on MFREQ'd modules.</li> </ul>

If the reason box states:	And ...	Then ...
IA Payment Found on Secondary SSN on XX/XXXX	payment located	<ul style="list-style-type: none"> <li>• Transfer credit to correct module.</li> <li>• Provide updated information to IAT administrator and request Letter 3856 voucher letter.</li> </ul>
2nd TP not compl TDI: XX/XXXXXX, deflt ltr printed	Open TDI exists	<ul style="list-style-type: none"> <li>• Open an ENMOD control base to the FORT to secure and process return.</li> <li>• Do not send default Notice.</li> <li>• Manually prepare Letter 3856 and send to taxpayer.</li> <li>• Update ENMOD history: "2975ltr Notsent Complcheck"</li> </ul>
Non Comp TDI: XX/XXXX	condition exists	<ul style="list-style-type: none"> <li>• Open an ENMOD control base to the FORT to secure and process return.</li> <li>• Advise IAT administrator to remove IMF TDI indicator.</li> <li>• Do Not send default notice. .</li> </ul>
Default Ltr Sent Previously, 90 Day Period Expired	IA is defaulted	<ul style="list-style-type: none"> <li>• Follow Default procedures. IRM 5.4.11.8, Default and Termination Procedures</li> <li>• Provide updated information to IAT administrator.</li> </ul>
Address Not on ENMOD/INOLES for Voucher Preparation	no data on TIF	<ul style="list-style-type: none"> <li>• Manually issue Letter 3856 voucher letter to address on record.</li> <li>• Advise IAT administrator to delete TIN.</li> </ul>

If the reason box states:	And ...	Then ...
Hist MMIATFCCP Not on ENMOD Primary SSN		<ul style="list-style-type: none"> <li>• Re-input/update ENMOD history. (Primary TP IA, MMIATFCCP input on ENMOD. Secondary TP IA, MMIATFCCP and MMIA4SSSN input to ENMOD.</li> <li>• Check account for ST 53.</li> <li>• Provide updated information to IAT administrator and request Letter 3856 voucher letter, if appropriate.</li> </ul>
Computation Hold on INTEREST/FTP XX/XXXX		<ul style="list-style-type: none"> <li>• Compute INTEREST/FTP.</li> <li>• Manually issue Letter 3856 voucher letter with computed INTEREST/FTP.</li> </ul>
Primary SSN is Not in Correct IMF Format		<ul style="list-style-type: none"> <li>• Send Letter 3856 voucher letter, if appropriate.</li> <li>• Provide updated information to IAT administrator.</li> </ul>
Account is Not on Master File		<ul style="list-style-type: none"> <li>• Verify SSN on IAT.</li> <li>• Research IMFOL for account.</li> <li>• Provide updated information to IAT administrator and request Letter 3856 voucher letter, if appropriate.</li> </ul>
INTST Balance Shows all Mods Full Paid	account is full paid	<ul style="list-style-type: none"> <li>• Close modules on ICS</li> <li>• Provide updated information to IAT administrator.</li> </ul>

If the reason box states:	And ...	Then ...
No Data-Reverse Validity for Primary SSN		<ul style="list-style-type: none"> <li>• Send Letter 3856 voucher letter</li> <li>• Provide updated information to IAT Administrator to remove case from IAT.</li> </ul>
Innocent Spouse Claim	a TC 971 065 is posted to taxpayer on the IA	<ul style="list-style-type: none"> <li>• Close modules on ICS.</li> <li>• Provide updated information to IAT administrator.</li> </ul>
Innocent Spouse Claim	a TC 971 065 is posted to taxpayer <b>not</b> on the IA	<ul style="list-style-type: none"> <li>• Manually send voucher Letter 3856.</li> </ul>
Bankruptcy Status	the taxpayer on the IA is in bankruptcy	<ul style="list-style-type: none"> <li>• Close modules on ICS.</li> </ul> <p><b>Note:</b> Post petition bankruptcy IAs are monitored.</p>
Bankruptcy Status	the taxpayer not on the IA is in bankruptcy	<ul style="list-style-type: none"> <li>• Manually send voucher Letter 3856.</li> </ul>
Combat Zone and Military Deferment	the account has a -C freeze <b>Note:</b> Verify taxpayer is in an active combat zone.	<ul style="list-style-type: none"> <li>• If two payments have been missed, close case.</li> <li>• Do not send Letter 2975 default letter.</li> <li>• Provide updated information to IAT administrator.</li> </ul>
OIC	the taxpayer on the IA has an Offer In Compromise (OIC).	<ul style="list-style-type: none"> <li>• Close case (NF-OI).</li> <li>• Provide updated information to IAT administrator.</li> </ul>
OIC	the taxpayer not on the IA has an Offer In Compromise (OIC).	<ul style="list-style-type: none"> <li>• Manually send voucher Letter 3856.</li> </ul>

If the reason box states:	And ...	Then ...
-O Freeze- Disaster Cases		<ul style="list-style-type: none"> <li>No action is necessary, unless taxpayer requests voucher letter. Monitoring resumes once release date appears on ENMOD.</li> </ul>
Pmt not found, IA defaulted, default letter printed	Case meets default criteria	<ul style="list-style-type: none"> <li>Input subcode to 926.</li> <li>Review Letter 2975 for accuracy and submit to clerical staff for mail out.</li> </ul>
Not compliant Bal Due: XX/YYYYMM, default letter printed	Case meets default criteria	<ul style="list-style-type: none"> <li>Input subcode to 926.</li> <li>Review Letter 2975 for accuracy and submit to clerical staff for mail out.</li> </ul>
2nd TP not compliant Bal Due; XX/YYYYMM, default letter printed	Case meets default criteria	<ul style="list-style-type: none"> <li>Input subcode to 926.</li> <li>Review Letter 2975 for accuracy and submit to clerical staff for mail out.</li> </ul>
Pmt not found, IA defaulted, default letter printed	Condition does not exist.	<ul style="list-style-type: none"> <li>Advise IAT administrator of any necessary changes.</li> <li>Do not submit Letter 2975 to clerical staff for mail out.</li> <li>Update ENMOD history: "2975ltr Notsent Complcheck"</li> </ul>
Not compliant Bal Due: XX/YYYYMM, default letter printed	Condition does not exist.	<ul style="list-style-type: none"> <li>Advise IAT administrator of any necessary changes.</li> <li>Do not submit Letter 2975 to clerical staff for mail out.</li> <li>Update ENMOD history: "2975ltr Notsent Complcheck"</li> </ul>

If the reason box states:	And ...	Then ...
2nd TP not compliant Bal Due; XX/YYYYMM, default letter printed	Condition does not exist.	<ul style="list-style-type: none"> <li>Advise IAT administrator of any necessary changes.</li> <li>Do not submit Letter 2975 to clerical staff for mail out.</li> <li>Update ENMOD history: "2975ltr Notsent Complcheck"</li> </ul>

5.4.11.6.3  
(05-24-2021)

**IBTF - IAT Monitoring Procedures**

- (1) Work the Manual Action List upon receipt. Refer to the "Reason Box" to determine appropriate procedures.
- (2) Complete a compliance check.
- (3) Annotate ICS/AMS case history of all actions taken.

If the reason box states:	And	Then ...
CP523 Sent 90 Day Default Period Expired	TP is NOT in full compliance <b>Note:</b> If IA has been reinstated by another area function to include additional liabilities, honor reinstatement and update IAT.	<ul style="list-style-type: none"> <li>See IRM 5.4.11.8, Default and Termination Procedures.</li> <li>Advise IAT administrator to delete TIN.</li> </ul>
CP523 Sent 90 Day Default Period Expired	TP is in full compliance <b>Note:</b> Do not reinstate case if assigned to the field.	<ul style="list-style-type: none"> <li>Advise IAT administrator to reinstate.</li> <li>Ensure case is in ST 60.</li> <li>Change sub code back to original sub code.</li> </ul>
Account Not on Master File		<ul style="list-style-type: none"> <li>Advise IAT administrator to delete incorrect TIN or update TIN.</li> </ul>
No Balance Due or no ST 60 Mods on BMFOLI for TIN	Case is in ST 12	<ul style="list-style-type: none"> <li>Close NF OI and input history to ICS</li> <li>Send Letter 4222 via ICS to taxpayer.</li> <li>Request case file and send to closed case</li> <li>Advise IAT administrator to remove TIN from inventory.</li> </ul>

If the reason box states:	And	Then ...
No Balance Due or no ST 60 Mods on BMFOLI for TIN	Case in other than ST 12	<ul style="list-style-type: none"> <li>Research IDRS and ICS/AMS for reason.</li> <li>Take appropriate action based on reason.</li> <li>Advise IAT administrator of action taken.</li> </ul>
Business Closed Date Present on BMFOLE	IDRS research indicates taxpayer is out of business	<ul style="list-style-type: none"> <li>Verify TFRP has been addressed</li> <li>Verify taxpayer is in compliance with all terms of the agreement</li> <li>Close appropriate filing requirements.</li> </ul> <p><b>Note:</b> If PPIA see IRM 5.4.11.6., Installment Agreements Monitored by Integrated Automation Technologies (IAT)</p> <ul style="list-style-type: none"> <li>Change the ALN to 0209 .</li> <li>Close the NF-OI to allow systemic monitoring.</li> <li>Request case file and send to closed case.</li> <li>Advise IAT administrator to remove TIN from inventory.</li> </ul>
Business Closed Date Present on BMFOLE	IDRS research indicates taxpayer is still in business	<ul style="list-style-type: none"> <li>Ensure taxpayer's filing requirements are open</li> <li>Update business closed date on ENMOD</li> <li>Verify IA is in ST 60</li> </ul>
CP523 Sent MM/DD/YYYY begins 90 Day Default Period	Case meets default criteria	<ul style="list-style-type: none"> <li>Input sub code 926</li> </ul>
CP523 Sent MM/DD/YYYY begins 90 Day Default Period	Does not meet default criteria	<ul style="list-style-type: none"> <li>Ensure case is in ST 60.</li> <li>Notify IAT administrator to reinstate IA.</li> </ul>
BMF TDI 10 Week Suspense Period Expired	Return has not been filed	<ul style="list-style-type: none"> <li>Verify 10 weeks have passed since CP 259 was sent.</li> <li>Prepare 6020b and send Letter 1085 or a Letter 1616 for Forms 1065, U.S. Return of Partnership Income. Follow 6020b procedures. See IRM 5.4.10.6, IRC 6020(b) Processing. Open an ENMOD control base to the FORT for IMF and Form 1120 , U.S. Corporation Income Tax Return, TDI's.</li> <li>Advise IAT administrator of 6020b mail date.</li> </ul>

If the reason box states:	And	Then ...
BMF TDI 10 Week Suspense Period Expired	Return has been filed.	<ul style="list-style-type: none"> <li>Advise IAT administrator to remove BMF TDI indicator.</li> </ul>
IMF TDI 10 Week Suspense Period Expired. <b>Note:</b> For sole proprietors, partnerships and Single Member Only (SMO) LLC (Disregarded Entities.)	Return has not been filed. Check cross-reference TINs	<ul style="list-style-type: none"> <li>Open an ENMOD control base to the FORT to secure and process return.</li> <li>Advise IAT administrator to remove IMF TDI indicator.</li> </ul>
IMF TDI 10 Week Suspense Period Expired. <b>Note:</b> For sole proprietors, partnerships and Single Member Only (SMO) LLC (Disregarded Entities.)	Return is filed.	<ul style="list-style-type: none"> <li>Advise IAT administrator to remove IMF TDI indicator.</li> </ul>
BMF 6020b Letter 45 Day Suspense Period Expired	Return has not been filed.	<ul style="list-style-type: none"> <li>Input TC 599-63 on IDRS.</li> <li>Code return and send returns for processing. See IRM 5.4.10.6, IRC 6020(b) Processing.</li> <li>Advise IAT administrator to remove BMF TDI indicator.</li> </ul>
BMF 6020b Letter 45 Day Suspense Period Expired	Return has been filed	<ul style="list-style-type: none"> <li>Advise IAT administrator to remove BMF TDI indicator.</li> </ul>
Payment Not Found Credit Reversal on Account	Payment was misapplied	<ul style="list-style-type: none"> <li>Complete credit transfer and apply payment to earliest CSED.</li> </ul>
Payment Not Found	Payment was missed	<ul style="list-style-type: none"> <li>Allow one "skip". If skip already allowed See IRM 5.4.11.8, Default Procedures.</li> </ul>
New Bal Due on X-Ref TIN review before default		<ul style="list-style-type: none"> <li>Default all related accounts. <b>Exception:</b> IBTF Corp/LLC accounts (1120 filer) with TFRP assessments on the x-ref should not have 1040 assessments. If the x-ref defaults for 1040 liability do not default the Corp/LLC agreement.</li> <li>Input sub code 926.</li> <li>Advise IAT administrator of CP 523 date.</li> </ul>

If the reason box states:	And	Then ...
New Bal Due on X-Ref TIN review before default		<ul style="list-style-type: none"> <li>Advise IAT administrator of updated information.</li> </ul>
Bankruptcy: ST 72, TC 520 cc 60-67, 81, 83, 85-89		<ul style="list-style-type: none"> <li>Close the NF-OI.</li> <li>Request case file and send to closed case.</li> <li>Advise IAT administrator to remove TIN from inventory.</li> </ul>
IA Review date expired, not 2-YR review case		<ul style="list-style-type: none"> <li>Update IADIS with next review cycle in 3 years from current review cycle.</li> </ul>
Suspended IA, ST 61	<p>Balance due and new liability is more than 45 days old. If the new liability (ICOMP) will result in no more than two additional monthly payments and the agreement will not extend beyond any imminent ASSED/CSED and it will not change the type of IA, reinstate the agreement. Assess the appropriate user fee and open an ENMOD control base to the FORT for lien determination for new unpaid balance of assessments which exceed \$10,000.00.</p> <p><b>Exception:</b> New liabilities cannot be added to PPIA cases.</p>	<ul style="list-style-type: none"> <li>Input sub code 926.</li> <li>Default all related accounts.</li> <li>Provide IAT administrator default date.</li> </ul>
Suspended IA, ST 61	No balance due	<ul style="list-style-type: none"> <li>Reinstate the agreement.</li> </ul>
Origination Fee error. TC 694 with DPC		<ul style="list-style-type: none"> <li>Check user fee on IADIS.</li> <li>Make necessary adjustments to user fee.</li> </ul>
OIC: ST 71 TC 480 present	The taxpayer on the IA has an Offer In Compromise (OIC).	<ul style="list-style-type: none"> <li>Close case (NF-OI).</li> <li>Request case file and send to closed case</li> <li>Provide updated information to IAT administrator.</li> </ul>

5.4.11.6.4  
(05-24-2021)

**PPIA - IAT Monitoring  
Procedures**

- (1) Work the Manual Action List upon receipt. Refer to the "Reason Box" to determine appropriate procedures.

- (2) Complete a compliance check.
- (3) Annotate ICS/AMS case history of all actions taken.

If the reason box states:	And ...	Then ...
CP 522P printed. 2-year review date expired	Taxpayer is not in full compliance with IA <b>Note:</b> If the only issue is a delinquent, taxpayer is considered in full compliance.	<ul style="list-style-type: none"> <li>Do not mail Notice CP 522P to taxpayer.</li> <li>See IRM 5.4.11.8, Default and Termination Procedures.</li> <li>Provide updated information to IAT administrator.</li> </ul>
CP 522P printed. 2-year review date expired	Taxpayer is in full compliance with IA.	<ul style="list-style-type: none"> <li>Mail Notice CP 522P to taxpayer and include 433A/433B.</li> </ul>
CP 522P sent, 37 day suspense period expired on MM/DD/YYYY	Taxpayer did not respond to CP 522P.	<ul style="list-style-type: none"> <li>See IRM 5.4.11.8, Default and Termination Procedures.</li> <li>Provide updated information to IAT administrator.</li> </ul>
CP 522P sent, 37 day suspense period expired on MM/DD/YYYY	Taxpayer responds with completed financial information.	<ul style="list-style-type: none"> <li>Provide updated information to IAT administrator.</li> </ul>
Business Closed Date Present on BMFOLE on XX/XXXX	IDRS research indicates taxpayer is out of business	<ul style="list-style-type: none"> <li>Taxpayer is in compliance with all terms of the agreement</li> <li>Close appropriate filing requirements</li> <li>Provide updated information to IAT administrator.</li> </ul>
Business Closed Date Present on BMFOLE on XX/XXXX	IDRS research indicates taxpayer is still in business	<ul style="list-style-type: none"> <li>Ensure taxpayers filing requirements are open</li> <li>Update business closed date on ENMOD</li> <li>Verify IA is in ST 60</li> <li>Provide updated information to IAT administrator.</li> </ul>
CP523 sent 90 day default period expired	Is not in full compliance. If IA has been reinstated by another function to include additional liabilities, honor reinstatement.	<ul style="list-style-type: none"> <li>See IRM 5.4.11.8., Default and Termination Procedures</li> <li>Update IAT.</li> </ul>
CP523 Sent 90 day default period expired	Taxpayer is in full compliance <b>Note:</b> Do not reinstate if case is assigned to the field	<ul style="list-style-type: none"> <li>Advise IAT administrator to reinstate.</li> <li>Ensure case is in ST60.</li> <li>Change sub code back to original sub code.</li> </ul>
Account not on master file		<ul style="list-style-type: none"> <li>Advise IAT administrator to delete incorrect TIN or update TIN.</li> </ul>

If the reason box states:	And ...	Then ...
No balance due or ST 60 tax periods on BMFOLI for TIN	Case is in ST 12	<ul style="list-style-type: none"> <li>• Close NF OI and input history on ICS</li> <li>• Send Letter 4222 via ICS to taxpayer.</li> <li>• Request case file and send to closed case.</li> <li>• Advise IAT administrator to remove TIN from inventory.</li> </ul>
No balance due or ST 60 tax periods on BMFOLI for TIN	Case is in other than ST 12	<ul style="list-style-type: none"> <li>• Research IDRS and ICS/AMS reason</li> <li>• Take appropriate action based on reason</li> <li>• Advise IAT administrator of action taken if necessary.</li> </ul>
CP523 Sent MM/DD/YYYY begins 90 day default period	Case meets default criteria	<ul style="list-style-type: none"> <li>• Input sub code 926.</li> </ul>
CP523 Sent MM/DD/YYYY begins 90 day default period	Does not meet default criteria	<ul style="list-style-type: none"> <li>• Ensure case is in ST60.</li> <li>• Notify IAT administrator to reinstate IA.</li> </ul>
BMF TDI 10 week suspense period expired	Return has not been filed	<ul style="list-style-type: none"> <li>• Verify 10 weeks have passed since Notice CP 259 was sent.</li> <li>• Prepare 6020b and send Letter 1085 or a Letter 1616 for Forms 1065, U.S. Return of Partnership Income. Follow 6020b procedures. See IRM 5.4.10.6, IRC 6020(b) Processing. Open an ENMOD control base to the FORT for IMF and Form 1120 , U.S. Corporation Income Tax Return, TDI's.</li> <li>• Advise IAT administrator of 6020b mail date.</li> </ul>
BMF TDI 10 week suspense period expired	Return has been filed	<ul style="list-style-type: none"> <li>• Advise IAT administrator to remove BMF TDI indicator</li> </ul>
IMF TDI 10 week suspense period expired <b>Note:</b> For sole proprietors, partnerships and Single Member Only (SMO) LLC (Disregarded Entities).	Return has not been filed	<ul style="list-style-type: none"> <li>• Open an ENMOD control base to the FORT to secure and process return.</li> <li>• Advise IAT administrator to remove IMF TDI indicator.</li> </ul>

If the reason box states:	And ...	Then ...
IMF TDI 10 week suspense period expired <b>Note:</b> For sole proprietors, partnerships and Single Member Only (SMO) LLC (Disregarded Entities).	Return has been filed	<ul style="list-style-type: none"> <li>Advise IAT administrator to remove IMF TDI indicator.</li> </ul>
BMF 6020(b) letter 45 day suspense period expired	Return has not been filed	<ul style="list-style-type: none"> <li>Input TC 599-63 on IDRS</li> <li>Code return and send returns for processing. See IRM 5.4.10.6, 6020(b) Processing.</li> <li>Advise IAT administrator to remove BMF TDI indicator.</li> </ul>
BMF 6020(b) letter 45 day suspense period expired	Return has been filed	<ul style="list-style-type: none"> <li>Advise IAT administrator to remove BMF TDI indicator.</li> </ul>
Payment not found Credit reversal on account	Payment was misapplied	<ul style="list-style-type: none"> <li>Complete credit transfer and apply payment to earliest CSED.</li> </ul>
Payment not found	Payment was missed	<ul style="list-style-type: none"> <li>Allow one skip. If skip already allowed, see IRM 5.4.11.8, Default and Termination Procedures.</li> </ul>
New bal due on x-ref SSN review before default		<ul style="list-style-type: none"> <li>Default all related accounts <b>Exception:</b> IBTF Corp/LLC accounts (F1120) filer with TFRP assessments on the x-ref should not have 1040 assessments. If the x-ref defaults for 1040 liability do not default the Corp/LLC agreement.</li> <li>Input sub code 926</li> <li>Advise IAT administrator of Notice CP523 date.</li> </ul>
New bal due on x-ref SSN review before default		<ul style="list-style-type: none"> <li>Advise IAT administrator of updated information.</li> </ul>

If the reason box states:	And ...	Then ...
Bankruptcy: ST 72, TC 520 cc 60-67, 81, 83, 85-89		<ul style="list-style-type: none"> <li>• Close NF-OI</li> <li>• Request case file and send to closed case</li> <li>• Advise IAT administrator to remove from inventory</li> </ul>
IA Review date expired, not 2-year review case		<ul style="list-style-type: none"> <li>• Update IADIS with next review cycle in 3 years from current review cycle.</li> </ul>
Suspended IA, ST 61	Balance due and new liability is more than 45 days old.	<ul style="list-style-type: none"> <li>• Input sub code 926</li> <li>• Default all related accounts.</li> <li>• Provide IAT administrator default date.</li> </ul>
Suspended IA, ST 61	No balance due	<ul style="list-style-type: none"> <li>• Reinstate the agreement.</li> </ul>
Origination fee error. TC 694 with DPC		<ul style="list-style-type: none"> <li>• Check user fee on IADIS.</li> <li>• Make necessary adjustments to user fee.</li> </ul>
OIC ST71 TC 480 present	The taxpayer on the IA has an Offer in Compromise (OIC)	<ul style="list-style-type: none"> <li>• Close NF-OI.</li> <li>• Request case file and send to closed cases.</li> <li>• Provide updated information to IAT administrator.</li> </ul>
Payment not applied to earliest CSED XX/XXXXXX	Verify payment	<ul style="list-style-type: none"> <li>• Move payment to the earliest CSED.</li> </ul>

## 5.4.11.6.5

(05-24-2021)

**IAT/Non-IAT ASER  
Report**

- (1) IAT ASER report will be run by IAT administrators by the 7th of each month if possible and distributed to TEs and return completed by the 28th of each month.
- (2) **For all cases:** Follow the If/Then chart to determine the action to take for all cases that appear on the ASER report. Be sure to update the history on ICS. Your history should state "working ASER listing" and notate any actions you are taking or not taking to resolve.

If:	Then:
<p>The taxpayer is a sole proprietor or a partnership (No Form 1120 requirements)</p> <p><b>Exception:</b> If the case is a SMO/LLC, the ASER is applicable. Check additional conditions</p>	<ul style="list-style-type: none"> <li>• Input a "5" on appropriate module using CC ASER.</li> <li>• Notate "ASER 5 input" on listing.</li> </ul>

If:	Then:
The TFRP has been assessed (indicated by TC 971/093 on trust fund periods)	<ul style="list-style-type: none"> <li>Input a "1" on appropriate module using CC ASEDR.</li> <li>Notate "ASEDR 1 input" on listing.</li> </ul>
The ASEDD code on the account is a number other than zero	<ul style="list-style-type: none"> <li>No action is necessary.</li> <li>Notate "N/A" on listing.</li> </ul>
ASEDD extended (indicated by TC 971/330 on trust fund tax periods)	<ul style="list-style-type: none"> <li>No action is necessary.</li> <li>Notate "Extended to MM/DD/YYYY".</li> <li>If TC 971/330 is un-postable, reinput on IDRS .</li> </ul>
OI opened less than 45 days ago	<ul style="list-style-type: none"> <li>No action is necessary.</li> <li>Notate "OI" on listing.</li> </ul>
OI opened previously and is unresolved after 45 days	<ul style="list-style-type: none"> <li>Send an email to the RO assigned the OI. Request a response within 15 days and set a follow up for 15 days. If no response, elevate issue to your manager.</li> <li>Notate "OI expired" on listing.</li> </ul>
OI opened previously, but closed by the field with no action	<ul style="list-style-type: none"> <li>Elevate issue to your manager.</li> <li>Notate "OI closed" on listing.</li> </ul>
Case is in default status	<ul style="list-style-type: none"> <li>No action is necessary.</li> <li>Notate "Default" on listing.</li> </ul>
The ASEDD code on the account is zero and none of the above conditions exist	<ul style="list-style-type: none"> <li>See (2 or 3) below.</li> </ul>
ASEDD cannot be viewed or ASEDR indicators cannot be input due to MFREQ mods	<ul style="list-style-type: none"> <li>Notate "MFREQ" on listing.</li> </ul>
ICS history reads "Sent to Control Point Monitoring" (CPM)	<ul style="list-style-type: none"> <li>Consider ASER protected.</li> <li>Notate "CPM" on listing.</li> </ul>

- (3) **For ASER within 3 months:** Use the IAT TFRP calculator tool to calculate the LEM amount and refer to the following If/Then chart:

If:	Then:
The result is below LEM	<ul style="list-style-type: none"> <li>Notate "Below LEM" on listing.</li> </ul>

If:	Then:
The result is above LEM	<ul style="list-style-type: none"> <li>• Open an OI to the group manager's Hold File AOTO-xx00 ICS assignment number using the parameter tables.</li> <li>• Input in remarks section "All appropriate actions to protect the ASER have not been completed. Please complete the TF investigation or protect the ASER".</li> <li>• Set a 45 day follow-up to monitor the status of the ASER.</li> <li>• If the TFRP is unresolved after 45 days, send an email to the RO assigned the OI. Request a response within 15 days and set a follow up for 15 days. If no response, elevate issue to your manager.</li> <li>• Notate "OI Opened" on listing.</li> </ul>
The result is TFRP full paid	<ul style="list-style-type: none"> <li>• Input a "4" on appropriate module using CC ASER.</li> <li>• Notate "ASER 4 input" on listing.</li> </ul>
ASER cannot be viewed or ASER indicators cannot be input due to MFREQ mods	<ul style="list-style-type: none"> <li>• Notate "MFREQ" on listing.</li> </ul>

- (4) **For ASER later than 3 months, but within a year:** No further action is required at this time. Input "No Action" on the ASER report.

5.4.11.7  
(05-24-2021)

**Taxpayer Inquiries to  
Default Notices or  
Proposals to Change  
Installment Agreements**

- (1) Proposal to change IAs may result from letters or phone contact from the taxpayer. Do not solicit emails or respond to taxpayers by email. Email responses violate IRS security policy.
- (2) Follow disclosure procedures in IRM 5.4.13.1, Taxpayer Authenticity, and IRM 5.4.13.2, Clerical Procedures.

**Note:** Beginning on January 9, 2012, some taxpayers may inform an IRS assistor they have a four digit transfer PIN provided by the previous IRS assistor. See IRM 21.1.3.2.6, Accepting Transferred Calls When the Taxpayer Provides a 4 Digit Transfer PIN.

- (3) Check IDRS/ICS for case assignment. If the case is in ST 22, 24, or 26 and not assigned to CCP, refer to the appropriate function for resolution. ST 22 and

24 accounts will be referred to the general toll free number. Cases assigned to FC will be referred to the RO assigned to the case. Check all available systems, including AMS, to ensure the taxpayer has not made other contacts to the IRS.

- (4) If the taxpayer requests to revise/reinstate or change the current terms of the IA see IRM 5.19.1.6.4.19, Revision/Reinstatement of IAs. Verify the address and update levy source(s) and history on ICS/AMS with actions taken, including responses received from the taxpayer. MMIA cases must be notated on ICS and AMS.

**Caution:** If the taxpayer requests changes to a DDIA or PDIA, see IRM 5.19.1.6.4.13.1, DDIA-Form 433-D, Installment Agreement, and Form 9465, Installment Agreement Request and IRM 5.19.1.6.4.14.1, Input of PDIA as these accounts require special handling.

- (5) If a taxpayer responds to a notice on a subsequent MFT 35, add the new period into an existing installment agreement without additional fees. A subsequent MFT 35 WOULD NOT cause a default on existing installment agreements.
- (6) If the taxpayer is requesting a lien payoff in writing and the case is in ST 26 and assigned to CCP, complete Letter 3640, Taxpayer Lien Payoff Letter and/or Letter 3641, Third Party Lien Payoff Letter Request.

**Note:** Amounts must be verified with IDRS (INTST) before issuing the letters.

- (7) If case is in ST 60, refer to Centralized Lien Operation (CLO).
- (8) For general balance due requests, prepare Letter 3221 or Letter 3221A (joint accounts), We Received Your Inquiry About Amount Due, with current payoff information and mail to the taxpayer's last known address or representative.

**Note:** Amounts must be verified with IDRS (INTST) before issuing the letters.

- (9) Provide taxpayers with specific deadlines and Warnings of Enforcement (WOEA). WOEA is required when the taxpayer is required to take some type of action. The warning should be appropriate to the facts of the case. Ensure taxpayers understand if they fail to perform the task as agreed, their noncompliance carries certain consequences.

**Example:** Make payment/file by a certain date.

**Exception:** If a taxpayer contacts CCP after a WOEA is given and there is no new commitment made by the taxpayer, there is no requirement for WOEA again.

**Example:** A taxpayer promises to submit a financial statement substantiation by a specific date, then calls back only to confirm the address to which the substantiation must be mailed. No WOEA is required as there has been no change to the taxpayer's commitment.

- (10) Warn the taxpayer in a non-threatening manner the IRS may take enforced collection action if an agreement cannot be reached; the warning should be as specific as possible. It is not sufficient to state, "We will take enforcement

action if you do not meet the terms of this agreement.” Specifically state the next action IRS may take. See IRM 5.19.1.7, Warning of Enforcement Action and Enforced Collection, for next actions. Document and specify the WOE.

**Example:** If you do not make the payment(s) as agreed, we may file a Notice of Federal Tax Lien and/or take the next step to levy your bank account and your wages.

If taxpayer's IA has not defaulted and taxpayer makes a	And ...	Then ...
request to change the payment due date	taxpayer is in compliance with IA	<ul style="list-style-type: none"> <li>Allow change.</li> <li>Update IDRS and ICS/AMS with the new payment due date.</li> <li>Provide updated information to IAT administrator, if necessary.</li> </ul>
request to change the payment due date	Taxpayer is not in compliance with IA	<ul style="list-style-type: none"> <li>Do not allow change.</li> <li>Input to ST64 on all related accounts.</li> <li>Advise the taxpayer of default.</li> <li>Advise the assigned tax examiner to update IAT.</li> </ul>
request to increase the IA amount	Taxpayer is in compliance	<ul style="list-style-type: none"> <li>Allow increased payment amount.</li> <li>Do not make any changes to IDRS, ICS or IAT.</li> <li>Continue to monitor the case according to procedures.</li> </ul>
request to increase the IA amount	Taxpayer is not in compliance	<ul style="list-style-type: none"> <li>Do not allow change.</li> <li>Input to ST64 on all related accounts.</li> <li>Advise the taxpayer of default.</li> <li>Advise the assigned tax examiner to update IAT.</li> </ul>
request to decrease the payments less than or equal to 20% of the current payment amount	The taxpayer is compliant with filing and payment requirements and the IA will be paid in full with the lowered payments prior to three months of the CSED(s) or six months of any unsatisfied ASER.	<ul style="list-style-type: none"> <li>Allow the decreased payment amount.</li> <li>Notify the taxpayer of the change to the IA.</li> <li>Update IDRS/AMS and ICS with the new payment amount.</li> <li>Provide updated information to IAT administrator.</li> </ul>
request to decrease the payments less than or equal to 20% of the current payment amount	The taxpayer is not in compliance with filing and payment requirements	<ul style="list-style-type: none"> <li>Do not allow decrease.</li> <li>Input to ST64 on all related accounts.</li> <li>Advise the taxpayer of the default.</li> <li>Advise the assigned tax examiner to update IAT.</li> </ul>

If taxpayer's IA has not defaulted and taxpayer makes a	And ...	Then ...
request to decrease the payments less than or equal to 20% of the current payment amount	The taxpayer is in compliance with filing and payment requirements and the IA will <b>not</b> be paid in full with the lowered payments prior to three months of the CSED(s) or six months of any unsatisfied ASED.	<ul style="list-style-type: none"> <li>• For IMF accounts, complete financial screen within AMS if the taxpayer has the necessary information available. If the taxpayer does not have the necessary information, advise the taxpayer to collect necessary information and call back. If balance owed is over \$250,000, request a completed Form 433-A and complete FORT referral upon receipt and send Letter 2645C .</li> <li>• Advise the taxpayer to continue making the monthly payment until the financial review has been approved or denied.</li> <li>• Make determination using financial statement on AMS per IRM 5.19.13.3, Securing Financial Information, and IRM 5.15.1, Financial Analysis Handbook.</li> <li>• If the financial review indicates the taxpayer has the ability to make the scheduled payment amount, notify the taxpayer to continue making the scheduled payment.</li> <li>• If the financial review indicates the taxpayer does not have the ability to make the scheduled payment, prepare a FORT referral.</li> </ul>
requests to decrease the payments less than or equal to 20% of the current payment amount	the taxpayer is compliant with filing and payment requirements and the IA will <b>not</b> be paid in full with the lowered payments prior to three months of the CSED(s) or six months of any unsatisfied ASED.	<ul style="list-style-type: none"> <li>• For BMF accounts or self employed taxpayers request a Form 433-A, Collection Information Statement for Wage Earners and Self-Employed Individuals, or Form 433-B, Collection Information Statement for Businesses, from the taxpayer and prepare a FORT referral when received.</li> <li>• Advise the taxpayer to continue making the monthly payment until the CIS has been approved or denied.</li> </ul>

If taxpayer's IA has not defaulted and taxpayer makes a	And ...	Then ...
requests to decrease the payments for more than 20% of the current payment amount	The taxpayer is not in compliance with filing and payment requirements	<ul style="list-style-type: none"> <li>• Do not allow decrease.</li> <li>• Input to ST64 on all related accounts.</li> <li>• Advise the taxpayer of default.</li> <li>• Advise the assigned tax examiner to update IAT.</li> </ul>
requests to decrease the payments for more than 20% of the current payment amount	The taxpayer is in compliance with filing and payment requirements and the IA is for an IMF account	<ul style="list-style-type: none"> <li>• Complete financial screen within AMS, if taxpayer has the necessary information available. If taxpayer does not have necessary information advise the taxpayer to collect necessary information and call back. If balance owed is over \$250,000, request a completed Form 433-A and complete FORT referral upon receipt and send Letter 2645C .</li> <li>• Advise the taxpayer to continue making the monthly payment until the financial review has been approved or denied.</li> <li>• Make determination using financial statement on AMS per IRM 5.19.13.3., Securing Financial Information, and IRM 5.15.1, Financial Analysis Handbook.</li> <li>• If the financial review indicates the taxpayer has the ability to make the scheduled payment amount, notify the taxpayer to continue making the scheduled payment.</li> <li>• If the financial review indicates the taxpayer does not have the ability to make the scheduled payment prepare a FORT referral.</li> </ul>
requests to decrease the payments for more than 20% of the current payment amount	The taxpayer is in compliance with filing and payment requirements and the IA is for a BMF account	<ul style="list-style-type: none"> <li>• Request a Form 433 A/B from the taxpayer to be completed and send Letter 2645C upon receipt.</li> <li>• Advise the taxpayer to continue making the monthly payment until the financial statement has been approved or denied.</li> <li>• Prepare a FORT referral when the Form 433 A/B is received.</li> </ul>

If taxpayer's IA has not defaulted and taxpayer makes a	And ...	Then ...
requests to decrease the payments for more than 20% of the current payment amount	The taxpayer is not in compliance with filing and payment requirements	<ul style="list-style-type: none"> <li>Do not allow decrease.</li> <li>Input to ST64 all related accounts.</li> <li>Advise the taxpayer of default.</li> <li>Advise the assigned tax examiner to update IAT.</li> </ul>
is unable to make a scheduled payment	<p>The taxpayer is in compliance with filing and payment requirements (the skip(s) have <b>not</b> been used. See IRM 5.19.1.6.4.18, Payment Skips (Missed Payments).</p> <p><b>Note:</b> For IMF accounts a second skip is allowed when hardship criteria is met.</p>	<ul style="list-style-type: none"> <li>Allow "skip". Inform the taxpayer you are allowing the missed payment and they must make the next month's payment on schedule.</li> </ul>
is unable to make a scheduled payment	The taxpayer is not in compliance with filing and payments requirements and the skip(s) has been used	<ul style="list-style-type: none"> <li>Advise the taxpayer to make payments as they can for as much as they can to reduce penalty and interest.</li> <li>Advise the taxpayer that the account will default if the full payment is missed and they will receive a default notice Letter 2975 /Notice CP 523 providing appeal rights.</li> <li>Advise the taxpayer the case will be assigned back to an RO who will contact them.</li> <li>Continue to monitor the case according to procedures.</li> </ul>
has an erroneous levy	taxpayer has a valid MMIA	<ul style="list-style-type: none"> <li>Request a copy of the Notice of Levy from the taxpayer.</li> <li>Prepare a FORT referral and expedite to FORT for Levy release.</li> <li>If erroneous levy payments have been received, prepare a FORT referral for resolution.</li> </ul>
is unable to make payments due to a disaster	the IA is an MMIA	<ul style="list-style-type: none"> <li>See IRM 25.16.1.15, Disclosure Provisions When Providing Emergency Relief</li> </ul>

If taxpayer's IA has defaulted and taxpayer	And ...	Then ...
is able to make up missed payment	was caused by a one-time event	<ul style="list-style-type: none"> <li>• Give the taxpayer seven days to send in missed payment. Advise the taxpayer of the reinstatement user fee. Do not suppress user fee.</li> <li>• Advise taxpayer that failure to make up missed payment will result in the case being returned to the RO.</li> <li>• Give WOE</li> <li>• Set 21 day follow-up on ICS or contact assigned tax examiner to set follow-up for receipt of payment.</li> <li>• If payment is received, revise IA.</li> <li>• Advise IAT administrator to reinstate IA.</li> </ul>
is unable to make up missed payment		<ul style="list-style-type: none"> <li>• Advise the taxpayer to make payments as they can for as much as they can to reduce penalty and interest.</li> <li>• Advise taxpayer the case will be assigned back to an RO who will contact them.</li> <li>• Follow default procedures, IRM 5.4.11.8, Default and Termination Procedures.</li> </ul>

If taxpayer's IA has defaulted and taxpayer	And ...	Then ...
Has an additional liability	the taxpayer will full pay the new liability within 14 days	<ul style="list-style-type: none"> <li>• Provide the taxpayer with balance due using INTST adding 10 days to the taxpayers requested pay off date, if the payment is being mailed and to the date the taxpayer plans to authorize the payment if paying by phone or electronically.</li> <li>• Set a 21 day follow-up on ICS or contact assigned Tax Examiner to set follow-up for receipt of payment.</li> <li>• If the new liability is full paid: Reinstate the agreement. and provide updated information to IAT administrator.</li> <li>• If the new liability is not full paid continue with default procedures, see IRM 5.4.11.8, Default and Termination Procedures.</li> </ul>
Has an additional liability	<p>the new liability (ICOMP) will result in no more than two additional monthly payments and the agreement will not extend beyond the imminent ASSED/CSED (verify with IAT Payment Calculator).</p> <p><b>Exception:</b> PPIA cases <b>cannot</b> include additional liabilities</p>	<ul style="list-style-type: none"> <li>• Verify compliance.</li> <li>• Reinstate the agreement.</li> <li>• Assess the appropriate reinstatement/revised user fee.</li> <li>• Notify the taxpayer a lien may be filed.</li> <li>• Open an ENMOD control base to the FORT for a lien determination if the new unpaid balance of assessment is \$10,000.00 or more.</li> <li>• Set 21 day follow-up on ICS or contact assigned tax examiner to set follow-up for receipt of payment.</li> </ul>
Has an additional liability	the new liability (ICOMP) will result in more than two additional monthly payments or the agreement will extend beyond the imminent ASSED/CSED (verify with IAT Payment Calculator)..	<ul style="list-style-type: none"> <li>• Advise the taxpayer to make payments as they can for as much as they can to reduce penalty and interest.</li> <li>• Advise taxpayer the case will be assigned back to an RO who will contact them.</li> <li>• Follow default procedures, IRM 5.4.11.8, Default and Termination Procedures.</li> </ul>

5.4.11.8  
(10-06-2016)  
**Default and Termination  
Procedures**

- (1) When taxpayers do not meet the terms of their IA, the agreement will be terminated. Taxpayers may appeal proposed terminations.

5.4.11.8.1  
(05-24-2021)  
**Initial IBTF and PPIA  
Default Procedures**

- (1) After verifying default condition exists:
  - a. Input ST 64 on all related accounts using cc IADFL.
  - b. Update ICS sub code to 926.
  - c. Provide IAT administrator default date.
- (2) When an IBTF defaults for failure to pay additional liabilities when due or failure to make installment payments, a CP 523, Default Installment Agreement-Notice of Intent to Levy, should be issued from IDRS.
  - a. If an IBTF includes liabilities assessed in the name and EIN of an LLC when the SMO is identified as the liable taxpayer, the IBTF should not be defaulted if new accounts are assessed for employment tax periods beginning on or after January 1, 2009, when the LLC is the liable taxpayer.
  - b. Since the LLC may be liable for new tax periods assessed in the name and EIN of the LLC, issue an OI to the originator to address new liabilities and continue to monitor the SMO portion of the IA.

**Note:** See IRM 5.1.21, Collecting from Limited Liability Companies, and IRM 5.14.7.3.1, Installment Agreements When Owner is Liable for Assessments in LLC Name, and IRM 5.14.2, Partial Payment Installment Agreements and the Collection Statute Expiration Date, for procedures pertaining to these instances.

- (3) If, after receipt of payment, the case was not reinstated to ST 60, verify there is no other reason for the default condition, and reinstate to ST 60.
- (4) If the IA has not been reinstated after 90 days see IRM 5.4.11.8.3, IBTF and PPIA Default Procedures, and IRM 5.4.11.8.3, MMIA Default Procedures.
- (5) Ensure any associated balance due is assigned to the appropriate group.
- (6) Do not review for a cure of the default or contact the RO if the case has automatically uploaded to the field.

5.4.11.8.2  
(10-06-2016)  
**IBTF and PPIA Default  
Procedures**

- (1) After 90 default day period has expired, verify the CP523, Default Installment Agreement-Notice of Intent to Levy, was issued.
- (2) If the Notice CP523 was not sent and the account is in Status 60 or Status 61, input command code IADFL. This will cause the account to update to ST 64, and issuance of the default Notice CP523.
- (3) If the CP523 was not sent and the account is in a status other than 60 or 61, send Letter 2975 via ICS. Refer to IRM 5.4.11.8.3(2), MMIA Default Procedures.
- (4) If default condition has been resolved and there are no other compliance issues, verify the case was reinstated to ST 60.

- (5) Do not review for a cure of the default or contact the RO if the case has automatically uploaded to the field.
- (6) After 90 days from the issuance of the default letter if:
  - a. the IA has not been reinstated;
  - b. a new IA has not been placed into effect and/or will not be entered into soon;
  - c. the taxpayer has not requested a Collection Appeals Program hearing for the default or termination of the IA; or
  - d. the taxpayer has not requested a Collection Due Process hearing, (see IRM 5.1.9.3.6.1, Transaction Code TC 520 and TC 521 cc 76 or 77) input TC 971 AC 163 on all appropriate periods and transfer the case to the appropriate group pursuant to zip code.

**Note:** Check the case history and IDRS for TC 520 CC 76 or 77 to determine if there is an active CDP Appeal. A TC 971 AC 275 indicates a CDP Appeal request has been received, but not yet opened as a case. If Appeals determines an IA is not the proper case resolution, or if the resolution cannot be completed within CCP, forward the case to the appropriate FC group pursuant to the zip code.

**Note:** If an Other Investigation (OI) is currently assigned to a field employee, transfer the case to that employee.

- (7) Complete ICS Default Checklist, document AMS when appropriate.
- (8) If other than a sole proprietor entity, and there is an ASEDR 5 on the account, change the ASEDR indicator to "0" before transferring defaulted case.
- (9) If the account is in status 24 (Area queue) on IDRS after the 90 day default period has expired:
  - a. Email IQA to Tsign back to the field on IDRS (only if not in the queue).
  - b. Complete the default checklist.
- (10) If case is in ST 22, email the lead to expedite case to ST 26.
- (11) Change 926 sub codes to original case sub code.
- (12) Request the paper case file to be held on retention wall. On ICS, transfer the case back to the appropriate area if not already assigned.

5.4.11.8.3  
(10-06-2016)  
**MMIA Default  
Procedures**

- (1) As stated above, when an agreement defaults, taxpayers with IDRS-monitored agreements receive CP 523, Default Installment Agreement-Notice of Intent to Levy. In the case of taxpayers with manually monitored agreements, Letter 2975, Notice of Intent to Levy under IRC section 6221(d), will be issued when an agreement defaults. Like the CP 523, Letter 2975 gives the taxpayer 30 days to comply with the terms of the agreement before an IA is terminated. Wait 90 days.
- (2) Issue Letter 2975 as follows:
  - a. complete the identification information on the top of the letter;
  - b. provide the reason the agreement defaulted, see IRM 5.14.11.3, Reasons for Proposing Termination (Defaulting) of Installment Agreements.

- c. compute penalty and interest to 30 days from the date of the letter;
- d. include Publication 594, The IRS Collection Process, and a non-postage-paid return envelope with the letter;
- e. include Publication 1660, Collection Appeal Rights, see IRM 5.14.9.8, Collection Appeals Program; and
- f. send the letter by certified or registered mail, return receipt requested.

**Note:** For SMO/LLC IBTF-IA, separate 2975 letters must be issued to the SMO and the LLC.

- (3) After 90 days from the issuance of the default letter if
  - a. the IA has not been reinstated;
  - b. a new IA has not been placed into effect and/or will not be entered into soon;
  - c. the taxpayer has not requested a Collection Appeals Program hearing for the default or termination of the IA; or
  - d. the taxpayer has not requested a Collection Due Process hearing, (see IRM 5.1.9.3.6.1, Transaction Code TC 520 and TC 521 CC 76 or 77) input TC 971 AC 163 on all appropriate periods and transfer the case to the appropriate group pursuant to zip code.

**Note:** Check the case history and IDRS for TC 520 CC 76 or 77 to determine if there is an active CDP Appeal. A TC 971 AC 275 indicates a CDP Appeal request has been received, but not yet opened as a case. If Appeals determines an IA is not the proper case resolution, or if the resolution cannot be completed within CCP, forward the case to the appropriate FC group pursuant to the zip code.

**Note:** If an other investigation (OI) is currently assigned to a field employee, transfer the case to that employee.

- (4) Complete ICS Default Checklist, document AMS when appropriate.
- (5) If other than a sole proprietor entity, and there is an ASEDR 5 on the account, change the ASEDR indicator to "0" before transferring defaulted case.
- (6) Change 926 sub codes to original case sub code.
- (7) Request the paper case file to be held on retention wall. On ICS, transfer the case back to the appropriate area if not already assigned.

5.4.11.9  
(10-06-2016)  
**PPIA Two Year Financial  
Review**

- (1) After approval of the MMIA/IBTF Partial Payment Installment Agreement (PPIA) by the field group manager, a systemic Other Investigation (OI), "101 - PPIA Monitor" will be generated on ICS and assigned to CCP for the two year review.
- (2) When notification of the two year review is received generate the Notice CP522P letter using ICS and mail to the taxpayer.
- (3) ICS will systemically generate a 30 day follow-up from the date of the letter. The ICS history will indicate "Follow-up PPIA Review Letter."
- (4) When notification of the PPIA review letter follow-up is received via ICS or MAL, and no response has been received from the taxpayer, follow default procedures. See IRM 5.4.11.8, Default and Termination Procedures.

5.4.11.9.1  
(05-24-2021)  
**PPIA Review Letter  
(CP522P) Responses**

- (1) If it is a business taxpayer, request a completed Form 433 A/B from the taxpayer. If it is an IMF with an aggregate balance of \$250,000 or more, request a completed Form 433A within 14 days (for additional guidance refer to IRM 5.19.13 Campus Procedures for Securing Financial Information). Update the review cycle for four (4) cycles to prevent the account from defaulting.
- (2) Prepare a FORT referral after financial information is secured and update review cycle for eighteen (18) cycles, and send the taxpayer a Letter 2645C.

**Note:** The CP522P refers BMF taxpayers to the FORT for financial analysis.

- (3) If the account has already defaulted, do not revise the agreement until the financial analysis is completed.
- (4) For IMF cases under \$250,000.00, when contacted by the taxpayer or their authorized representative, CCP will conduct a two-year financial review using AMS, for IMF accounts meeting two-year review criteria. See IRM 5.15.1, Financial Analysis Handbook, for two-year financial review criteria.
- (5) If the taxpayer needs additional time to provide the financial information, allow no more than 14 additional days. Allow only one extension. Update the review cycle, if necessary, to prevent the account from defaulting.
- (6) When conducting a two-year review, consider the taxpayer's income, expenses, assets and equity to determine if:
  - a. the liability can be full paid, or;
  - b. an adjustment to the payment amount is necessary, or;
  - c. the agreement should continue without change, or;
  - d. the taxpayer is unable to pay.
- (7) If at anytime during the process the taxpayer qualifies for and agrees to an SIA (see IRM 5.14.5.2 Streamlined Installment Agreements), input of the financial information is not necessary. Input the IA as agreed to, document AMS with SIA information, input levy sources, if present, and destroy the Form 433. See the exhibit in IRM 5.19.1-7, IDRS Input of IAs, CC IAREV.
- (8) A new Form 433-D is required when the taxpayer is increasing their monthly payment amount, changing banks, changing routing numbers, or changing account information.
- (9) Check that the taxpayer is in compliance with all filing requirements, both individual and business. For research procedures for full compliance, check IRM 5.19.1.4.4.1, Full Compliance Check. SRP module will not cause a PPIA to default and can be added to existing PPIA with the taxpayer's consent.
- (10) If the taxpayer is not in compliance, advise them to file all outstanding returns. Advise them what returns are needed for us to consider their IA proposal. Advise the taxpayer that we cannot consider any change in the terms of the agreement or extension of time to pay if all required returns are not filed. Continue with securing updated financial information.

**Exception:** If the case still meets PPIA criteria with an increase in payment, and taxpayer agrees to the increase, update the payment amount and two year review cycle.

- (11) If the taxpayer states they have a court ordered payment such as alimony, child support, state and other court order payments, or, based on a taxpayer's individual facts and circumstances, it may be appropriate to deviate from the standard amount when failure to do so will cause the taxpayer economic hardship. Payments for other expenses such as state or local tax payments and student loans may also be allowed in certain circumstances. See IRM 5.15.1.11, Other Expenses. The taxpayer must provide reasonable substantiation of all expenses claimed that exceed the standard amount, CCP must:
1. Request a copy of the agreement, court order or substantiation for expenses by fax or mail. Allow a 14 day extension for receipt of substantiation. Update the review cycle to prevent the account from defaulting.
  2. Complete 2-year financial review.
  3. Document case history with all action taken.
  4. If taxpayer does not substantiate the amount given during the financial review, send Letter 2272C and update review cycle for five (5) cycles.

**Note:** Attempt to secure all available financial information during the initial contact.

- (12) If the taxpayer now has the ability to full pay, demand taxpayer make full payment.
- (13) If the taxpayer has ability to borrow, per the "financial statement" on AMS summary page, and can apply the amount to the liability in full or in part, the taxpayer will be required to utilize the equity before a PPIA will be allowed on the remaining liability. Request loan approval/denial from the taxpayer be submitted within 30 days and update IADIS for four cycles to prevent the case from defaulting. When letter is received, document case history with approval or denial. Update IADIS for four (4) cycles to prevent the case from defaulting.
- (14) If the financial review indicates the taxpayer's ability to pay an amount that is different from the existing agreement and the payment amount needs to be increased, (more than 20% of the established IA amount), notify the taxpayer accordingly, verbally or in writing, and revise the IA.

**Caution:** If the taxpayer requests changes to a DDIA, see IRM 5.19.1.6.4.13.1, DDIA- Form 433-D, Installment Agreement, and Form 9465, Installment Agreement Request and IRM 5.19.1.6.4.13.2, Taxpayer Problems With DDIA as these accounts require special handling.

- (15) If there is no significant change to the taxpayer's financial situation (payment increase/decrease of 20% or less than the established IA amount), the agreement will continue as originally established. The taxpayer will be notified that there is no change in the agreement.
- (16) If the taxpayer's financial situation indicates a payment reduction of more than 20%, forward the case for managerial review.
- (17) If the taxpayer requests the current payment to be reduced, allow a 20% reduction.
- (18) If the taxpayer is required to take some type of action, provide the taxpayer with specific deadlines and WOE. The warning should be appropriate to the facts of the case. Ensure the taxpayer understands that if they fail to perform the task as agreed their noncompliance carries certain consequences. Document ICS/AMS and be sure to specify the WOE.

**Example:** Make payment/file by a certain date.

**Exception:** If a taxpayer contacts CCP after a WOEa is given and there is no new commitment made by the taxpayer, there is no requirement for WOEa again.

**Example:** A taxpayer promises to submit a financial statement substantiation by a specific date, then calls back only to confirm the address to which the substantiation must be mailed. No WOEa is required as there has been no change to the taxpayer's commitment.

- (19) Warn the taxpayer in a non-threatening manner the IRS may take enforced collection action if an agreement cannot be reached; the warning should be as specific as possible. It is not sufficient to state, "We will take enforcement action if you do not meet the terms of this agreement." Specifically state the next action IRS may take. See IRM 5.19.1.7, Warning of Enforcement Actions and Enforced Collection, for next actions.

**Example:** If you do not make the payment(s) as agreed, we may file a Notice of Federal Tax Lien and/or take the next step to levy your bank account and your wages.

- (20) If CCP is unable to revise the agreement or take other action necessary to resolve the case, other than placing the account in currently not collectible (CNC) status, i.e. taxpayer refuses the new proposal, the agreement will be allowed to default.
- (21) If the financial review determines that the taxpayer has no ability to pay, CCP will proceed with CNC procedures on accounts other than those originating from Field Collection Revenue Officers, see IRM 5.19.1.2.6.4.3, Financial Analysis, Verification and Substantiation, ACS, ACSS and CSCO Employees.
- (22) Taxpayers may request a CAP hearing with Appeals for both:
- Proposed modification of installment agreements and
  - Actual modifications of installment agreements.

The taxpayer has 30 days from the date of the proposed modification to appeal. The taxpayer must continue to comply with the terms of the agreement. Advise taxpayer of the requirements and time frames for requesting a CAP hearing for agreement modification. Send a Letter 5259, Notice of Installment Agreement Modification. See IRM 5.1.9.4.2, Request for CAP Appeal.

- (23) Input any new levy sources on LEVYS.
- (24) Update the two-year review cycle by updating the Agreement Review Date on IAREV and input the new review cycle to ICS if there is a PPIA OI. See IRM 5.19.1-7, IDRS Input of IAs, CC IAREV.

**Note:** If the agreement no longer qualifies as a PPIA, update the PPIA indicator.

- (25) Managerial approval is needed on all two year financial reviews of \$25,000.00 or more.

- Document AMS that the financial review was completed.
- Alert manager that approval is needed.
- Managers will review the case within 5 business days and document AMS of approval or disapproval.
- If manager does not approve the financial review, send Letter 2272C and update review cycle for five (5) cycles.

**Note:** Requests not meeting pending IA criteria, see IRM 5.19.1.6.4.7.1, Requests Not Meeting Pending IA Criteria.

5.4.11.10  
(05-24-2021)

**Direct Debit Installment Agreement (DDIA) Requests from Field Collection**

- (1) As of October 1, 2017, field originated Direct Debit Installment Agreements (DDIA) requests were transitioned from Compliance Services Collection Operations (CSCO) to Centralized Case Processing (CCP). CCP processes DDIA requests (primarily status 26 cases) received from Field Collection (FC).
- (2) CCP DDIA requests will be received electronically through the \*SBSE PSC CCP DDIA mailbox. The DDIA mailbox should not be used to submit technical questions, case status inquiries, or to contact liaison(s).
- (3) CCP will maintain all processed 433-D forms, in date order, for a period of 6 months before sending them to the Federal Records Center (FRC). The FRC will maintain them for a period of 12 years. CCP clerks will file new and remove dated forms to ensure timely retention.
- (4) As of January 2020, field revenue officers were instructed to input their own DDIA's through SIA.

5.4.11.10.1  
(05-24-2021)

**Initial Screening of Form 433-D Requests**

- (1) The \*SBSE PSC CCP DDIA electronic mailbox is monitored daily for incoming requests. Prior to batching and controlling, initial screening is conducted to identify erroneous, incomplete and/or misrouted requests such as:

- Missing taxpayer signatures and signature dates.

**Note:** Third party signatures, such as Power of Attorney, are not permitted.

**Note:** CCP is authorized to accept electronic/digital signatures on F433-D.

- Missing and /or incomplete bank account information.
- Misrouted requests.
- Incomplete RO information on Form 433-D, "For IRS use only."
- Requests with an aggregate assessed balance (AAB) over \$50,000 lacking GM approval on Form 433-D that cannot be verified on ICS.

- (2) The Integrated Collection System (ICS) should be reviewed for missing or incomplete information. If missing information cannot be obtained from ICS, proceed with liaison referral.
- (3) Screeners will take the following actions:

<b>Requests ready for batching/controlling</b>
1. Print each individual F433-D requests.

**Requests ready for batching/controlling**

2. Submit F433-D requests to the clerical unit for batching.
3. Delete printed requests to prevent duplicate processing.

**Requests in need of liaison review**

1. Establish an IDRS control on ENMOD of C##,2LIAISON,S.
2. Print and route the F433-D requests to liaison.
3. Delete printed requests to prevent duplicate processing.

**Note:** For batching and controlling procedures, see 5.4.13, CCP General Procedures.

5.4.11.10.2  
(05-24-2021)  
**CCP DDIA Liaisons**

- (1) A listing of the DDIA Liaisons can be located on the Centralized Case Processing website at: <http://mysbse.web.irs.gov/collection/ccpcoll/default.aspx>
- (2) CCP designated DDIA liaisons:
  - Assist tax examiners with complex cases.
  - Check for incoming DDIA requests and referrals daily.
  - Review cases suspended by tax examiners for further action.

**Note:** Cases pending liaison review/action can be identified on IDRS CC: ENMOD with a control base of C##,2LIAISON,S.

  - Contact Field Collection employees when applicable.
- (3) Upon receipt of suspended DDIA cases and/or case referrals, liaisons will:
  - Send a secure "High Importance" e-mail to the originator and "cc" the group manager requesting the missing or incomplete information. Include an "CCP Response Needed" in the subject line. Provided the TIN and taxpayer's name. Include the following statement: "To have the request processed, you must respond to this e-mail or call the CCP DDIA Liaison within 24 business hours. If there is no response within 24 hours, your request will be rejected."
  - If no response is received, update ICS to reflect this. If the case is not on ICS, document AMS. Notate the Form 433-D requests as Classified Waste "CW." Close the IDRS control base as C##,REJECT,C.
  - If no response is received timely with the requested information, follow the procedures outlined in IRM 5.4.11.9.3, Perfecting and Processing DDIA Requests.
  - If the originator requests an extension to respond, update ENMOD with a timely follow-up date and follow up accordingly.

5.4.11.10.3  
(05-24-2021)  
**Perfecting and Processing DDIA Requests**

- (1) DDIA Requests must be assigned within 5 business days from the IRS received date and processed within 21 calendar days. A complete listing of CCP Processing Timeframes can be found on the IRM Centralized Case Processing Collection website.

- (2) Tax examiners may utilize the IAT Compliance Suite when processing DDIA Requests. For more information on IAT Tools, refer to IRM 5.4.10.2.3.1 Use of IAT Tools.
- (3) IDRS command codes commonly used for DDIA processing include EFTNT, EFTAD and EFTOF. For detailed information regarding these command codes please refer to IRM 2.4.33, command codes EFTNT, EFTAD and EFTOF for Electronic Transfer Funds.
- (4) Immediately following DDIA input:
  - Issue a Letter 1962C via IAT. Include the Tax Examiners name, contact information, and direct extension.
  - Close the ENMOD control base. Ex: "C##,DDIAINPUT,C".
  - Notate Form 433-D properly for retention using red ink. Across the top, notate the ALN 03XX, "KEEP" and the date of input. Down the left side of the form, notate the employees IDRS profile number and applicable program code.
  - Tax examiners must use designated program codes for DDIA inputs.
  - At the end of the day, completed folders must be placed in designated bins.
- (5) Tax examiners must completely review and perfect all DDIA requests prior to input. It may also be necessary to refer requests to the DDIA liaison. Utilize the If and Then table shown below:

If	Then
The case is not on ICS.	Follow the procedures shown in (7) below to suspend the case to a DDIA liaison. CCP DDIA requests should come from Field Collection (ST26) and should be on ICS.
The Agreement Locator Number (ALN) is incorrect.	Make the correction. DO NOT reject the request. For a listing of ALNs, see IRM 5.19.1-9, ALNs.
There are MFREQ modules preventing DDIA input.	<ul style="list-style-type: none"> <li>• Suspend the control as "C##,MFREQ,S."</li> <li>• Update ICS with the reason for suspension. If the case is not in ICS, update AMS.</li> <li>• Print and associate the history with the case. Place the case in the completed folder for DDIA liaison action.</li> <li>• The liaison will complete the input once the module(s) is available on TXMODA.</li> </ul>

If	Then
TC 470 is present, preventing ST 60 input.	<ul style="list-style-type: none"> <li>• Input the TC 472.</li> <li>• Suspend the control as "C##,TC470INPUT,S".</li> <li>• Leave history on ENMOD to read, "TC470INPUT".</li> <li>• Print and associate the history with the case and place the case in the completed folder for liaison action.</li> <li>• The liaison will complete the input when the TC 472 has fully posted.</li> </ul>
The request had an aggregate assessed balance (AAB) over \$50,000 without GM approval on FORM 433-D that cannot be verified on ICS or is a PPIA.	Follow the procedures shown in (7) below to suspend the case to a DDIA liaison.
Modules in ST 72.	Reject it back to the originator.
Incorrect closure of the IA.	Reject it back to the originator.
Taxpayer is not compliant. Ex: Open TDI <b>EXCEPTION:</b> If the Status 23 module was not included in the IA and it does not change the requested type of IA based on the payment calculator, add the Status 23 module to the requested IA.	Follow the procedures shown in (7) below to suspend the case to a DDIA liaison.
Missing or illegible RO information, taxpayer information, and/or banking information.	Follow the procedures shown in (7) below to suspend the case to a DDIA liaison.
Missing taxpayer signatures and/or signature dates.	Follow the procedures shown in (7) below to suspend the case to a DDIA liaison.
The originator is any other than a RO, settlement officer, appeals, TAS, or any other field collection personnel.	Follow the procedures shown in (7) below to suspend the case to a DDIA liaison.
Missing PPIA indicators AND cannot be verified through ICS.	Follow the procedures shown in (7) below to suspend the case to a DDIA liaison.
You receive an error message that reads, "Invalid Check Digit."	Follow the procedures shown in (7) below to suspend the case to a DDIA liaison. Attach a screen print of the message to the case.

If	Then
A duplicate request has been identified.	Close the ENMOD control as C#,PREVACT,C.

- (6) Reject the request if:
- If there are modules in ST 72.
  - Incorrect IA closure.
- (7) Input "C##,REJECT,C" to close the ENMOD control base. Leave a history on ICS. If the case is not available on ICS, leave a history on AMS.
- (8) All cases in need of a liaison review must be placed in suspense status. Input "C##,2LIAISON,S" to update the ENMOD control. Leave a history on ICS. If the case is not available on ICS, leave a history on AMS.