



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

5.9.11

NOVEMBER 8, 2022

EFFECTIVE DATE

(11-08-2022)

PURPOSE

- (1) This transmits a revision of IRM 5.9.11, Bankruptcy and Other Insolvencies - Insolvency Mail Processing.

MATERIAL CHANGES

- (1) IPU 21U1025 issued 08/10/2021 IRM 5.9.11.1.7(8) - Updates TBOR content 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).
- (2) IPU 21U1025 issued 08/10/2021 IRM 5.9.11.4.2(1) - Adds the Consolidated Appropriations Act of 2021 (CAA) effective December 27, 2020 to the list of time sensitive mail.
- (3) IPU 21U1025 issued 08-10-2021 IRM 5.9.11.4.2(2) - Adds the Consolidated Appropriations Act of 2021(CAA) effective December 27, 2020 to Specialty Mail for Field Insolvency review.
- (4) IPU 21U0071 issued 01/08/2021 - IRM 5.9.11.5(2) - National Change of Address (NCOA) Database.
- (5) IPU 21U1025 issued 08-10-2021 IRM 5.9.11.5(2) - Updates first sentence to replace “unless” with “until” the taxpayer subsequently provides clear and concise notification of a change of address.
- (6) IPU 21U0071 issued 01/08/2021 IRM 5.9.11.5(4) (d) - Updates Letter 3927-C to Letter 3927(CG).
- (7) IPU 21U1025 issued 08-10-2021 IRM 5.9.11.5(4) (e) - Updates Letter 3929-C to Letter 3929(CG).
- (8) IPU 21U1025 issued 08-10-2021 Editorial changes were made throughout this section to add clarity and to update or correct citations.

EFFECT ON OTHER DOCUMENTS

This material supersedes IRM 5.9.11 dated September 17, 2020. This revision incorporates IPU 21U0071 issued January 8, 2021, National Change of Address (NCOA) Database and IPU 21U1025 issued August 10, 2021.

AUDIENCE

Field Insolvency Groups and the Centralized Insolvency Operation.

Kareem Williams, Director Collection Policy, Small Business
Self Employed

5.9.11
Insolvency Mail Processing

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5.9.11.1
(11-08-2022)
Program Scope and Objectives

- (1) **Purpose.** This section provides guidance for Specialty Collection - Insolvency (SCI) employees related to mail processing.
- (2) **Audience.** This IRM section is used primarily by Specialty Collection - Insolvency caseworkers in Field Insolvency (FI) and at the Centralized Insolvency Operation (CIO).
- (3) **Policy Owner.** Director, Collection Policy, Small Business/Self Employed (SB/SE),
- (4) **Program Owner.** Collection Policy, SB/SE, Insolvency is the program owner.
- (5) **Primary Stakeholders.** The primary stakeholders are Specialty Collection - Insolvency (SCI) and Small Business/Self Employed (SB/SE) Collection.
- (6) **Program Goals.** 1 The goal is to provide the fundamental knowledge and procedural guidance to facilitate the effective mail process of Insolvency cases and to promote timely and effective actions with efficiency on behalf of the Government.

5.9.11.1.1
(09-17-2020)
Background

- (1) Internal Revenue Manual (IRM) 5.9, Bankruptcy and Other Insolvencies, contains the Service's position, procedures, information, instructions, guidance, and references concerning bankruptcy cases, stockbroker insolvencies, receiverships, assignments for the benefit of creditors, corporate dissolutions and bulk sales.

5.9.11.1.2
(09-17-2020)
Authority

- (1) The Insolvency program operates within the guidelines of the US Bankruptcy Code (11 USC) and the Federal Rules of Bankruptcy Procedure.
- (2) IRM 5.9.3.1.2, Authority, and IRM 5.9.3.1.3, Responsibilities, contain Insolvency caseworkers' authority and responsibilities in the Insolvency program.

5.9.11.1.3
(09-17-2020)
Responsibilities

- (1) IRM 5.9.1, Overview of Bankruptcy, provides a list of titles and responsibilities with an explanation of their roles and authority within the Insolvency program.
- (2) The Director, Specialty Collection - Insolvency (SCI) is responsible for the program oversight.

5.9.11.1.4
(09-17-2020)
Program Management and Review

- (1) IRM 1.4.51.8.3, Case Management Tools, IRM 5.9.12, Insolvency Automated Process, and IRM 5.9.16, Insolvency Case Monitoring, contain a list of required reports for caseworkers and managers to utilize for inventory management and review of case inventories. These also include the frequency and purpose of each report.
- (2) Operational and program reviews are conducted on a yearly basis. See IRM 1.4.51.17.2, Operational Review, and IRM 1.4.51.17.5, Program Reviews, for more information.

5.9.11.1.5
(09-17-2020)
Program Controls

- (1) Managers are required to follow program management procedures and controls addressed in IRM 1.4.51.5.2, Reviews (Overview), IRM 1.4.51.15, Controls, and IRM 1.4.51.16, Quality.
- (2) Caseworkers and managers utilize the Automated Insolvency System (AIS) for case management, assignment, and documentation of all insolvency and non-

bankruptcy insolvency cases. Access and permissions to AIS are restricted. See IRM 5.9.3.2, Automated Insolvency System (AIS).

5.9.11.1.6
(09-17-2020)
**Terms/Definitions/
Acronyms**

- (1) A glossary of terms used by Insolvency can be found in Exhibit 5.9.1-1, Glossary of Common Insolvency Terms.
- (2) Common acronyms acceptable for use in the Automated Insolvency System (AIS) history are listed in Exhibit 5.9.1-2, Acronyms and Abbreviations.
- (3) Additional acceptable acronyms and abbreviations are found in the ReferenceNet Acronym Database, which may be viewed at: <http://rnet.web.irs.gov/Resources/Acronymbd.aspx>.
- (4) Some acronyms used specifically in this IRM section are listed below:

Acronym	Definition
AIS	Automated Insolvency System
AUSA	Assistant United States Attorney
CIO	Centralized Insolvency Operation
FBAR	Foreign Bank and Financial Account Reports
FDIC	Federal Deposit Insurance Corporation
FI	Field Insolvency
SIPA	Securities Investor Protection Act
UD	Undeliverable

5.9.11.1.7
(08-10-2021)
Related Resources

- (1) Procedural guidance on insolvencies can be found throughout IRM 5.9, Bankruptcy and Other Insolvencies.
- (2) The US Bankruptcy Code (11 USC).
- (3) Bankruptcy Rules (Federal Rules of Bankruptcy Procedure).
- (4) Local Bankruptcy Court Rules.
- (5) Applicable Case Law.
- (6) Document 13219, AIS User Guide.
- (7) My SB/SE Insolvency/Bankruptcy page: <http://mysbse.web.irs.gov/collection/insolvency/default.aspx>.
- (8) The Taxpayer Bill of Rights (TBOR) lists rights that already existed in the tax code, putting them in simple language and grouping them into 10 fundamental rights. Employees are responsible for being familiar with and acting in accordance with taxpayer rights. See IRC 7803(a)(3), Execution of Duties in Accord

with Taxpayer Rights. For more additional information about the TBOR, see : <https://www.irs.gov/taxpayer-bill-of-rights>.

5.9.11.2
(11-08-2022)
Insolvency Mail

- (1) **National Addresses.** The Internal Revenue Service has established two national addresses for the receipt of Insolvency mail.

Payments and remittances are to be sent to Insolvency Remittance-Post Office Box 7317, Philadelphia, PA 19101-7317

Administrative mail such as court documents, forms, general correspondence, and other bankruptcy-related communications should be sent to - Centralized Insolvency Operation Post Office Box 7346, Philadelphia, PA 19101-7346.

- (2) **Local Addresses.** From a standpoint of practicality, some mail may continue to be mailed to local Field Insolvency (FI) addresses. However, mail better handled at the Centralized Insolvency Operation (CIO) and received at a Field office should be faxed (if “expedite”) or sent by overnight courier to the CIO street address: 2970 Market St., Mail Stop 5-Q30-133, Philadelphia, PA 19104-5016. (See , IRM 5.9.11.3(3), Expedite Mail for the CIO.)

5.9.11.3
(11-08-2022)
Field Insolvency Mail

- (1) **Local Mail Receipt.** Mail received by Field Insolvency offices must be date stamped upon receipt. When multiple documents are received in one envelope, the front page of each document must be stamped individually. Assignment of mail opening, stamping, sorting, and distribution is determined by local Insolvency management.

- (2) **Mail Meant for CIO.** Mail that may be received in the Field, but normally worked by Centralized Insolvency includes the following:

- Notices of bankruptcy filings (341 notices)
- Correspondence on cases assigned to CIO
- Chapter 13 or 7 trustee payments
- Documents from courts, Counsel, AUSA, and trustees for cases assigned to CIO

The nature of these receipts must be reviewed to determine if expedited handling is required.

- (3) **Expedite Mail for the CIO.** Mail to be considered as “expedite” includes:

- First notices of bankruptcy filings for all chapters
- Form 911, Request for Taxpayer Advocate Service Assistance (And Application for Taxpayer Assistance Order), for cases assigned to the CIO
- Violations of the automatic stay for cases assigned to the CIO
- Any notice/order/objection naming the Service and giving a deadline to respond for cases assigned to the CIO
- Mail requiring action within 10 calendar days for cases assigned to the CIO

Note: Expedite mail that will eventually be handled by FI even though the case is currently residing at the CIO, such as adversary proceedings or Chapter 13 amendments to plans, should be retained and worked by FI. FI should reassign the case to FI’s inventory until the issue is resolved, at which time the case can be transferred back to the CIO.

(4) **Specialty Mail Received by the Field.** A Field Insolvency office may receive mail for a special proceeding being worked by another Field office.

- Securities Investor Protection Act (SIPA) cases are worked by St. Paul Insolvency for Area West, and by Manhattan Insolvency for Area East.
- All Foreign Bank and Financial Account Reports (FBAR) cases are worked by Los Angeles Insolvency.
- All Chapter 15, Cross-Border Insolvency cases are worked by the FI office in Philadelphia.
- All FDIC Receivership cases are worked by the FI office in Dallas.

Mail concerning these cases received in other FI offices must be forwarded to the appropriate Insolvency office following the expedite procedures in paragraph (5) below.

(5) **Expedite Mail Procedures for the Field.** When a piece of mail is identified as “expedite”, the assigned FI employee must transmit a copy by fax to a designated CIO liaison on the day of receipt. After the fax has been sent, the FI employee must telephone the liaison to advise the CIO that a fax has been transmitted which requires immediate attention.

(6) **Solicited Mail.** Courts are expected to send all notices to the national post office box because it is listed as the Service’s address of record for all court generated documents. But local Insolvency caseworkers should ask debtors, trustees, and debtors-in-possession involved with Chapter 9, 11, 12, and 15 cases to mail correspondence directly to the local office address. If mail from those sources, other than payments, is received at the CIO, it will be forwarded to the appropriate FI office.

(7) **Mail Forwarded from the CIO.** When CIO caseworkers forward mail to FI, and FI determines no action is needed on the correspondence, the receiving caseworker must annotate in the AIS history the correspondence has been received and no actions were taken. Then, the unnecessary correspondence should be placed in classified waste. The mail should not be returned to the CIO unless the CIO has a demonstrable need to work that specific piece of correspondence. If that is the case, the FI caseworker must explain in the history why that correspondence requires CIO action. Refer to IRM 5.9.11.4.7, Document Disposition, for guidance on handling classified waste documents.

(8) **Original Returns.** If appropriate, FI should request debtors to mail original pre-petition tax returns directly to the local Insolvency office address. In cases where multiple returns are received in a single envelope, a received date must be stamped on the front page of each return. (See IRM 5.9.11.4.1(2), Administrative Mail, Tax Returns, for additional information on date stamping.) The left margin of the first sheet of the original returns should be annotated with “TC 599 cc 067”. Within one business day of receipt, the return, along with any attached payment, must be sent overnight to the delegated Campus for processing. Form 3210 must accompany the returns and remittances annotating the:

- Volume and return type(s) (e.g., 1040, 941, 1065)
- TIN(s)
- Dollar amount(s) of the check(s)

Note: If an Insolvency caseworker cannot review a return before it is sent for processing, photocopies should be made for later review.

- (9) **Trustee Payments.** Although the Office of the US Trustee has advised trustees of the national address for mailing Chapter 7 and Chapter 13 payments, some Chapter 7 or Chapter 13 trustee payments may be sent to local offices in error. After being date stamped, these misdirected checks from trustees should be mailed overnight to the CIO Payment Posting Unit using Form 3210, Document Transmittal. For trustee checks, Form 3210 must list the check(s) received from the trustee(s) by check number and the trustee's last name. The checks must be sent to Centralized Insolvency Operation, 2970 Market St., Mail Stop 5-Q30.133, Philadelphia, PA 19104-5016.

Note: Chapter 11 and 12 checks should be posted by the FI office assigned to the cases and forwarded to the Remittance Processing Units in the appropriate Campuses. (See IRM 5.9.15, Payments in Bankruptcy.)

5.9.11.4
(11-08-2022)
**Centralized Insolvency
Operations Mail
Processing**

- (1) **Mail Receipts.** Insolvency mail received at the CIO consists of letters, court documents, correspondence, plans, forms, payments and other communications. CIO caseworkers sort and distribute the administrative receipts to the appropriate CIO units or Field Insolvency (FI) groups. All mail concerning Chapters 9, 11, 12, or 15, with the exception of 341 notices, is sent to the appropriate FI offices regardless of the nature of the mail.
- (2) **Live Checks.** "Live" checks (those that are negotiable) are not to leave the Campus Support function of the mail room. If a live check (not a photocopy) is received outside of the Campus Support function, it must be returned to the mail room immediately. Bankruptcy payments remitted by the bankruptcy estate and received by Centralized Insolvency will be processed at the Campus site regardless of chapter type. Procedures for advising FI caseworkers of Chapter 11, Chapter 12, and Chapter 15 payments received and posted at the CIO can be found in IRM 5.9.15, Payments in Bankruptcy.

5.9.11.4.1
(11-08-2022)
Administrative Mail

- (1) **Mail Receipt.** The CIO support units receive mail based on a daily schedule set by the Campus Support function. Mail received for Insolvency is extracted by Campus Support. Insolvency mail caseworkers must date stamp the front page of each document received in the Centralized site.
- (2) **Tax Returns.** Original tax returns are sometimes delivered through Insolvency mail. The front page of **each tax return** received by FI or CIO must be stamped with the IRS received date using an official IRS date stamp. If an official IRS date stamp is not available, the caseworker must write the date received (Received MM/DD/YYYY), along with caseworker signature and title, in the upper left hand margin of the first page of the tax return. A valid hand written received date stamp consists of the following:
- The word "Received"
 - Month, day and year (in MM/DD/YYYY format)
 - Caseworker signature
 - Title "Technician" or "Bankruptcy Specialist"

Original returns involving all bankruptcy chapters (except Chapter 7 No Asset) must be photocopied by the mail unit. CIO caseworkers must input TC 599 cc 067 on the appropriate master file tax (MFT) and tax period using FRM49 to indicate an original return has been received. After the photocopies are made and the TC 599s are input, the returns must be reviewed by the CIO caseworkers to identify those that are considered "statute imminent returns" by

referring to the Statute Alert issued for Campus processing. CIO management will establish local procedures for processing statute imminent returns received by taxpayers in bankruptcy. (IRM 21.8.1.2.16.3, Statute Year Claims and Amended Returns and IRM 25.6.1.9.9.2, After Hours & Imminent Assessments, provide information for addressing statute imminent returns.) Returns not meeting the statute imminent return criteria must be forwarded overnight to the appropriate Campus for processing. The photocopies will be sent by fax or overnight mail to the FI caseworker currently assigned the case.

- (3) **Transmittal Required.** When moving mail out of the Mail Support Team to FI groups or to other CIO units, caseworkers must prepare Form 3210, Document Transmittal, to accompany the referenced mail item(s).
- (4) **Types of Mail.** Administrative mail is classified into the following categories:
 - a. Time Sensitive Mail. Mail setting a deadline date for an IRS response within fifteen calendar days is considered time sensitive and must be given expedited handling.
 - b. Routine Insolvency Mail. Routine mail gives notice of a case action, but does not require an immediate response or may not require any response from the Service. It may be routine mail requiring further processing, or routine mail requiring no further processing.
 - c. Direct to Classified Waste. This is bankruptcy mail that has no bearing on the Service's handling of a case. (Exhibit 5.9.11-2, Mail Direct to Classified Waste)
 - d. Non-Insolvency Mail. Mis-routed mail is correspondence that does not belong to Insolvency.

5.9.11.4.2
(08-10-2021)

Time Sensitive Mail

- (1) **Identifying Time Sensitive Mail.** For Insolvency purposes, the definition of "time sensitive" mail is documents and letters that require some kind of IRS action within fifteen calendar days. Examples of mail that can be time sensitive include the following:
 - Objection to proof of claim
 - Notice of levy
 - Notice of lien
 - Notice of hearing to waive 341 meeting of creditors
 - Motion to sell property free and clear of liens
 - Notice of emergency hearing (involving IRS)
 - Adversary proceeding (involving IRS)
 - Notice of summons and complaint (involving IRS)
 - Automatic stay violations
 - Any notice/order/objection naming IRS and giving a deadline to respond
 - Motion for a cash collateral agreement
 - Notice of § 341 hearing (and case not loaded onto AIS)
 - Urgent correspondence from attorneys, Area Counsel, or other interested parties
 - FBAR correspondence (to be forwarded to Los Angeles Insolvency)
 - Prompt Determination Requests see IRM 5.9.4.9.1
 - Prompt Refund Requests see IRM 5.9.4.10.1
 - Motion to determine dischargeability under Bankruptcy Code 11 USC 1328(i) effective December 27, 2020. See IRM 5.9.2.10.1(2)(g), Chapter 13 and Consolidated Appropriations Act (CAA) (forward to FI)

- (2) **Specialty Mail for Field Insolvency.** In addition to bankruptcies, the Field Insolvency operation handles receiverships, assignments for the benefit of creditors, FBAR bankruptcies, SIPA proceedings, and review of the Consolidated Appropriations Act (CAA) effective December 27, 2020. When the CIO receives correspondence on any of these issues, that mail must be processed using time sensitive procedures.
- a. Receiverships and Assignments. FDIC mail regarding receiverships and assignments for the benefit of creditors must be forwarded to the office in Dallas and all non-FDIC mail regarding receiverships and assignments for the benefit of creditors must be forwarded to the local FI office handling that court's jurisdiction.
 - b. SIPA Procedures. All mail concerning SIPA proceedings for jurisdictions in Insolvency Area East must be forwarded to the Manhattan Insolvency office. All mail concerning SIPA proceedings for jurisdictions in Insolvency Area West must be forwarded to the St. Paul Insolvency office.
 - c. FBAR Correspondence. All FBAR mail must be forwarded to the Los Angeles office for processing.
 - d. Consolidated Appropriations Act (CAA). All mail regarding motions to determine dischargeability under Bankruptcy Code 11 USC 1328(i) must be forwarded to the local FI office to review the impact and potential effect of BC 11 USC 1328(i) on Chapter 13 discharges that took into effect on December 27, 2020. See IRM 5.9.2.10.1(2)(g), Chapter 13 and Consolidated Appropriations Act (CAA).

Note: Specialty mail may be forwarded by scanning and emailing the documents to the appropriate office.

- (3) **Processing Time Sensitive Mail.** If the mail is time sensitive, the caseworker must query the case on the Automated Insolvency System (AIS) or the Integrated Data Retrieval System (IDRS) to determine where and to whom the case is assigned. (See Exhibit 5.9.11-1, Accessing a Case on AIS and Document 13219 , AIS User Guide.)
- (4) **AIS Research.** When the case appears on the AIS screen, the name and docket number must match the debtor name and the docket number on the notice. The state in which the bankruptcy was filed can help identify the correct case. The court jurisdiction code within a state (e.g., ILN for Illinois North) may also be helpful.
- (5) **Advising Field Insolvency.** Within two workdays of receipt, the CIO caseworker must advise FI of the notice. Methods of advice may include:
- Transmission of a secure e-mail to a designated FI group e-mail box with a "read receipt" request;
 - Sending a copy of the notice via overnight delivery to the FI caseworker assigned the case; or
 - Faxing a copy to the FI caseworker or group secretary, preceded by a phone call to advise the office of the fax.

Note: Managerial approval is required for overnight shipping.

The preferred method for time sensitive communication is e-mail. A copy of the e-mail will be retained for 60 days. If an Out-of-Office (OOO) response is received, the original message will be forwarded to the individual designated in the OOO message. No action will be taken to confirm the receipt of informa-

tion submitted via e-mail. It will be assumed the employee is receiving messages unless an OOO message is received.

- (6) **Documentation.** The mail caseworker must document the AIS case history briefly with the nature of the time sensitive mail and the actions taken.
- (7) **Assigned to Campus.** If the case is assigned to Centralized Insolvency Office, the caseworker must identify, sort, and forward time sensitive mail to Field Insolvency..

5.9.11.4.3
(11-08-2022)

Routine Insolvency Mail

- (1) **Routine Mail.** Routine mail does not require an immediate IRS response, or it may not require an IRS response at all. Routine mail can be a motion, notice, or order advising the Service of an action. This type of mail may include:
 - Order of dismissal
 - Order of discharge
 - Order of conversion
 - Notice of possible dividend
 - Other routine notice
 - Photocopy of an Insolvency check
 - Acknowledgement of receipt of a proof of claim
- (2) **Routine Mail and AIS Action.** In processing routine mail, the caseworker must determine if AIS processing is required by the Mail Support Team, such as the input of dismissal or conversion dates. In cases where AIS data must be input, the caseworker must query the case referenced in the correspondence on AIS. (See Exhibit 5.9.11-1, Accessing a Case on AIS and/or Document 13219 , AIS User Guide.) After the caseworker has verified that the name, taxpayer identification number (TIN), and docket number on the notice match the name on the AIS screen, (s)he must document the type of notice received and what action, if any, is being taken.

5.9.11.4.3.1
(11-08-2022)

Routine Notice Requiring Further Processing

- (1) **Further Processing Required.** Routine notices requiring further processing can include the following:
 - Original tax returns (See , IRM 5.9.11.4.1(2), Tax Returns)
 - Photocopies of tax returns
 - Order vacating/revoking/rescinding or terminating the discharge
 - Order reinstating/revoking or rescinding a dismissal
 - Notice to file a claim
 - IRS Form 4442, Inquiry Referral
 - IRS Form 14522, New Case Request Checklist for Chapter 7, 11, 12, or 13
 - Any motion or order mentioning IRS
 - Copy of an amended plan (send to FI)
 - Copy of a Chapter 11 disclosure statement (send to FI)
 - Copy of a bankruptcy petition and case *not* loaded on AIS
 - Trustee's final report and account (except Chapter 7N and Chapter 13)
 - Motion to amend or modify a confirmed plan (They must be forwarded to FI; but if assigned to CIO these would be classified waste.)
 - Order establishing a deadline to object
 - Area Counsel responses/requests
 - Correspondence from debtors, trustees or attorneys
 - Any correspondence addressed to a specific Insolvency employee
 - Case reassignment (changing judges)

- Change of venue
- Prompt Determination requests
- Prompt Refund requests

- (2) **Disposition.** When mail is a routine notice or order (not time sensitive) requiring further processing and the CIO caseworker accesses the case on AIS, if the case is assigned to FI, the CIO caseworker must annotate the standard employee identification (SEID) designation in the upper right hand corner of the document before forwarding it to FI. The caseworker must prepare Form 3210, Document Transmittal, to accompany mail leaving the Mail Support Team. AIS documentation of receipt of this mail by CIO caseworkers is not required.
- (3) **Time Frame.** The CIO must forward routine mail to FI offices, if forwarding is necessary, at least twice weekly, using the most cost effective method of next day delivery. The choice is up to the discretion of CIO management.

5.9.11.4.3.2
(11-08-2022)
**Routine Notice
Requiring No Further
Processing**

- (1) **No Further Processing Required.** Routine notices received from the bankruptcy court requiring no further processing may include the following:
- Motion or application to employ another attorney/accountant
 - Duplicate notices of any kind
 - Copy of a petition and the case is already loaded on AIS
- Note:** Chapter type and petition date should be verified with AIS data before discarding potentially duplicate petitions.
- Order approving reaffirmation agreement
 - Order granting a motion to amend schedules
 - Notice pursuant to Rule 2002
 - Motion to abandon property (unless Notice of Federal Tax Lien filed)
 - Payment of priority claim wages
- (2) **Review and Documentation.** If the mail is a routine notice or order requiring no further processing, the caseworker should query the case on AIS and document the case regarding the type of notice received unless the notice is a duplication of an earlier notice. The documentation should be brief. After documentation, the mail can be discarded in classified waste. Refer to IRM 5.9.11.4.7, Document Disposition, for guidance on handling classified waste documents.

Exception: Items on the classified waste list may be disposed of without annotating their receipt in the AIS history. See Exhibit 5.9.11-2, Mail Direct to Classified Waste.

Reminder: All mail for Chapter 9, 11, or 12 cases, except those items identified on the classified waste list, must be forwarded to the appropriate FI office via Form 3210, Document Transmittal. Time-sensitive mail should be forwarded using secure e-mail rather than Form 3210. CIO does not need to document receipt of the correspondence in AIS, unless special handling is required.

5.9.11.4.4
(11-08-2022)
**Direct to Classified
Waste**

- (1) **Direct to Classified Waste.** Some mail is sent to the IRS as a matter of course when it has no relevance to Insolvency case processing. This mail can be directed to classified waste without annotating either AIS task-specific screens (such as the proof of claim screen) or the AIS history screen. Exhibit 5.9.11-2, Mail Direct to Classified Waste, provides a list of notices and documents that are included in this category of mail. Refer to IRM 5.9.11.4.7, Document Disposition, for guidance on handling classified waste documents.

5.9.11.4.5
(11-08-2022)
**Inputting Dismissal
Dates**

- (1) **Actions.** CIO caseworkers input dismissal dates for all chapters on the AIS entity screen when paper notifications of dismissal are received in the CIO. To input the dismissal date on AIS, the caseworker must take the following steps.

STEP	ACTION
1	Access the case on AIS. (See Exhibit 5.9.11-1 Accessing a Case on AIS and/or Document 13219, AIS User Guide.)
2	Review the AIS Taxpayer Screen to determine if a dismissal date is present.
3	If a dismissal date has been entered, or if the case has otherwise been closed as no liability or full paid, no action is necessary. The dismissal order should be placed in classified waste unless otherwise directed by the manager.
4	If no date is present, input the: <ul style="list-style-type: none"> Dismissal date, and “Closed Noticed” field, if required. Update the AIS history to reflect receipt of the document and any other appropriate information; e.g. dismissed for failure to meet the means test. These inputs cause the dismissed case to appear on the court closure report, so the technical units or FI caseworkers can take the final closing actions. IRM 5.9.18.3(2), Caseworker Actions, lists issues that may need to be resolved before closing a case, some of which pertain to dismissals.
5	Place the document in the Quality Review bin.

5.9.11.4.6
(11-08-2022)
Discharge Orders

- (1) **Actions on Paper Discharges.** If the mail being sorted is an order for discharge, the Insolvency caseworker must take the following steps.

STEP	ACTION
1	Access the case on AIS (see Exhibit 5.9.11-1, Accessing a Case on AIS and/or Document 13219 , AIS User Guide).
2	To ensure a discharge is processed correctly, it is extremely important to verify the proper chapter type is listed on AIS. If the chapter type does not match; take action to convert the case on AIS. See IRM 5.9.11.4.8, Conversion or Dividend.

STEP	ACTION
3	Review the Taxpayer Screen to determine if a discharge date is present.
4	If a discharge date has been entered that matches the date on the notice, or the case has otherwise been closed as no liability or full paid, no action is necessary. The order should be placed in classified waste unless otherwise directed by the manager.
5	If no date is present, input the discharge date, the Noticed On Date, and the appropriate closure method on the AIS Taxpayer Screen. Document the AIS history to reflect receipt of the document and any other appropriate information; e.g. hardship discharge.
6	If the case is assigned to CIO, the CIO caseworker will input the appropriate Closure Method on the AIS Taxpayer Screen. Note: CIO does not input the Closure Method for cases assigned to FI.
7	If the discharge date on the notice differs from the discharge date on AIS, the caseworker must perform additional research, including checking PACER, to determine the reason for the discrepancy.

5.9.11.4.7
(11-08-2022)
Document Disposition

- (1) **Distribution.** Duplicate correspondence or correspondence cited on the classified waste list requires no AIS history documentation. Receipt of other correspondence must be documented on AIS if it is routine and will be disposed of in classified waste or is correspondence that requires special handling such as time sensitive mail or original tax returns. Caseworkers do not need to annotate the AIS history concerning routine correspondence being forwarded to FI or to other areas of the CIO.

Reminder: All correspondence forwarded outside of the Mail Support Team working mail must be listed on Form 3210, Document Transmittal.

- (2) **Managerial Review and Oversight** All documents deemed “Classified Waste” by a caseworker should be available for managerial review and oversight prior to being placed in the classified waste bin. IRM 1.4.51.16(3), Quality, states, “Managers are responsible for the quality of all work assigned to their group and for all work which leaves their group regardless of the methods used. Managers must devise a system of quality control which works for them.”
- (3) **Records Retention.** Refer to IRM 1.15.1.3.6, Responsibilities of All IRS Employees and Contractors, for disposition authorization before discarding correspondence as classified waste. Certain mail documents may be placed in the classified waste bin when they are no longer needed for administrative, legal, audit or other operational purposes. Employees must follow official guidance

provided for records retention. Records cannot be destroyed without approval from the National Archives Records Administration (NARA).

5.9.11.4.8
(11-08-2022)

Conversion or Dividend

- (1) **Order of Conversion or Notice of Possible Dividend.** Chapter 11, Chapter 12, or Chapter 13 cases may be converted to Chapter 7 Asset or No Asset cases, and Chapter 7 Asset cases may be converted to Chapter 7 No Asset cases. Occasionally, a Chapter 7 case is converted to a Chapter 11 proceeding. Most bankruptcy courts open Chapter 7 cases as no asset cases. A Notice of Possible Dividend converts a Chapter 7 No Asset case to a Chapter 7 Asset case. Conversions to a Chapter 7 Asset case may also be identified as “Notice of Assets” or “Notice to File Proof of Claim”. When an Order for Conversion or Notice of Possible Dividend is received, the Insolvency caseworker must take the following steps.

STEP	ACTION
1	Access the case on AIS (See Exhibit 5.9.11-1, Accessing a Case on AIS and/or Document 13219, AIS User Guide).
2	Review the AIS Taxpayer Screen to determine if the conversion date is present.
3	If the correct conversion date is present, place the notice in classified waste.
4	If no date is present, input the “Converted by Court” field, the new 341 meeting date, if any, the new bar date, if any, and the chapter to which the case is converted. If the notice does not provide a bar date, input the bar date as 90 days from the 341 meeting date.
5	If a paper Notice of Conversion is received, review the trustee information to determine if the trustee has been changed. If so, input the new trustee information on AIS. If the previous trustee had requested a refund turnover, close the “TTEE RFND” on the “Classification” Screen and annotate actions taken in the AIS history. Check for the appropriate 520 closing code. If different, change the closing code on IDRS. Remove the follow up date from the Letter Screen. (See IRM Exhibit 5.9.6-4, Conversions and Turnover Requests, for additional information.)
6	If the case is assigned to a FI employee, notify the employee via secured e-mail, fax, or telephone of the conversion.
7	If necessary, transfer the case to the proper FI or CIO caseworker. (See IRM Exhibit 5.9.5-1, Transfer Steps for Cases with No Open Confirmed Plan Monitoring (CPM) or No Open Other Investigation Screen, and IRM Exhibit 5.9.5-2, Transfer Steps for Cases with an Open Confirmed Plan Monitoring (CPM) Plan Screen.)
8	If the case is assigned to the CIO, walk the notice to the CIO team lead or deliver by any other approved method of distribution.

STEP	ACTION
9	Document the AIS case history.

5.9.11.4.9
(11-08-2022)
Turnover Requests

- (1) **Refund Credits to Trustees.** CIO caseworkers are responsible for the input of trustee turnover information onto AIS, and the input of the TC 520 CC 81 on IDRS. The caseworker will input a TC 520 CC 81 on the debtor’s most recent tax period to prevent a systemic refund to the debtor. Refer to Exhibit 5.9.6-6, TC 520 Input Guide for Trustee Turnover Requests.

Note: If an entity for the debtor has not been established on master file, the case worker should set up a dummy module. Follow guidance in IRM 5.9.15.6(2), Procedures for Creating New (Dummy) Modules, to establish an account for the debtor on master file. The TC 520 CC 81 should be input on the newly created module.

- (2) **Property of the Estate.** In Chapter 7 and Chapter 13 cases, pre-petition refunds are considered part of the estate. In Chapter 13 cases, post-petition refunds are also considered part of the estate if such refunds are committed to the plan, or if the plan provides that property of the estate does not vest in the debtor until the plan is completed. Procedures for setting up a request for a refund turnover to a Chapter 7 trustee are found in Exhibit 5.9.6-1, Processing Chapter 7 Turnover Requests when the Case is Not on AIS, Exhibit 5.9.6-2, Processing Chapter 7 Turnover Requests when the Case is Closed on AIS, Exhibit 5.9.6-3, Processing Chapter 7 Turnover Requests when the Case is Open on AIS, and Exhibit 5.9.6-4, Conversions and Turnover Requests. Turnover requests for Chapter 13 refund credits are handled similarly. To signal the presence of a trustee turnover request, the caseworker must click on or type in “TTEE RFND” from the drop down menu in the “Classification” field on the AIS Classification Screen.

5.9.11.4.10
(11-08-2022)
Rescission of Trustee Turnover Requests

- (1) When a trustee decides that he/she no longer has an interest in the taxpayer’s refund, the trustee will notice IRS. The title of the notice may vary from court to court. Such notices may be titled “Vacate Turnover”, “Reverse Request for Refund”, “Release the Trustee’s Directive for Refund”, or “Order Abandoning Trustee’s Interest in Refund”. Follow the instructions in Exhibit 5.9.6-5, Processing Withdrawals or Rescissions of Trustee Requests, when this type of notice is received.

5.9.11.4.11
(11-08-2022)
Non-Insolvency Mail

- (1) **Misrouted Mail.** Mail is sometimes misrouted to the Insolvency mail drop. The caseworker should query AIS and, if necessary, IDRS, to determine the intended destination of the mail. If the mail is non-Insolvency, the caseworker should make a reasonable attempt to determine the correct mail address and forward it accordingly. If the proper recipient cannot be determined, the caseworker should return it to Campus Support.

5.9.11.5
(01-08-2021)

Undeliverable (UD) Mail

- (1) **Returned Mail.** Mail sent by the Service to the last address of record or the address provided in the bankruptcy records may be returned to the sender (CIO or FI) as undeliverable (UD). The United States Postal Service (USPS) has abbreviations to explain why UD mail is being returned, such as FOE (forwarding order expired) or UAA (undeliverable as addressed). Processing of UD mail depends on the return address of the sender and the nature of the correspondence.
- (2) **That's National Change of Address (NCOA) Database.** An address obtained from the National Change of Address (NCOA) database becomes the taxpayer's last known address until the taxpayer subsequently provides clear and concise notification of a change of address or the Internal Revenue Service (IRS) properly processes a taxpayer's federal income tax return with a different address. Upon receipt of any undeliverable mail piece with an affixed United States Postal Service (USPS) yellow label, an IRS office should examine, research, and update the address as follows:
 - a. If the taxpayer's address of record differs from the "yellow label" and the name printed on the "yellow label" is an exact match to the correspondence, then update the taxpayer's address of record to the "yellow label" address. Reissue the correspondence to the taxpayer's updated address.
 - b. If the taxpayer's first name is not an exact match with that on the "yellow label," but the last name is an exact match, then confirm whether IRS records show any other taxpayers with similar first names and the exact same last name at the same address as the address shown on the "yellow label." If not, then update the taxpayer address. Otherwise, do not update the taxpayer address.
 - c. In all other cases do not update the taxpayer address unless and until a correct address is obtained using further efforts described in the following paragraph.
 - d. Further efforts to obtain a current address may include, but are not limited to - :i) Using the Locator Services System Update - Address Research (LSS-ADR) to issue Letter 2797, Undeliverable Mail System Update, known as "R U There?" to obtain the taxpayer's current mailing address, if applicable, or - ii) Preparing/issuing IDRS Letter 2788C, Undeliverable Mail - New Address Verification, to request verification and provide the appropriate change of address form. Include a copy of the appropriate Form 8822, Change of Address.

Rev. Proc. 2010-16 and Treas. Reg. 301.6212-2 govern the update of a taxpayer's address in IRS records. See also IRM 1.22.5, Mail and Transportation Management - Mail Operations.

- (3) **Field Insolvency UD Mail.** Field Insolvency necessarily sends some mail to debtors, attorneys, trustees, and third parties giving the local Insolvency location as the return address. When this mail is returned to the local office as UD, depending on the urgency of the mail and local practice, the caseworker receiving the UD mail is responsible for obtaining a correct mailing address for the mail recipient. The AIS history must be updated with the nature of the mail, who was to have received the mail, and if appropriate, what steps were taken to secure a valid address, and if the correspondence was resent to a newly found address. If a determination is made not to pursue a new address, the correspondence should be disposed of in classified waste. Refer to IRM 5.9.11.4.7, Document Disposition, for guidance on handling classified waste documents.

- (4) **CIO UD Mail.** The bulk of correspondence going to debtors has the national post office box for the CIO as the return address. Consequently, most UD mail will be received by the CIO. The CIO's processing of UD mail depends on the correspondence being returned. For guidance on handling classified waste documents, refer to IRM 5.9.11.4.7, Document Disposition.
- a. Letter 1714. When Letter 1714 (notices advising debtors of missing tax returns) are received by the CIO as undeliverable, the CIO caseworker should annotate in the AIS history that the letter has been returned as UD and give enough of the bad address so anyone attempting to mail subsequent correspondence to the debtor will not use the bad address. After the AIS history has been updated, the UD mail should be disposed of in classified waste.
 - b. Letter 2273-C. When Letter 2273-C, Installment Agreement; Terms Explained, to reinstate an accepted Installment Agreement is returned as undeliverable (UD) mail, the CIO caseworker should update the AIS history that the letter has been returned as UD and give enough of the bad address so anyone attempting to mail subsequent correspondence to the debtor will not use the bad address. After the AIS history has been updated, the UD mail should be disposed of in classified waste.
 - c. Letter 2975-C. When Letter 2975-C, Intent to Terminate Your Installment Agreement (Spouse), is returned as undeliverable, CIO caseworker should update the AIS history that the letter has been returned as UD and give enough of the bad address so anyone attempting to mail subsequent correspondence to the non-debtor spouse (NDS) will not use the bad address. After the AIS history has been updated, the UD mail should be disposed of in classified waste.
 - d. Letter 3927(CG). When Letter 3927(CG), Post Petition Liability (notices advising debtors of post-petition debt and asking for payment) is returned to the CIO as undeliverable, the CIO caseworker should update the AIS history stating the letter has been returned as UD and give enough of the bad address so subsequent correspondence to the debtor will not be sent to the bad address. After the AIS history has been updated, the UD mail should be disposed of in classified waste. Then the case should be reassigned to FI for processing in the manner appropriate for that local office.
 - e. Letter 3929(CG). When Letter 3929(CG), Stat 60 Letter, advising debtors to stop making installment agreement payments are returned as UD mail, the CIO caseworker must update the AIS history stating the letter has been returned as UD and give enough of the bad address so subsequent correspondence will not be sent to the bad address. The case should be transferred to FI. The FI caseworker must attempt to locate a current address for the debtor, usually by contacting the debtor's attorney. After the AIS history has been updated, the UD mail should be disposed of in classified waste.

Reminder: FI caseworkers are responsible for resolving stay violations on cases assigned to them.

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Exhibit 5.9.11-1 (09-17-2020)

Accessing a Case on AIS

STEP	ACTION
1	Open AIS.
2	At the warning banner click on "User Authorization." .
3	The AIS "Welcome" screen will appear with a menu on the left-hand side. Click on "Access AIS."
4	From the AIS Case Files Search Screen select the "Case Files" tab from the menu to bring up the Taxpayer Screen.
5	Type the case number in the "AIS Case Number" field.
6	<p>To refine the query further, include the taxpayer's last name in the "Name Line 2" field. Another way to query a corporate entity is by using the name of the corporation in the "Name Line 1" field on the Taxpayer Screen and the initials for the state where the debtor is located in the "Court" field.</p> <p>Note: Completing as many fields on the Taxpayer Screen as possible better targets the search for the proper case.</p>
7	Select "Submit Search" on the Taxpayer Screen tool bar.
8	The search should list an index file number or possibly several indices.
9	Once the correct debtor is identified, select the desired index number to access the case.

Exhibit 5.9.11-2 (09-17-2020)**Mail Direct to Classified Waste**

CIO employees may discard the following categories of mail for Chapter 7 and Chapter 13 cases without annotating their receipt on AIS. If the employee is unsure if a notice can be placed into classified waste, the employee should consult with their lead or their manager. Refer to IRM 5.9.11.4.7, Document Disposition, for guidance on handling classified waste documents.

- Acknowledgement of proof of claim receipt
- Correspondence for cases closed as no liability *except* for trustee turnover requests
- Trustee report of confirmation
- Motion to amend order requiring strict compliance
- Motion to convert
- Motion to discharge
- Motion to incur debt
- Notice of intent to pay claims, unless notice does not provide for payment of IRS claims
- Trustee motion to allow claims determination and designation of unsecured dividend
- Administrative order allowing claims
- Order granting motion to retain excess insurance proceeds
- Notice of report on claims and setting bar date for objections
- Order for payment of fees in installments
- Order determining debtor's compliance with filing requirements
- Order establishing 1) duties of trustee and debtor; 2) plan confirmation procedures; 3) requirements for debtor's compliance; 4) procedures for allowance of administrative expenses; and 5) procedures for adequate protection payments
- Unsworn declaration under penalty of perjury
- Trustee final report
- Order to add creditor, not IRS
- 341 Meeting minutes, unless IRS claims are discussed
- Notice of no distribution on 7 No Assets
- Certificate of service
- Mailing matrix
- Notice, motion, or order for attorneys to be paid additional expenses
- Order authorizing appointment of accountants
- Notice, motion, or order regarding sale of personal property
- Notice of filing final report
- Order directed to debtor's employer
- Notice requesting interim counsel
- Trustee application to settle disputed matter not including IRS
- Blank proofs of claim (with or without discharge managers' names)
- Notification that motion/order filed electronically
- Trustee report of receipts
- Motion to reduce percentage paid to unsecured general creditors
- Trustee interim report and account and notice of objection deadline in completed case and ready for discharge
- Order to show cause not involving the IRS
- Notice of plan completion, final account and eligibility of debtors for discharge
- Chapter 13 case management order
- Motion to amend confirmation order to provide for correct arrearage
- Notice of consummation of Chapter 13 plan
- Trustee notice to debtor and creditors of filed claims, classification, and proposed distribution, unless IRS claims are not provided for properly
- Notice of hearing for payment of attorney fees
- Motion for disbursement of debtor settlement proceeds

Exhibit 5.9.11-2 (Cont. 1) (09-17-2020)**Mail Direct to Classified Waste**

- Final decree
- Notice of discharge on a case closed as no liability (NL)
- Notice of dismissal on a case closed as no liability (NL)
- Notice of vacated discharge on a case closed as no liability (NL)
- Notice of reinstatement after discharge on a case closed as no liability (NL)
- Motion to advance mortgage
- Motion to forgive missed payments
- Motion to add missed payments to mortgage arrearage
- Motion and notice to allow claims
- Notice, motion, or order to borrow money
- Declaration of employee of trustee office
- Order returning documents to debtor
- Motion to permit post-petition financing
- Motion to suspend payments
- Motion to substitute attorney
- Motion to dismiss
- Trustee recommendations concerning claims
- Trustee opposition/objection to confirmation of plan
- Conditional dismissals
- Notice of an original confirmation hearing
- Original plans
- Original schedules
- Amended or modified mailing matrix
- Trustee objection to exemptions
- Notice of reinstatement after dismissal on a case closed as NL
- Notice or motion regarding automatic stay
- Notice of Chapter 13 plan
- Notice of trustee filing a report of no distribution
- Notice of trustee's final report and application for compensation
- Notice, motion, or order authorizing trustee to employ an attorney to represent debtor and bankruptcy estate
- Order denying motion to extend automatic stay
- Order denying confirmation
- Order for case management of a Chapter 13 case
- Order granting motion to excuse debtor
- Amended order to the employer to pay trustee
- Transfer of claim other than for security
- Motion to Compromise (not IRS)
- Notice of Disallowed Claims (not IRS)
- Debtor's Certification to Obtain Discharge
- Trustee's Motion to Deny Discharge
- Hearing on Motion to Dismiss
- Motion to Modify Loan
- Objection to Claim (not IRS)
- Order Appointing Realtor
- Motion to Reinstate Case
- Motion to Approve Stipulation (not IRS)
- Order Discharging Trustee
- Affidavit where IRS is not mentioned
- Amended Statement of Financial Affairs (SOFA)

Exhibit 5.9.11-2 (Cont. 2) (09-17-2020)**Mail Direct to Classified Waste**

- Amended schedule unless the document includes an amended Schedule D and E and the IRS is listed as a creditor
- Application for administrative expenses and related hearing notices unless an administrative claim has been filed by the IRS
- Debtor's response to Objection filed by another creditor
- Order granting Motion to Pay Utility Bill

CIO employees may discard the following categories of mail for Chapter 9, 11, and 12 cases without annotating their receipt on AIS:

- Duplicate 341 notices where the 341 date is already present on AIS
- Original 341 notices after the notice has been added to AIS
- Original plans
- Schedules
- Confirmation orders
- All documents on closed cases with the exception of an order to vacate the dismissal or discharge or an amended/modified disclosure statement or an amended/modified plan