



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

5.4.12

APRIL 20, 2023

## EFFECTIVE DATE

(04-20-2023)

## PURPOSE

- (1) This transmits revised IRM 5.4.12, Case Processing, Field Office Resource Team (FORT).

## MATERIAL CHANGES

(1)

IRM	Description
IRM 5.4.12.1	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
Throughout IRM 5.4.12	Editorial Changes have been made throughout to update terminology and references, to comply with writing standards, and to correct formatting, structural and grammatical issues.
IRM 5.4.12.1.2	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).
IRM 5.4.12.1.2	Authority section to include The IRS Restructuring and Reform Act of 1998 (IRS RRA 98), Section 3705(a).
IRM 5.4.12.1.6	Terms/ Definitions/ Acronyms section to include table that provides a list of common abbreviations, definitions and acronyms used throughout this IRM.
IRM 5.4.12.2.1.2	Updated to add clarity to the types of Department of Justice cases Centralized Case processing will refer to the FORT for resolution.

<b>IRM</b>	<b>Description</b>
IRM 5.4.12.2.1.2	Updated to correct penalty abatement code.
IRM 5.4.12.2.1.2	Updated to add Adjustments to reverse offsets on Debtor Master File (DMF) and Treasury Offset Program (TOP) Offsets Centralized Case processing will refer to the FORT for resolution.
IRM 5.4.12.2.4	Updated to add two types of letters GAO issues regarding IRS formal audits and written objectives.
IRM 5.4.12.2.4	Updated to add CCP functional coordinator duties (GAO-FC) during the annual SB/SE TIGTA/ GAO Audit.
IRM 5.4.12.2.5	Updated to add IMF Partial Payment Installment Agreement financial reviews for balance dues over \$250,000.00.
IRM 5.4.12.2.6	Updated to add a fax number and an email address to send lockbox requests.
IRM 5.4.12.2.6	Updated to provide additional guidance in processing lockbox requests.
IRM 5.4.12.2.7	Updated to remove the word "generally."
IRM 5.4.12.2.7	Updated to add "Collection" to identify CCP.
IRM 5.4.12.2.8	Updated to provide additional guidance in processing Restricted Interest Computation requests.
IRM 5.4.12.2.8	Updated to add "Collection" to identify CCP.
IRM 5.4.12.2.8	Updated to add software program Automated Computation Tool (ACT).

<b>IRM</b>	<b>Description</b>
IRM 5.4.12.2.8	Updated to add Department of Justice requests for signed affidavits/declarations confirming the validity and accuracy of restricted interest computations (interest, restricted interest, and penalties).
IRM 5.4.12.2.9	Updated to correct Form 10489-C to Form 10498-C.
IRM 5.4.12.2.9.1	Updated to remove the acronym CSED.
IRM 5.4.12-1	Added Exhibit

**EFFECT ON OTHER DOCUMENTS**

This material supersedes IRM 5.4.12, dated 11/30/2016.

**AUDIENCE**

Centralized Case Processing FORT team in the Philadelphia Campus

Kareem Williams  
Director, Collection Policy  
Small Business/Self-Employed



5.4.12

Field Office Resource Team

## Table of Contents

### 5.4.12.1 Program Scope and Objectives

- 5.4.12.1.1 Background
- 5.4.12.1.2 Authority
- 5.4.12.1.3 Responsibilities
- 5.4.12.1.4 Program Management and Review
- 5.4.12.1.5 Program Controls
- 5.4.12.1.6 Terms/Definitions/Acronyms
- 5.4.12.1.7 Related Resources

### 5.4.12.2 Overview

- 5.4.12.2.1 FORT Referrals
  - 5.4.12.2.1.1 Manually Monitored Installment Agreement FORT Referrals
  - 5.4.12.2.1.2 General Case Processing Referrals
- 5.4.12.2.2 Taxpayer Advocate Service (TAS)
- 5.4.12.2.3 Military Deferment
- 5.4.12.2.4 Government Accountability Office Annual Financial Audit
- 5.4.12.2.5 Two Year Financial Reviews for BMF Partial Payment Installment Agreements
- 5.4.12.2.6 Lockbox
- 5.4.12.2.7 Adjustments, Credit Transfers, Payment Tracers, and Interest Abatements
- 5.4.12.2.8 Restricted Interest Computation
- 5.4.12.2.9 TC 914 Cases
  - 5.4.12.2.9.1 Initial Analysis of TC 914 Cases
  - 5.4.12.2.9.2 Monitoring TC 914 Cases
  - 5.4.12.2.9.3 Closing TC 914 Cases
  - 5.4.12.2.9.4 Abusive Tax Avoidance Transaction (ATAT) Cases

### Exhibits

- 5.4.12-1 DOJ Declaration



5.4.12.1  
(04-20-2023)  
**Program Scope and Objectives**

- (1) **Purpose:** This IRM provides technical information and guidance for a variety of campus collection processing procedures on cases originating with Field Collection, not otherwise addressed in more specialized IRMs.
- (2) **Objective:** The objective of the Field Office Resource Team (FORT) is to provide technical assistance to Centralized Case Processing (CCP) for the resolution of Collection Field function (CFf) workflow issues.
- (3) **Audience:** These procedures are intended for CCP FORT campus collection tax examining technicians and revenue officers in CCP; however, other employees in Small business/Self-Employed (SB/SE) and employees in other functions may also refer to these procedures.
- (4) **Policy Owner:** The Policy Owner of this IRM section is the Director, Collection Policy, SBSE.
- (5) **Program Owner:** SB/SE Collection Policy, Campus Policy is the program owner of this IRM.
- (6) **Primary Stakeholders:** Campus Collection Centralized Case Processing employees, Field Collection employees.
- (7) **Program Goals:** The purpose of this IRM is to ensure that Centralized Case Processing FORT Campus Collection employees understand the liaison role between CCP Campus Collection tax examiners and Collection Field function. The Field Office Resource Team (FORT) was created to provide a link between Centralized Case Processing (CCP) and Collection Field function (CFf) for the resolution of workflow issues, technical assistance, and answering general and procedural questions. The FORT will also provide support to CCP, process cases, and perform data analysis for continuous process improvements in CCP and CFf.

5.4.12.1.1  
(04-20-2023)  
**Background**

- (1) Internal Revenue Manual (IRM) 5.4.12 Case Processing, Field Office Resource Team (FORT) contains procedures, guidance and criteria for campus collection operations FORT tax examining technicians and FORT revenue officers. The content includes criteria and procedures for FORT referrals from General Case Processing (GCP) and the Manually Monitored Installment Agreement (MMIA) teams that are considered “beyond their scope” of expertise. The content includes procedures for adjustments, Two Year reviews for BMF Partial Pay Installment Agreement (PIA) cases, lien determinations, Assessment Statute Expiration Date (ASED) issues relating to the Trust Fund Recovery Penalty, Taxpayer Advocate case adjustments, Department of Justice (DOJ) cases, and Military Deferment Requests (for Status 26 cases only). This list is not all inclusive.

5.4.12.1.2  
(04-20-2023)  
**Authority**

- (1) The Service has the authority to abate the unpaid portion of the assessment of any tax or any liability with respect thereof (which would include penalties and interest). IRC 6404 provides:
  - a. The Secretary is authorized to abate the unpaid portion of the assessment of any tax or any liability in respect thereof, which is excessive in amount, or is assessed after the expiration of the period of limitation properly applicable thereto, or is erroneously or illegally assessed.
  - b. No claim for abatement may be filed with respect to income, estate, or gift tax.

- (2) Policy Statement 5-1, Enforcement is a necessary component of a voluntary assessment system
- (3) Policy Statement 5-2, Collecting Principles
- (4) 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.
- (5) IRC 6320 and Treas. Reg. 301.6320-1, The right to appeal the filing of a Notice of Federal Tax Lien.
- (6) IRC 6330 and Treas. Reg. 301.6330-1, The right to appeal before or after levy action is taken, depending on the type of levy.
- (7) IRC 6159(e), The right to appeal proposed modification or actual modification, and to appeal proposed termination or actual termination of an installment agreement, and Treas. Reg. 301-6159-1(e)(5).
- (8) IRC 7803(a)(3), Taxpayer Bill of Rights.
- (9) IRC 6020(a) Preparation of return by Secretary. If any person shall fail to make a return required by this title or by regulations prescribed thereunder, but shall consent to disclose all information necessary for the preparation thereof, then, and in that case, the Secretary may prepare such return, which, being signed by such person, may be received by the Secretary as the return of such person. (b) Execution of return by Secretary (1) Authority of Secretary to execute return. If any person fails to make any return required by any internal revenue law or regulation made thereunder at the time prescribed therefor, or makes, willfully or otherwise, a false or fraudulent return, the Secretary shall make such return from his own knowledge and from such information as he can obtain through testimony or otherwise.

5.4.12.1.3  
(04-20-2023)  
**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 inquires, along with responses concerning systemic transactions, following the procedures in this IRM. They oversee employee actions to resolve balance due accounts owed by taxpayers.

5.4.12.1.4  
(04-20-2023)  
**Program Management and Review**

- (1) **Program Reports:** The following daily and weekly reports are generated by management, and can assist with evaluating the performance and timeliness of the balance due program:
  - Embedded Quality Review System (EQRS) Reports
  - National Quality Review System (NQRS) Reports
  - Accounts Management System (AMS)
  - 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
  - CCP Mistle Report
- (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 National Quality review (NQRS) results to show monthly and cumulative stats. Evaluative Quality reviews (EQRS), NQRS, 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.

5.4.12.1.5  
(04-20-2023)  
**Program Controls**

- (1) Managers are required to follow program management procedures and controls addressed in:
  - IRM 1.4.1, Management Roles and Responsibilities
  - IRM 1.4.2, Monitoring and Improving Internal Controls
  - IRM 1.4.6, Managers Security Handbook
  - IRM 1.4.55, 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 quality from ICS.

5.4.12.1.6  
(04-20-2023)  
**Terms/ Definitions/ Acronyms**

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

ABBREVIATIONS	DEFINITION
ACS	Automated Collection System
AMS	Accounts Management System

<b>ABBREVIATIONS</b>	<b>DEFINITION</b>
ASED	Assessment Statute Expiration Date
ATAT	Abusive Tax Avoidance Transaction
CAP	Collection Appeals Program
CAWR	Combined Annual Wage Reporting
CCP	Centralized Case Processing
CDP	Collection Due Process
CEASO	Civil Enforcement Advice and Support Operations
Cff	Collection Field function
CI	Criminal Investigation
CIS	Collection Information Statement
CNC	Currently Not Collectable
CSED	Collection Statute Expiration Date
DOJ	Department of Justice
EH	Equivalent Hearing
FORT	Field Office Resource Team
FTP	Failure to Pay
GAO	Government Accountability Office
GCP	General Case Processing
GM	Group Manager
ICS	Integrated Collection System
IQA	ICS Entity Quality Analyst
MMIA	Manually Monitored Installment Agreement
NMF	Non-Master File
OAR	Operations Assistance Request
OI	Other Investigation
OIC	Offer In Compromise
PPIA	Partial Pay Installment Agreement
TAS	Taxpayer Advocate Service
TFRP	Trust Fund Recovery Program

<b>ABBREVIATIONS</b>	<b>DEFINITION</b>
UBA	Unpaid Balance of Assessment

5.4.12.1.7  
(04-20-2023)

**Related Resources**

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

<b>IRM</b>	<b>Title</b>
IRM 2.3	IDRS Terminal Responses
IRM 2.4	IDRS Terminal Input
IRM 5.1.4	Jeopardy, Termination, Quick and Prompt Assessments
IRM 5.1.5.13	Transferring Cases to Centralized Case processing (CCP).
IRM 5.1.7.13	Military Deferments
IRM 5.1.9	Collection Appeal Rights
IRM 5.1.19	Liability Collection
IRM 5.7	Trust Fund Compliance
IRM 5.7.4	Investigation and Recommendation of the TFRP
IRM 5.11.2	Notice of Levy, Serving Levies, Releasing Levies and Returning Property
IRM 5.12	Lien Release and Related Topics
IRM 5.14.5	Streamlined, Guaranteed and In-Business Trust Fund Express Installment Agreements.
IRM 5.15.1	Financial Analysis Handbook
IRM 5.18.2	Business Returns IRC 6020(b) Processing
IRM 11.53.4	TIGTA/GAO
IRM 13.1.7	Taxpayer Advocate Service (TAS) Case Criteria
IRM 20.1	Penalty Handbook
IRM 20.2	Interest
IRM 25.6.1	Statute of Limitations, Processes and Procedures

5.4.12.2  
(04-20-2023)  
**Overview**

- (1) The primary purpose and responsibilities of the FORT in CCP is to provide:
- Liaison services for IRS agencies.
  - Case Processing Support for internal customers.
  - Data Analysis for CCP.
  - Customer Service to SBSE field, taxpayers, and CCP.

5.4.12.2.1  
(11-30-2016)  
**FORT Referrals**

- (1) General Case Processing (GCP) and Manually Monitored Installment Agreement (MMIA) departments will prepare a referral to the FORT for issues beyond their scope. Local procedures and IRM 5.4 will determine the method and forms used to make the referrals.

**Note:** If the FORT referral does not meet IRM 5.4 criteria reject the referral back to the originator.

- (2) The FORT will assign and open a control base on IDRS within 14 days of receipt of case.

**Note:** All FORT referrals require IDRS or the Integrated Collection System (ICS) or Accounts Management System (AMS) to be documented as appropriate.

- (3) Unless otherwise indicated in this IRM, the FORT has 14 days from receipt of the case to take necessary action.

5.4.12.2.1.1  
(04-20-2023)  
**Manually Monitored  
Installment Agreement  
FORT Referrals**

- (1) The following issues may be referred to the FORT by the Manually Monitored Installment Agreement (MMIA) team:

Type	Issue
Lien determinations	For new balance dues added to existing IA's where the Unpaid Balance of Assessment (UBA) exceeds \$10,000.00.
Assessment Statute Expiration Date (ASED)	For issues relating to the Trust Fund Recovery Penalty (TFRP). See IRM 5.7.4.8.1
Collection Statute Expiration Date (CSED)	See IRM 5.4.12.2.
Levy Release Requests	See IRM 5.11.2.3, Releasing Levies.
Two Year Financial Reviews for BMF Partial Payment Installment Agreement (PPIA) cases.	See IRM 5.4.11.9, PPIA Two Year Financial Review and IRM 5.4.12.2.5, Two Year Financial Reviews for BMF Partial Payment Installment Agreements.
IMF Partial Payment Installment Agreement financial reviews	For balance dues over \$250,000.00.
Bankruptcy Questions	See IRM 5.9.4.20, Installment Agreements and Bankruptcy.

Type	Issue
Corporate Income Tax (1120) Non Filers and 6020(b) request for all returns except Forms 94X, Employee Federal Tax Returns.	See IRM 5.18.2, Business Returns IRC 6020(b) Processing.
Continuous wage levy	Such as new balance dues that need to be added to existing wage levies and levy releases for full paid accounts. See IRM 5.11.5.6, Continuous Levy, and IRM 5.11.2, Notice of Levy, Serving Levies, Releasing Levies and Returning Property.
Existing Installment Agreements (IA)s	For taxpayers who want to reduce their IA payment by more than 20% of the current amount.
New balance dues	That need to be added to the IA that would add more than 6 months to the payment schedule. <b>Note:</b> The full payment must be made with at least 6 months remaining on any ASER and 3 months remaining on any CSER.
Accounts with delinquent form(s)	Form 1120, US Corporate Income Tax Return, and Form 2290 , Heavy Highway Use Tax Return.
Appeals requests from taxpayers	Including Collection Due Process (CDP), Equivalent Hearing (EH), and/or Collection Appeals Request (CAP). See IRM 5.1.9, Field Collecting Procedures, Collection Appeal Rights.

5.4.12.2.1.2  
(04-20-2023)  
**General Case  
Processing Referrals**

- (1) General Case Processing (GCP) will refer any complex or unusual issue to the FORT for resolution. FORT will provide feedback and recommend training on identified issues based on referrals received. See IRM 5.4.10, General Case Processing. The following requests must be referred to the FORT:
- a. **Only** interest abatement requests on tax periods in Status 26 will be received from and approved by an Interest Abatement Coordinator (IAC). See IRM 20.2.7, Interest, Abatement and Suspension of Debit Interest, and IRM 5.1.15.16.3, Interest Abatement.
  - b. TAS adjustments. See IRM 13.1.7, Taxpayer Advocate Service (TAS) Case Criteria.
  - c. Imminent Statute cases. See IRM 25.6.1, Statute of Limitations Processes and Procedures.

- d. Prompt, Quick, and Jeopardy Assessments received internally from MMIA/GCP only. See IRM 5.1.4, Jeopardy, Termination, Quick and Prompt Assessments and IRM 25.6.1.9.9.1, Procedures for Expeditious Assessments.
- e. Department of Justice (DOJ) cases received from Field Collections, CEASO. These cases must be worked within 14 days from receipt in the FORT. Process per the request.

**Note:** FORT is not authorized to abate Penalty Code 618. Case should be referred to TFRP for processing.

- f. Military Deferment Requests for Status 26 cases only. See IRM 5.1.7.13 , Military Deferments.
- g. Request for stopping a refund. See IRM 21.4.1.5.10 , Refund Intercept CC NOREF with Definer P.
- h. Adjustments to reverse offsets on Debtor Master File (DMF) and Treasury Offset Program (TOP) Offsets to the FORT.

5.4.12.2.2  
(04-20-2023)  
**Taxpayer Advocate  
Service (TAS)**

- (1) The FORT is responsible to work all Taxpayer Advocate Service (TAS) cases identified in the Service Level Agreement or assigned to Collection Field function (CFf). See IRM 13.1.17, Taxpayer Advocate Service, Taxpayer Advocate Case Procedures, Transferring TAS Cases. TAS requests will be received via Form 12412, Operations Assistance Request (OAR). The assigned tax examiner will log the TAMIS number into the TAS logbook.
- (2) If OAR was sent to CCP in error, the assigned tax examiner will:
  - a. Complete section IV of the OAR.
  - b. Reject the OAR by faxing the first two pages of the OAR back to the originator.
- (3) Upon receipt of the OAR, contact the TAS employee to acknowledge receipt of the OAR.
- (4) All requests should be completed by the requested completion date on the OAR.

**Note:** If unable to meet the requested completion date contact the TAS employee to negotiate a new date.

- (5) For MMIA issues, take necessary action and document ICS.
- (6) When the recommended actions in Section IV of the OAR have been completed, complete Section VI on page 2 of the OAR and fax to the TAS originator. Include prints of any modules adjusted. Write "closed" on the OAR and suspend the file for 60 days.
- (7) Purge the suspense file after 60 days.

5.4.12.2.3  
(04-20-2023)  
**Military Deferment**

- (1) The Servicemembers Civil Relief Act, 50 USC 4000 provides for deferment of payment of taxes by individuals whose ability to pay has been "materially affected" by the individual's military service. The deferment applies to the period of qualified military service plus a maximum of 180 days after the service period ends.

(2) IRM 5.1.7.13, Military Deferments and IRM 5.19.1.5.9, Military Deferment define the criteria for taxpayers to qualify for military deferment. The FORT is responsible to monitor all military deferment cases in Status 26. Combat Zone cases are a category of military deferment and are NOT monitored in Centralized Case Processing. The cases are to be maintained until the military deferment period has expired. Upon receipt of a military deferment case check IDRS for the following:

- a. Posting of Status 44.
- b. Posting of TC 500 CC 50 (prior to Jan. 2004) and CC 51 (after Jan. 2004) on all balance due modules. If not posted, do the input, making sure to put the liability indicator P for Primary, S for Spouse, or B for Both.
- c. The tax examiner is to verify that the military deferment expiration date is computed correctly. Military Deferment expiration equals taxpayer's requested period of deferment during qualified military service plus 180 days.

**Note:** An officer may receive deferment only for the first two (2) years of qualified military service plus 180 days.

See IRM 5.1.7.13(2)(d), Military Deferments and IRM 5.19.1.5.9, Military Deferment for a description of the periods of military service that qualify for deferment. If the military deferment expiration date is not correct, establish the correct date and use the corrected date throughout the procedures.

- d. Check IDRS (SUMRY and IMFOLI) to confirm all tax returns have been filed. If the taxpayer is not in filing compliance (all income tax returns filed), ask the taxpayer to submit the unfiled returns. Failure to submit unfiled returns does not prevent a taxpayer from being eligible for military deferment.
- e. Confirm that the taxpayer's adjusted gross income (AGI) has decreased from the prior year compared to the start date of the military deferment. This should be indicated on the Letter 1175C, Collection Postponed During Initial Period of Active Military Service, or equivalent statement. If it has not decreased then the taxpayer is generally not eligible for military deferment.

**Note:** Current monthly expenses incurred by the taxpayer as a result of military service should be deducted if current monthly earned income is more than monthly earned income immediately prior to military service.

See IRM 5.1.7.13, Military Deferments and IRM 5.19.1.5.9, Military Deferment for detailed instructions for determining eligibility for military deferment.

- f. Documentation as outlined in IRM 5.19.1.5.9, Military Deferment, and IRM 5.1.7.13.1, Military Deferment Procedures must be in the case file.

(3) If the taxpayer does not qualify for military deferment reject the case to the originator. See IRM 5.1.7.13.2, Interest and Limitations on Collection to determine if the taxpayer qualifies for the reduced interest rate.

(4) After verifying that the taxpayer qualifies for military deferment and confirming the above information, take the following actions to monitor the case:

- a. Create the case on ICS if not already created.
  - b. Document ICS with receipt of case and actions taken, as well as the calculated deferment date.
  - c. Establish follow-up date. Determine this date by subtracting 30 days from the deferment date.
- (5) Review the case when the scheduled follow-up date arrives (via ICS notification); review IDRS to determine current status of case:
- a. If case status has changed, such as full payment received or status has changed to 60 (installment agreement), no action is needed.
  - b. If deferment period has expired, close the OI.

**Note:** Because accruals were suspended per the TC 500 it may be necessary to manually compute interest and FTP penalty. See IRM 20.2.7.8.4, **Interest Suspension Period** for interest and IRM 20.1.2.3.8.1, Computing the Penalty for FTP penalty instructions.

- (6) If taxpayer has not responded to Letter 535 by end of the 90-day suspense period, transfer the case and forward the paper case file to the appropriate collection function.
- (7) If taxpayer responds to Letter 535 take the following actions:
- a. If the taxpayer responds with full payment and is in full compliance, forward case to closed case files and close ICS control.
  - b. If taxpayer requests an installment agreement, input a TC 971 AC 043.
  - c. If the taxpayer's response indicates an inability to full pay, but the taxpayer wants to explore other payment options, determine if taxpayer qualifies for guaranteed or streamlined IA. Follow procedures in IRM 5.14.5, Streamlined, Guaranteed and In-Business Trust Fund Express Installment Agreements.
  - d. If the taxpayer's response indicates inability to pay, secure a Collection Information Statement (CIS) and determine if the account meets criteria for Currently Not Collectable (CNC) Hardship. If they do not meet CNC criteria contact taxpayer for appropriate case resolution.

5.4.12.2.4  
(04-20-2023)  
**Government  
Accountability Office  
Annual Financial Audit**

- (1) The FORT will process all Government Accountability Office (GAO) financial audit requests received from the Chief Financial Office (CFO) and contact appropriate areas/coordinators as needed.
- (2) GAO issues two types of letters regarding IRS formal audits and written objectives:
- a. Audit Notification Letter- The GAO issues an audit notification letter to the IRS in December providing official notice that the financial statement audit is starting. The letter states that GAO has requested approval to access all records, files and tax return information needed to complete the audit from the Joint Committee on Taxation. Once GAO receives approval, GAO sends the audit notification to Chief Risk Officer-Enterprise Audit Management who in turn, disseminates the financial statement audit notification letters throughout the IRS as needed.
  - b. Audit Engagement Letter- The GAO issues an audit engagement letter to the IRS between February and March that provides written objectives for

the IRS GAO audit. This letter is shared with each functional coordinator with a list of audit deliverables and the due dates.

- (3) Collection CCP FORT assigns a designated employee who serves as a functional coordinator (GAO-FC) during the annual GAO financial audit. For more information about the overall SB/SE TIGTA/GAO audit program, see IRM 11.53.4, TIGTA/GAO.
- (4) On behalf of the Chief Financial Office (CFO), the designated CCP FORT GAO-FC employee communicates with various coordinators, analysts and other Collection POCs within business areas such as Advisory, OIC, Field Collection personnel. The purpose of these communications is to request and gather data within the scope of the annual GAO audit pertaining to Field Collection. To ensure communications are timely and successful, the CCP FORT GAO-FC maintains an updated list of GAO contacts in various SB/SE Collection departments.
- (5) Immediately after receiving this instruction and requests regarding the audit, the CCP FORT GAO Coordinator:
  - a. Determines the areas in need of contact, based on the requested items and distributes those requests to the responsible offices.
  - b. Monitors the requests to ensure all responses are received timely. When applicable, all responses, requests, or questions should be directed to the FORT GAO Coordinator by email.
  - c. Verifies responses for accuracy and completeness (dates, signatures, contents, etc.)
  - d. Responds back to the originating CFO contact and/or the designated mailbox established for the audit.
- (6) Responses must be prepared in a specific manner, to ensure professionalism, accuracy, and completeness. For a list of response requirements, see IRM 11.53.4.2.3.7(3), Preparation of the GAO Audit Response.

5.4.12.2.5  
(04-20-2023)

**Two Year Financial  
Reviews for BMF Partial  
Payment Installment  
Agreements**

- (1) The FORT revenue officer will assist BMF taxpayers who receive a CP 522 letter requesting a mandatory two year review of their financial condition. The taxpayer will fax their financial information to the FORT E-fax number identified on the CP 522 letter. The case will then be assigned to a FORT RO to make contact with the BMF taxpayer to conduct the two-year financial review.

**Note:** FORT also conducts IMF Partial Payment Installment Agreement financial reviews for balances due over \$250,000.00.

- (2) When conducting a two-year review, consider the taxpayer's income, expenses, assets and equity to determine if:
  - a. The balance due 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.
- (3) Use IRM 11.3.2.2, General Rules of Disclosure to Persons Having Material Interest and IRM 11.3.3.3, Disclosure to Third Parties Based Upon Taxpayer Request for Assistance.

- (4) When contacted by the BMF taxpayer or their authorized representative, The FORT RO will conduct a two-year financial review based on Form 433–A or 433–B. The business income and expenses should be updated using the Collection Information Statement on ICS. Equity in assets must be addressed in the case history. See IRM 5.15.1, Financial Analysis Handbook to complete the financial review. If it is an in-business taxpayer or above criteria in IRM 5.19.1.6.4.2, IA Requirements IBTF Express Agreement and financial information is secured the FORT RO will conduct the two-year financial review within eight (8) cycles.
- (5) The FORT RO will receive a referral if the taxpayer states they have a court ordered payment such as alimony, child support, state and other court order payments, and documentation is not received. Prior to preparing the FORT referral CCP will:
  1. Request a copy of the agreement or court order by fax or mail, if the taxpayer does not have access to a fax machine allow 14 days for mailing.
  2. Complete 2-year financial review.
  3. Document case history with all action taken.
  4. Allow expenses if documentation is provided.
  5. Update IADIS for 8 cycles to prevent the case from defaulting.
  6. Send the taxpayer a Letter 2645C .

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

**Note:** If analysis occurs after the eight (8) cycles it is the FORT's responsibility to update IADIS to prevent the case from defaulting and issue Letter 2644C to the taxpayer.

- (6) If there are increases to either the taxpayer's income or equity in assets, and the taxpayer now has the ability to full pay, demand will be made for full payment.

**Note:** If the taxpayer has newly acquired assets or increased equity in assets which can be applied to the liability in part, the taxpayer will be required to utilize the equity before a new PPIA will be allowed on the remaining liability.

- (7) 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, the taxpayer will be notified of the changes.
- (8) If there is no significant change to the taxpayer's financial situation, the agreement will continue. The taxpayer will be notified that there is no change in the agreement.
- (9) Update the two-year review cycle by updating the Agreement Review Date on IAGRE and input the new review cycle to ICS if there is a PPIA OI.
- (10) Update levy source on LEVYS.
- (11) If FORT RO is unable to revise the agreement or take other action necessary to resolve the case, i.e. taxpayer refuses new proposal, the agreement will be forwarded as follows:
  - a. ACS (0012) cases will be returned to ACS.

- b. Campus (0012) cases will be issued to ACS.
- c. Field (0012) no equity cases will be forwarded to ACS.
- d. Field asset cases will be forwarded to the field.

**Note:** Only PPIA's that originated in the field as asset cases may be returned to the field.

5.4.12.2.6  
(04-20-2023)  
**Lockbox**

- (1) Lockbox requests are taxpayer payments on current installment agreements or other balance dues. When the taxpayer sends the payment to the IRS lockbox without a payment voucher or there is insufficient information for the vendor to determine the correct posting of the payment, the vendor will fax these requests to (855) 613-8098 or email to \*SBSE EEF Philadelphia CCP FORT Lockbox. FORT tax examiners will research IDRS to determine correct posting of the remittance.
- (2) Lockbox requests in need of research generally include, but are not limited to:
  - Locating the tax identification number (TIN) for payments that have no TIN, partial TINs, incorrect TIN (spousal/business), etc.
  - Determining the correct tax period/module in which the payment should be applied
- (3) Lockbox requests must be completed and returned to the vendor via fax within 4 hours of receipt. Completed requests will be held in a suspense file for one week and then should be purged. For additional information, see IRM 3.0.230.2.8.1.1, Unprocessable Items and Fax Research.

5.4.12.2.7  
(04-20-2023)  
**Adjustments, Credit Transfers, Payment Tracers, and Interest Abatements**

- (1) The FORT will work adjustments, credit transfers, payment tracers, and interest abatements received in the FORT via:
  - a. GCP Referrals.
  - b. MMIA referrals.
  - c. Restricted Interest and NMF balance due cases assigned to CFf. See IRM 21.7.12, Non-Master File (NMF) Adjustments, and IRM 20.2.1.4, Normal and Restricted Interest.
  - d. TAS requests.
  - e. Civil Enforcement Advice and Support Operation (CEASO) TC 520, 521, and 522 (non insolvency) input requests.
  - f. Form 8278, Assessment and Abatement of Miscellaneous Civil Penalties input actions.

**Note:** The FORT should not receive referrals from other areas of the Service unless the case meets Collection CCP criteria. Requests received erroneously should be returned to the originator.

- (2) Follow IRM 5.4.10, General Case Processing.

5.4.12.2.8  
(04-20-2023)  
**Restricted Interest Computation**

- (1) When restricted interest is present on a module the Fort will receive a secure e-mail from the revenue officer.

**Note:** The FORT only completes restricted Interest computation for Field Collection and Civil Enforcement Advice and Support Operation (CEASO) functions.

- (2) The request will contain the subject line "Request for Restricted Interest Calculation."
- (3) The body of the e-mail will contain:
  - a. Taxpayer Name
  - b. Taxpayer Identification Number (TIN)
  - c. Tax Period
  - d. Date of payoff
- (4) Use the Commercial off the Shelf (COTS) software program called Automated Computation Tool/Decision Modeling Inc. (ACT/DMI), to secure the accrued interest computation.
- (5) See IRM 20.2.1.4, Normal and Restricted Interest and IRM 20.2.5.6 , Restricted Interest.
- (6) Request should be processed within 14 days of receipt only if the prior interest computation documents have been provided.

**Note:** If Collection CCP is not able to ascertain the correct calculations, the requestor must provide the prior interest computation documents.

**Note:** Computations are subject to confirmation and quality review via the Office of Service Wide Interest.

- (7) CCP FORT periodically receives requests from DOJ for signed affidavits/ declarations confirming the validity and accuracy of restricted interest computations (interest, restricted interest, and penalties). The affidavit/ declaration contains the basic wording used when these types of requests are received from revenue officers/advisors when the case is related to DOJ. Additional paragraphs may be added as needed to further describe the specific computations. Once the affidavit/declaration is completed, it should be routed to the FORT Manager who signs DOJ Affidavit/declaration(s). See sample DOJ Declaration Exhibit 5.4.12-1.

5.4.12.2.9  
(04-20-2023)  
**TC 914 Cases**

- (1) When Criminal Investigation (CI) conducts an investigation on a taxpayer assigned to a revenue officer, civil enforcement action may be temporarily suspended in order to allow the CI investigation to proceed. A Transaction Code (TC) 914 is placed on these accounts. CCP will monitor balance due and delinquent return cases. A TC 914 should appear on all modules showing a delinquency before the case is transferred. The purpose of monitoring TC 914 is to:
  - a. Address and protect CSED/ASED issues.
  - b. Ensure two-year risk analysis (e.g., collectibility determination, continued noncompliance, status of CI investigation) and lien refiling is conducted as required.
  - c. Monitor the ICS case for completion of the CI activity and reassignment to the field if required.
  - d. Address new balance due modules that need TC 914 input or parallel investigation.
- (2) Cases will be received from revenue officers by paper files and as ICS cases. Revenue officers are required to create a NF-OI.

**Note:** If revenue officers need instructions on how to transfer these cases to CCP, refer them to IRM 5.1.5.13, Transferring Cases to Centralized Case Processing (CCP), and IRM 25.1.8.11, Monitoring Cases Under Criminal Investigation.

(3) Non-Master File (NMF) Cases - CI cases with 914 controls that are NMF require a TC 470, CC 90 to move the module into ST 89 (in lieu of ST 91) for monitoring. This action is completed via a Form 3177 and is sent or faxed to the CSC campus. The ST 89 will remain on the module as long as the TC 914 control is open. The Form 3177 should include a history that can be placed on the NMF case.

(4) The following cases should **not** be transferred to CCP for monitoring:

- a. Cases in the queue (status 24)
- b. Currently Not Collectable (status 53)
- c. Cases in litigation (e.g., litigation, bankruptcy) (status 72 on any module.)

**Exception:** Review TXMOD. Status 72 modules with TC 520 cc 76/77 (Collection Due Process (CDP) for lien/levy) will be accepted for monitoring.

- d. Cases where the Assessment Statute Date (ASED) or Collection Statute Expiration Date (CSED) will expire within twelve (12) months

**Exception:** Cases will be accepted by CCP if a memo or the appropriate Form 10498-C, Intent to Commence Civil Action – Statute Protection for Assessment of Trust Fund Recovery Penalty, or Form 10498-D, Intent to Commence or Continue Civil Action – Collection Statute Protection, was obtained and forwarded to CCP.

- e. Cases in Offer In Compromise (OIC) (status 71 on any module)
- f. Cases in status 12

**Note:** If the situation arises where modules have mixed statuses, the referring RO will determine whether the status for certain modules needs to be reactivated due to open activity on the account (i.e., criminal investigation). Mixed status cases can be referred to CCP if restrictive conditions prevent modules that are in status 24 or 53 from being reactivated. If the RO has concerns, refer him or her to IRM 5.1.5.13.1, Cases with Imminent Statutes.

5.4.12.2.9.1  
(04-20-2023)

**Initial Analysis of TC 914 Cases**

- (1) Check IDRS to verify TC 914 creating a -Z freeze, has been input on each module.
- (2) If the ASED and/or CSED is within twelve (12) months and the revenue officer did not address the issue by securing a memo or obtaining Form 10498-C to address the statute issue, see IRM 5.1.5.13.1, Cases with Imminent Statutes, and IRM 25.1.8.8, Coordination with Criminal Investigation, for more information.
- (3) The revenue officer should have performed a collection risk analysis prior to transferring the case. If the risk analysis was not performed close the NF-OI and reject the case back to the originating revenue officer for resolution.
- (4) The FORT GM will assign the NF-OI on ICS, created by the field (refer to IRM 5.4.12.2.9(2)), to a FORT tax examiner to monitor the case.

**Note:** The IDRS Collection Assignment Number will automatically update to the employee's tsign. If an NF-OI was not created by the field, the FORT employee will create an NF-OI with "181 CID Control" in the remarks section.

- (5) The FORT tax examiner will create a history sheet with a plan of action listing the following:
- a. CCP review date 13 months from the initial case assignment.
  - b. Revenue officer 24-month risk analysis date, 24 months from the initial case assignment.
  - c. ASED review, 12 months before the assessment statute expires on each module subject to TFRP determination.

**Note:** This review is not required when a Form 10498-C has already been obtained for the specific module(s). The review is also not required for IMF accounts, MFTs 02, 06, 10, 13, CAWR or 6020(b) assessments or any balance due that is entirely made up of penalty and interest.

Also, the ASED has been addressed if there is (any) number listed next to the MFT and Tax Period on IDRS Command Code ASEDD.

- d. The lien refile deadline is 14 months before the collection statute expires.

**Note:** Look for lien indicator "4" on SUMRY; if one is not present, only a CSED review is needed. The CSED review is not required when a Form 10498-D has already been obtained for the specific module(s). Refer to IRM 5.12.8.3, Refiling Period, to determine refiling deadlines.

- (6) The FORT tax examiner will create a physical file consisting of a history sheet, IDRS prints (SUMRY, ENMOD & ASEDD) and any Form 10498-C or Form 10498-D when received from the field during monitoring.

**Note:** If an actual paper case file has been received from the field containing the RO's documentation of the case (copies of letters to/from the taxpayer, tax returns, etc.) the file will be kept in CCP until the case is closed.

- (7) The FORT tax examiner will take the following actions on IDRS:
- a. Change all Status 26 modules to 91 via IDRS Command Code STAUP.

- (8) The FORT tax examiner will take the following actions on ICS:
- a. Change the sub code to 930.
  - b. Create an ICS history entering the plan of action from (5) above and notating if a paper case file was or was not received from the field.
  - c. Schedule follow-up review dates using the ICS follow-up tool (red flag icon) for each of the review dates from (5) above.

5.4.12.2.9.2  
(04-20-2023)  
**Monitoring TC 914  
Cases**

- (1) CCP 13-month follow-up: Review the entire account looking for new balances due or the posting of TC 912 indicating Criminal Investigation has completed their case.
- a. Issue an Other Investigation (OI) to the field following local procedures for any new balance due modules without a TC 914 posted.
  - b. Notate ICS history with any findings and actions taken.

- c. Set up the next 13-month review follow-up date; continue to do this until the case is closed.
- (2) ASED review follow-up: the FORT TE will issue an OI (following local procedures) to the field (revenue officer/RO) to investigate an upcoming ASED for TFRP determination. Field RO must make a determination to pursue TFRP or to allow the ASED to expire. If the ASED is allowed to expire, the RO must obtain a Form 10498-C from CI that must be signed by an appropriate CFf Territory Manager and the CI Special Agent in Charge.
  - a. RO should document ICS with all contacts and actions before closing the OI.
  - b. Refer RO to IRM 5.1.5.13, Transferring Cases to Centralized Case processing (CCP).
  - c. TE should refer to IRM 5.4.12.2.9.1(5)c for any exceptions.
  - d. TE will notate ICS history with this action.
- (3) CSED review and lien refile determination follow-up: the FORT TE will issue an OI (following local procedures) to the field (revenue officer/RO) to investigate an upcoming CSED and to make a determination whether the refiling of a Federal Tax Lien is warranted. RO must determine to pursue civil collection activity or allow CSED to expire. If CSED is allowed to expire, the RO must obtain a Form 10498-D from CI that must be signed by CFf Territory Manager and the Special Agent in Charge.
  - a. RO should document ICS with all contacts and actions before closing the OI.
  - b. Refer RO to IRM 5.1.5.13.1(4).
  - c. TE should refer to IRM 5.4.12.2.9.1(5)d for any exceptions.
  - d. TE will notate ICS history with this action.
- (4) Revenue officer 24-month risk analysis follow-up: the FORT TE will issue an OI (following local procedures) to the field (Revenue Officer/RO) to conduct a risk analysis (collectability determination) as required for CI 914 case every two years. Field RO must make a collectability determination, and ascertain if civil collection action is warranted due to continued noncompliance, pyramiding etc. The field RO will contact CI to determine status of investigation and to see if civil collection action can be pursued.
  - a. RO should document ICS with results of CI contact (no taxpayer contact, etc.) and the results of the collectability determination (asset research, etc.)
  - b. Refer RO to IRM 5.1.5.13, Transferring Cases to Centralized Case Processing (CCP).
  - c. TE will notate ICS history with this action.
- (5) The RO must respond to any OI within 45 days. The RO can extend this time frame for an additional 45 days. If the OI is not resolved within the 90-day extension period, close the CCP NF-OI and transfer the case to the originating revenue officer or the group manager responsible for the zip code on the case.
  - a. If case cannot be transferred, TE will contact their IQA.
- (6) If subsequent modules open on the account with no TC 914 controls, issue an OI to the group manager responsible for the zip code per the ICS parameter tables, for contact with the special agent to advise them of the new module(s) not protected with the TC 914 control. Within 45 days of issuing an OI, the

revenue officer is required to contact and resolve the additional periods or secure a memo from CI. The revenue officer can extend this time frame for an additional 45 days. If the account is not resolved within the 90-day extension period, close the NF-OI and return the case to the originating revenue officer or the group manager responsible for the zip code on the case.

**Note:** Revenue officers should not close new balance modules with TC 530 cc 12 (unable to contact) or TC 530 cc 03 (unable to locate).

5.4.12.2.9.3  
(11-30-2016)  
**Closing TC 914 Cases**

(1) Cases will be closed for the following reasons:

- a. TC 912 is posted and -Z freeze is released.
- b. TC 910 is posted. This indicates the account is assigned to CI.
- c. Case is assigned to a revenue officer.
- e. If CNC status (53) except closing codes 03 (Unable to Locate) or 12 (Unable to Contact). If these codes are used, continue to monitor the case until one of the other conditions listed above is met, then transfer or close as appropriate.

#

**Note:** Revenue officers should not close new balance modules with TC 530 cc 12 (unable to contact) or TC 530 cc 03 (unable to locate).

(2) When the case meets one of the above criteria:

- a. Transfer the case to the field if required after the balance dues are in Status 26.
- b. Close the CCP NF OI.
- c. Delete all CCP follow-ups.
- d. Delete any case notifications.
- e. Return any paper documents obtained during the monitoring of the TC 914 case. This would include the original revenue officer's paper documentation or Form 10498-C or Form 10498-D.
- f. If any modules are under ACS control (Status 22), the FORT TE will send an e-mail to the FORT GM to contact ACS for transfer.
- g. If for any reason the case cannot be transferred, contact the IQA.
- h. Write a closing narrative on ICS documenting your closing actions.

5.4.12.2.9.4  
(04-20-2023)  
**Abusive Tax Avoidance  
Transaction (ATAT)  
Cases**

(1) If an ATAT case is transferred to CCP for monitoring, special instructions must be provided to CCP FORT to ensure that any OIs issued by CCP are issued to the referring ATAT revenue officer, or the appropriate Collection ATAT coordinator if the ATAT revenue officer is no longer assigned to the case. (See IRM 5.1.5.13.2, Procedures for Transferring Cases to Centralized Case processing (CCP)).

Exhibit 5.4.12-1 (04-20-2023)
DOJ Declaration

IN THE UNITED STATES DISTRICT COURT FOR
(TO BE ENTERED BY REQUESTING DEPARTMENT OF JUSTICE OR AREA COUNSEL ATTORNEY)

UNITED STATES OF AMERICA,
Plaintiff,
v.
(Name of defendant(s) to be entered by
requesting Department of Justice or Area
Counsel attorney)
Defendants.
Case No. (to be entered by requesting
Department of Justice or Area Counsel attorney)

DECLARATION OF (Name of Field Office Resource Manager) PURSUANT TO 28 U.S.C. § 1746

I, (Name of Field Office Resource Manager), declare and state as follows:

- 1. I am employed as a manager in the Internal Revenue Service's ("IRS") Field Office Resource Team ("IRS-FORT") at Philadelphia, PA. IRS-FORT has access to records of the IRS regarding the outstanding tax liabilities of the Defendant (name of defendant). I am authorized to make this declaration.
2. I am familiar with IRS records and record-keeping practices. The IRS maintains records of assessments, payments and certain other information on the Integrated Data Retrieval System ("IDRS"), a computer database maintained by the IRS, which stores and tracks account information by taxpayer, tax type, and tax period. Information is entered into IDRS on each account from taxpayer returns, from information returns, from audits, from certain taxpayer notices, and from other types of account transactions. IDRS generates a variety of reports that display different account information in different ways.
3. As part of IRS-FORT's duties, support is provided to perform manual calculations that cannot be automatically computed on IDRS.
4. Specifically, IRS-FORT occasionally responds to requests for manual balance calculations of tax, penalties, and interest. As part of this process, IRS-FORT accesses and reviews IRS records as they

**Exhibit 5.4.12-1 (Cont. 1) (04-20-2023)**  
**DOJ Declaration**

relate to specific taxpayers and prepare manual balance calculations, based on a review of those records, and use of balance calculation software. As an IRS-FORT manager, I am familiar with these manual calculations.

5. A manual balance calculation is sometimes needed regarding tax, penalties, and interest because IDRS will not systemically calculate penalties and interest on its balance calculations.
6. IRS-FORT received a request to undertake calculations for the (tax years and type of taxes) tax liabilities of the individual taxpayer (name of taxpayer/defendant). I directed my IRS-FORT employee, who reports to me, to undertake the calculations as described in my capacity as the IRS-FORT Manager. My IRS-FORT employee completed the calculations, in which I had the opportunity to review and discuss with the IRS-FORT employee, as needed. I support and concur with the methods used to determine the calculations.
7. In performing the calculations, IRS-FORT relied on two software systems used by the IRS: the IRS IDRS database and the ACT/DMI (Automated Computation Tool/Decision Modeling, Inc) system.
8. Upon receiving the manual balance calculation request, IRS-FORT prepared a 490 Activity Summary (manual balance calculation) for (name of taxpayer/defendant).  
I reviewed the calculations contained in the 490 Activity Summary in my capacity as the IRS-FORT Manager.
9. To the best of my knowledge and ability as an employee of the Internal Revenue Service, attached as Exhibit (number/letter of exhibit) is a true and correct copy of the 490 Activity Summary.
10. As shown in Exhibit (exhibit number/letter), as of (date of calculation), (name of taxpayer/defendant) had the following (type of taxes) tax liabilities for years (tax years):
11. (Additional paragraphs can be added to further describe the tax liability or specific computations)

I declare under penalty of perjury that the foregoing is true and correct. Executed on (day, month and year).

\_\_\_\_\_  
(Name of FORT Manager)  
Internal Revenue Service  
Centralized Case Processing