



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

5.9.14

SEPTEMBER 12, 2022

## EFFECTIVE DATE

(09-12-2022)

## PURPOSE

- (1) This transmits revised IRM 5.9.14, Bankruptcy and Other Insolvencies, Automated Proofs of Claim (APOC).

## MATERIAL CHANGES

- (1) IRM 5.9.14, Bankruptcy and Other Insolvencies, Automated Proofs of Claim (APOC), has been updated to provide clarification and expansion of existing material. The following table details changes to this IRM section:

IRM	Change
IRM 5.9.14.1(4) IPU 20U1006 issued 09-14-2020	Changed program owner to Collection Policy, SB/SE, Insolvency.
IRM 5.9.14.1.7	Consolidated bankruptcy rules and added Pub 5170 and Taxpayer Bill of Rights website. Added the Insolvency Knowledge Base Home Page.
IRM 5.9.14.2.1(3)	Updated to reflect APOC Operator must now use BEARS to request a user ID and password for APOC processing.
IRM 5.9.14.2.2(2)	Clarified to state POC claim records with no periods will also prevent a case from running through APOC.
IRM 5.9.14.2.3	Clarified the process to access the APOC on AIS.
IRM 5.9.14.2.5(1)	Updated reflect access to Business Objects needs to be requested through BEARS.
IRM 5.9.14.2.5(2)	Updated APOC report names and purpose to match Business Objects wording.
IRM 5.9.14.2.8(4)(o) IPU 20U1006 issued 09-14-2020	Removed flag. Move <i>Letter 226-J Issued for ESRP Flag</i> from a case flag to a period flag.
IRM 5.9.14.9(5)	Clarified that all cases need to be adjusted if needed based the caseworkers initial analysis for cases with mortgage interest greater than 50% of income.
IRM 5.9.14.9(5)	Added AUR Processing Codes reference for TC 922 flag and clarified how to address the flag.
IRM 5.9.14.9(5)	Updated to included added appropriate case classification if required when working the Unagreed Assessment Flag.
IRM 5.9.14.9(5)	Added clarification on how to work the Wrong Tax Assessment flag.
IRM 5.9.14.2.9(5)(v) IPU 20U1006 issued 09-14-2020	Added flag. Move <i>Letter 226-J Issued for ESRP Flag</i> from a case flag to a period flag.

<b>IRM</b>	<b>Change</b>
IRM 5.9.14.2.9(5)(v) IPU 20U1006 issued 09-14-2020	Removed ESRP contact information and added internal e-mail box for ESRP questions.
IRM 5.9.14.2.9(5)(w) IPU 20U1006 issued 09-14-2020	Added new period flag <i>CARES Act TC 766 CRN 280 Flag</i> to identify cases with a potential deferred tax per CARES Act section 2302.
Throughout	Changed <b>Update</b> flag to <b>Clear</b> flag to match AIS wording.
Throughout	Moved lists into tables to meet 508 compliance. Alphabetized reports and flags.
Throughout	Editorial changes were made throughout this section to add clarity and to update, correct, or add citations.

**EFFECT ON OTHER DOCUMENTS**

This material supersedes IRM 5.9.14, dated September 14, 2020. The IRM IPU 20U1006 issued September 14, 2020 has been incorporated into this IRM.

**AUDIENCE**

Field Insolvency Groups

Kareem Williams  
Director, Collection Policy

5.9.14

Automated Proofs of Claim (APOC)

## Table of Contents

5.9.14.1 Program Scope and Objectives

- 5.9.14.1.1 Background
- 5.9.14.1.2 Authority
- 5.9.14.1.3 Responsibilities
- 5.9.14.1.4 Program Management and Review
- 5.9.14.1.5 Program Controls
- 5.9.14.1.6 Terms and Acronyms
- 5.9.14.1.7 Related Resources

5.9.14.2 Automated Proof of Claim (APOC)

- 5.9.14.2.1 APOC Operators
  - 5.9.14.2.1.1 APOC Initiation Process
- 5.9.14.2.2 APOC Processing
- 5.9.14.2.3 APOC Access
- 5.9.14.2.4 Navigating APOC
- 5.9.14.2.5 APOC Report Access
- 5.9.14.2.6 APOC Flag Information
- 5.9.14.2.7 APOC Flag Condition Time Frame Requirements
- 5.9.14.2.8 Case Flags
- 5.9.14.2.9 Period Flags
- 5.9.14.2.10 Case Compliance
- 5.9.14.2.11 Claim Record
- 5.9.14.2.12 Printing, Generating or Transmitting APOC Claims
- 5.9.14.2.13 Terminating a Case
- 5.9.14.2.14 Estimated Return Process

5.9.14.3 Amended Automated Proofs of Claim (AAPOC)

- 5.9.14.3.1 Amends Process
- 5.9.14.3.2 Amends Status
- 5.9.14.3.3 Amends Access
- 5.9.14.3.4 Open Amends
- 5.9.14.3.5 Amends Time Frame Requirements
- 5.9.14.3.6 APOC Amends Flag Conditions and Resolutions



5.9.14.1  
(09-14-2020)  
**Program Scope and Objectives**

- (1) **Purpose.** This Internal Revenue Manual (IRM) section describes the process and procedures for operating the Automated Proofs of Claim (APOC) system application and the types of procedures followed to protect the Government's interest in bankruptcy proceedings.
- (2) **Audience.** This IRM is designed for use by Specialty Collection Insolvency (SCI) personnel. This includes Centralized Insolvency Operation (CIO) personnel responsible for running APOC and Field Insolvency (FI) personnel responsible for generating proofs of claim using the APOC system.
- (3) **Policy Owner.** Director, Collection Policy, SB/SE.
- (4) **Program Owner.** Collection Policy, SB/SE, Insolvency is the program owner of this IRM.
- (5) **Primary Stakeholder.** The primary stakeholder of this section is Specialty Collection Insolvency (SCI).
- (6) **Program Goals.** The primary goal is to protect the government's interest and ensure taxpayer rights are protected while generating and preparing claims for bankruptcy proceedings.

5.9.14.1.1  
(09-12-2022)  
**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.
- (2) This IRM specifically addresses the APOC application. APOC is an automated system that standardizes how proofs of claim are prepared and when claim processing occurs. APOC uses data from the Automated Insolvency System(AIS) and the Integrated Data Retrieval System (IDRS) to determine, select and calculate prospective proofs of claim related to Chapters 7A, 11, 12, and 13 bankruptcies filed with the nationwide (federal) bankruptcy courts. APOC populates AIS with data gathered during the APOC case processing.

5.9.14.1.2  
(01-29-2018)  
**Authority**

- (1) The APOC program operates within the guidelines of the Bankruptcy Code (11 USC) and the Federal Rules of Bankruptcy Procedure.

5.9.14.1.3  
(09-12-2022)  
**Responsibilities**

- (1) The Director of Specialty Collection Insolvency is responsible for program oversight.
- (2) Territory and Frontline managers are responsible for ensuring reviews are completed as required per IRM 1.4.51.17.2, Operational Review, IRM 1.4.51.16.2, EQ Consistency Reviews, and IRM 1.4.51.5.2, Reviews.
- (3) Employees are responsible for following the provided guidance to process cases.

5.9.14.1.4  
(01-29-2018)  
**Program Management and Review**

- (1) **Program Reports.** Eighteen APOC Reports are used to support program objectives. These reports are described in detail in IRM 5.9.14.2.5 (3), APOC Reports.
- (2) **Program Effectiveness.**

## 5.9 Bankruptcy and Other Insolvencies

- a. 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.
- b. National quality reviews are conducted on a monthly basis. Consistency reviews are conducted at least annually. See IRM 1.4.51.16.1, NQRS, and IRM 1.4.51.16.2, EQ Consistency Reviews, for more information.

5.9.14.1.5  
(09-12-2022)

### Program Controls

- (1) The Collection Policy, Insolvency program analyst ensures daily APOC processing is completed by the assigned CIO tax examiner. The analyst will contact the responsible CIO manager when APOC has not been run.
- (2) APOC restrict access to authorized APOC operators to run APOC. See IRM 5.9.14.2.1, APOC Operators, for more information.
- (3) The responsible FI manager will ensure that the APOC Case Reports described in IRM 5.9.14.2.5 (3) are worked by FI personnel as necessary.

5.9.14.1.6  
(09-12-2022)

### Terms and Acronyms

- (1) A glossary of terms used in this IRM can be found in Exhibit 5.9.1-1, Glossary of Common Insolvency Terms.
- (2) Common acronyms acceptable for use in the 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/Acronymdb.aspx>.
- (4) Acronyms used specifically in this IRM section are listed below:

Acronyms	Definitions
AIS	Automated Insolvency System
ALS	Automated Lien System
APOC	Automated Proofs of Claim
BAPCPA	Bankruptcy Abuse Prevention and Consumer Protection Act
CIO	Centralized Insolvency Operation
CPM	Confirmed Plan Monitoring
EPOC	Electronic Proofs of Claim
FI	Field Insolvency
PACER	Public Access to Court Electronic Records
POC	Proof of Claim
NFTL	Notice of Federal Tax Lien
SCI	Specialty Collection Insolvency
SOFA	Statement of Financial Affairs

Acronyms	Definitions
TIN	Taxpayer Identification Number

5.9.14.1.7  
(01-29-2018)  
**Related Resources**

- (1) Automated Proof of Claim (APOC) User Guide, Document 13163
- (2) Automated Insolvency System (AIS) User Guide, Document 13219
- (3) The US Bankruptcy Code and Rules
- (4) Insolvency Knowledge Base Home Page <https://portal.ds.irsnet.gov/sites/v1114/pages/default.aspx>
- (5) Taxpayer Bill of Rights, Pub 5170, and Taxpayer Bill of Rights page <https://www.irs.gov/taxpayer-bill-of-rights>

5.9.14.2  
(09-12-2022)  
**Automated Proof of Claim (APOC)**

- (1) **Overview.** The APOC system resides as a subsystem within the Automated Insolvency System (AIS). APOC is an automated process that standardizes how and when proofs of claim processing occurs. APOC uses data from the AIS, Integrated Data Retrieval System (IDRS), Litigation Transcript System (LTS) and the Automated Lien System (ALS) to determine, select, calculate and classify liabilities for Chapters 7 Asset, 11, 12, and 13 bankruptcy cases. It does not compute or classify liabilities for Receiverships, Chapter 9, or Chapter 15 cases. All cases meeting the APOC selection criteria will be brought into the system and processed through the program. Once APOC has completed its tasks, it populates the relevant fields in AIS so a claim can be produced.

**Note:** APOC does not create claims. It simply provides the refined data so AIS can formulate a usable claim on Form 410 and the Attachment in either hard copy or electronic format.

- (2) **AIS Freeze Screen.** APOC examines all primary TINs and cross references TINs for processing. APOC selects balance due periods from the AIS freeze table and identifies periods with no returns filed based upon IDRS information. If a period has a balance due, but is not listed in the freeze table, APOC recognizes that liability as a "Missed BAL Due". The liability will not have a TC 520 input until after the caseworker has added the module to the proof of claim and filed the claim with the bankruptcy court or input the TC 520 to IDRS manually. The AIS freeze table may be accessed from the Taxpayer Screen by clicking on the *Freeze* button.

**Reminder:** When a manual TC 520 is input to IDRS, the same information must be added manually to the Transaction Code Data file in AIS.

- (3) **Tolerance.** APOC currently operates with a dollar tolerance less than the tolerances listed in IRM Exhibit 5.9.13-1, Threshold for Claims, for manually

APOC tolerance may be adjusted as necessary by Collection Policy Insolvency. , Insolvency caseworkers will receive advance notification when an adjustment is anticipated.

#  
#

- (4) **ALS.** ALS must be run and the “Lien Research” field on the AIS TIN screen must be “Completed” prior to APOC’s selecting the case for processing. This is an automatic process and requires no manual intervention.

5.9.14.2.1  
(09-12-2022)

**APOC Operators**

- (1) **Overview.** An APOC operator is an Insolvency employee designated in APOC to initiate and run the APOC processes. Operators must have an APOC User ID and the proper command codes in their profiles to connect to IDRS through APOC.
- (2) **APOC Operator Back-up.** APOC operators are the only Specialty Collection Insolvency (SCI) employees with access to the “APOC Batch Program” and therefore the only employees capable of running APOC nationwide. These operators will be each others’ back-up.
- (3) **APOC User ID.** APOC operators are required to have two User IDs and passwords:
- The AIS login and password for access to AIS, and
  - The APOC User ID and password for access to the “APOC Initiation” processes.

Both can be obtained by submitting requests through the Business Entitlement Access Request System (BEARS).

- (4) **IDRS Command Codes.** APOC operators must have the following IDRS command codes in their profile to initiate the APOC processes. APOC operators will receive a “Security Violation” without these command codes in their profile:
- AMDISA
  - BMFOL
  - COMPA
  - IMFOL
  - INOLE
  - INTST
  - IRPTRL
  - MFREQ
  - RECON
  - SINON
  - SINOF
  - TXMODA

5.9.14.2.1.1  
(09-12-2022)

**APOC Initiation Process**

- (1) **Daily Processing.** Operators should run APOC daily. The operators run APOC by Insolvency Territory, then further processing can be selected by date or group ID. However, by pressing enter and bypassing the dates, APOC will select every case available. It is recommended to run all available cases. Basic information about the initiation process is described below; however, operators should access the APOC Operator User Guide for more detailed guidance.
- (2) **APOC Main Menu.** To begin the APOC process, APOC operators must select *Option 1 - Initiate APOC Process* from the APOC Main Menu.
- (3) **Case Selection.** Cases may be selected for APOC processing by entering a specific case number or by processing all available cases at the same time. The options are:

1. Run specific docket ID(s).
2. Run \*ALL\* available dockets.
3. ABORT this APOC run.

Operators should normally choose option 2, to run all qualifying cases through APOC.

- (4) **Case Verification.** After an option has been selected, the operator will be asked to verify the selection by inputting “Y” to start the system.
- (5) **IDRS SINON.** The APOC operator will be required to SINON to IDRS each time APOC is run. Once the operator has signed on to IDRS, APOC will show the number and list of cases it will run.
- (6) **APOC Initiation Status.** APOC will display all the cases, as they are processing. The screen process will appear as follows:
  - \*\*\*\*\* Commit < database changes for docket: XX-XXXXXXX
  - Phase 1 Complete
  - Phase 2 Complete
  - Phase 3 Complete
  - Phase 4 Complete
- (7) **IDRS SINOF.** After completion of the run, APOC will automatically SINOF the operator from IDRS.
- (8) **Notify Policy.** An e-mail should be sent to Policy once the APOC process has been completed and if any problems are encountered.

#### 5.9.14.2.2 (09-12-2022) APOC Processing

- (1) **Processing Flow.** The following steps demonstrate the order in which cases are handled on AIS:
  1. The case is opened on AIS;
  2. Insolvency Interface Program (IIP) is initiated;
  3. Process C validates TINs;
  4. Process D inputs TC 520s and creates status reports;
  5. Case Assignment Guide (CAG) program assigns case to a caseworker;
  6. ALS runs on all TINs;
  7. APOC selects case for processing; and
  8. A caseworker accesses APOC records to work the case.
- (2) **Case Requirement.** The following conditions must be met before a case will qualify for APOC processing:
  - The case does not have a closed date on AIS.
  - The case is a Chapter 7A, 11, 12, or 13.
  - The “Proof Req’d” field on AIS is “Y” meaning a claim has not already been filed.

**Note:** If there are any claim records on AIS (including claims with no periods), the case will not qualify for processing.

  - All TINs on the docket are validated.
  - The case is assigned to a caseworker.
  - ALS has run on all TINs.
  - The “APOC Status” on the AIS Taxpayer screen is “blank”.
- (3) **Processing Delays.** Problems that will delay the processing flow include:

- An invalid TIN
- Name control mismatch
- ALS NFTL research not completed due to TIN not being validated
- Prior bankruptcy error (-V or -W freeze already on account)
- IDRS Dead Cycles
- Case not assigned to an employee

**Note:** The problems shown above will be reported on a Potentially Invalid TIN (PIT) report, Error report or CAG report.

- (4) **“APOC Status” Field.** The AIS Taxpayer screen has a field specifically for APOC. This field must be “blank” or the case will not be selected for the APOC process. The “APOC Status” field is updated when a case has been processed by APOC and will display an alpha code denoting one of the codes below:

- @ - Completed amends case
- A - Automatically processed through APOC (no flags exist)
- B - Below tolerance
- D - No liability case with debtor indicator
- H - Amends case on Hold
- M - Manually processed through APOC (flags have been resolved)
- N - No liability

**Note:** APOC does not close No Liability (NL) Chapters 11 and 12 cases on AIS.

- Null - Case not processed by APOC
- O - Open Referral on Chapters 11 and 12 cases only (NL)
- P - Case is pending in APOC because of unresolved flags
- R - Terminated case
- T - Terminated Amends case
- X - Case selected for APOC processing, but process is not complete
- Z - Problem with APOC processing which prevents claim information from being moved to AIS. Issues are varied and can include a duplicate period (Period has the same TIN, Assessment Date, Classification), Invalid TIN present on an APOC record, date mismatches, claim already on AIS, etc. Users may be able to identify the specific issue by selecting the *Process APOC* button in APOC and viewing the error message that is displayed.

- (5) **Reopened Chapter 7 Cases.** Chapter 7 cases that are reopened because assets have been identified will not be processed by APOC if a closed on AIS date is on the AIS entity screen. APOC Amends will not process cases if a discharge or dismissal date is on the AIS Taxpayer screen. Cases falling beyond the governmental bar date will generate a flag advising the user of an attempt to work a late filed claim. Chapter 7 cases may have periods that were abated because they met the requirements for dischargeability. These abated periods must be computed manually and included on the proof of claim. When APOC is utilized users may include these periods by inserting or creating new periods.

5.9.14.2.3  
(09-12-2022)  
**APOC Access**

- (1) **APOC Access.** From the *Case File* screen, under *Case Status* use the **APOC Processing** drop down menu and/or the *APOC Status* field, under *Employee* section, to search APOC cases.

- (2) **APOC Processing Search Options.** The APOC Processing drop down menu includes the following search options:

- Open
- Complete
- Open - Amendment
- Completed - Amendment

Select the *Submit Search* button to run the APOC search. Select the Index number of the case you want to view. Select the *APOC* tab on the toolbar to view the related APOC screens.

- (3) **Case Types.** The APOC program is built around the following case types:

Case Type	Definition
Open Cases	Includes all cases that have been selected by the APOC process but have not completed the process. Open Cases are cases that encounter flag conditions that require interaction by the assigned employee. Additional actions will be required on these cases by the employee.
Completed Cases	Includes all cases that have completed the APOC process. The list includes cases that went through the APOC process and did not require manual intervention. It also includes cases that were originally flagged in APOC and were resolved by the caseworker. To identify which cases have completed the APOC processes caseworkers can generate the following reports through Business Objects: <ul style="list-style-type: none"> <li>• The Cleared Flag Case Report - which identifies cases that had flags which were resolved.</li> <li>• The No Liability Report - which identifies cases with no balances due, and no unfiled returns. It also identifies if there is a Debtor Master File (DMF) indicator on the case.</li> </ul> <p><b>Note:</b> APOC closes these as no liability for all chapters except Chapters 11 and 12, and for cases of all chapters that have a DMF indicator on the case.</p> <ul style="list-style-type: none"> <li>• The Non-Flagged Case Report - lists all cases processed through APOC that did not encounter a flag condition.</li> <li>• The Terminated Cases Report - which identifies cases terminated in APOC.</li> </ul>
Open/Closed Amendment Cases	Includes cases where the original POC contained an estimated delinquent period and the tax return for this period is now filed and assessed. APOC Amends processes the new assessment periods where an estimate exists.

- (4) **APOC Status Search Options.** Cases can also be searched based on their status. See IRM 5.9.14.2.2 (4), **APOC Status** Field, for codes to search.
- (5) **Restore Cases.** The Restore Cases button allows the user to restore cases. Cases that were selected for APOC processing but did not make it through the APOC process will have an APOC status of X and may need to be restored to AIS. AIS permission levels determine access to this Menu Option.

5.9.14.2.4  
(12-04-2019)  
**Navigating APOC**

- (1) **APOC Screens.** Selecting the APOC tab when you are in a case will display the APOC Case Detail screen. The caseworker can select the following buttons from the screen:
- Case Flags
  - Compliance
  - Periods
  - Save
  - Processing APOC
  - Terminate APOC

5.9.14.2.5  
(09-12-2022)  
**APOC Report Access**

- (1) **Report Access.** APOC Reports are located in the Business Objects system. The APOC folder can be found under Public Folders, AIS, AD-HOC, AIS 5 - APOC. You must have "Standard User" access (via BEARS) to run any Business Objects AIS report. To run a report, simply double click on the report title, and the report will start to generate.

**Note:** A parameter pop-up box may appear for some reports.

- (2) **Parameters.** Most APOC reports will require the input of a set of parameters. Parameters can include options for SEID, Org 1 & Org 2 codes, Chapter, Court Code, From and To dates, etc. See your manager for the correct parameters necessary to run a specific report.

- (3) **APOC Reports.** The APOC reports options are:

APOC Report	Purpose of Report
AGI Report	The Adjusted Gross Income (AGI) report identifies those Chapter 7A cases that have computed AGI greater than \$10,000 based on the user input parameters.
All Cases Report	The All Cases Report lists all cases assigned to a specific caseworker, for a specific date or date range and were processed by APOC.
Below Tolerance Report	The Below Tolerance Report identifies cases where the total claim balance is below the minimum amount established for filing proofs of claim based on the From /To Dates entered by the user.
Case Detail Flag Report	The Case Detail Flag Report identifies issues at the <i>Case</i> level based on the user's flag selection and date parameters.
Cash Collateral Report.	The Cash Collateral Report identifies all Chapter 11 cases with secured claims. A manual case review is needed to determine if adequate protection or a cash collateral agreement is needed.
Cleared Flagged Cases Report	The Cleared Flagged Cases Report lists all cases that have had the flag(s) resolved and cleared.
Completed Amend Report	The Completed Amend Report lists all cases processed through APOC Amends. Caseworkers should use the Completed Amend Report to conduct a review of the claim filed dates to ensure the amended proofs of claim are filed <b>after</b> they have been amended.
Estimated Return Report	The Estimated Return Report lists all cases that have periods with estimates.

APOC Report	Purpose of Report
Flagged Cases Report	The Flagged Cases Report lists all cases that have encountered a flag which has not yet been resolved. These cases require manual intervention by the user.
Limit File Bankruptcy Report	The Limit File Report lists all cases that were large dollar cases during the time frame specified by the From/To Dates entered by the user.
No Liability Report	<p>The No Liability Report identifies cases with no balances due, and no unfiled returns. It also identifies if there is a debt indicator on the case. APOC closes all no liability cases except all Chapter 11 and 12 cases, and cases of all chapters with a debtor master file (DMF) indicator.</p> <p><b>Note:</b> Caseworkers should follow guidance in IRM 5.9.8.12, Closing Chapter 11 No Liability Cases, and IRM 5.9.9.10, Monitoring Compliance, to address no liability Chapter 11 and 12 cases. Caseworkers should follow local procedures to dispose of cases with a DMF indicator.</p>
Non-Flagged Cases Report	The Non-Flagged Cases Report lists all cases processed through APOC that did not encounter a flag condition. Since APOC processes are initiated on a daily basis, plans and schedules may not be available when this report is generated.
Open Amend Report	The Open Amend Report lists all cases with an amended period that has not yet been resolved. These cases require manual intervention by the user.
Period Detail Flag Report	The Period Detail Flag Report identifies issues at the <i>Period</i> level. IT lists all cases that encountered a period flag and are not yet resolved. These cases will require manual intervention by the user before they can be completed in APOC.
Summary Report	The Summary Report lists different statistics for the user's specific territories. This is a <b>Managers Only</b> report.
Terminated Amend Report	The Terminated Amend Report lists all cases that were terminated in APOC Amends.
Terminated Cases Report	The Terminated Cases Report lists all cases that were terminated in APOC.
X/Z Cases Report	The X Cases are those cases that were APOC ready but did not make it through the APOC process. The Z Cases are those cases where there is a problem with the APOC records which is not allowing the claim records to move to the AIS Proof of Claim screen. The X/Z Report lists all X/Z cases during the time frame specified by the user.

5.9.14.2.6  
(12-04-2019)  
**APOC Flag Information**

- (1) **Flag Conditions.** When APOC encounters a condition that cannot be resolved without human interaction, a flag will be issued. The flags are separated into Case and Period flags. The caseworker can resolve the flags on the Case Flags or Periods screens. APOC enables employees to update the case records for each flag condition. When all flag conditions for a specific case have been updated, APOC will be able to export the data to update the AIS proof of claim. Some flags are set to alert the employee to some existing cir-

cumstance and may not require any action aside from updating the flag itself. For each flag condition, a history record is added to AIS denoting its occurrence.

- (2) **Flag History Documentation.** Each flag condition encountered during the APOC batch process generates an automated AIS history record. The history message will indicate it was created by APOC and will include a brief description of each flag condition.
  - a. The AIS taxpayer table "APOC Status" field is set to "P," *Pending*, for cases containing flags.
  - b. When all Flags are updated by the user, the taxpayer "APOC Status" field is set to "M," *Manual*.

5.9.14.2.7  
(09-12-2022)  
**APOC Flag Condition  
Time Frame  
Requirements**

- (1) **Time Frame Requirements.** APOC flags should be worked at least **five** calendar days before the 341 meeting, with the exception of the **Credits Posted after the Petition Date** flag, the **Lien Recorded Date Blank or Greater Than the Petition Date** flag, and the **Secured Period** flag for Chapters 11 and 12 cases.
  - a. APOC flags that identify a potential violation of the stay should be worked within **five** calendar days of APOC identifying the flagged condition: The **Credits Posted after Petition Date** flag may identify a payment that may have posted in violation of the stay. The **Lien Recorded Date Blank** flag may identify a NFTL that was issued or filed after the petition date in violation of the stay.
  - b. The **Secured Period** flag should be worked within **10** calendar days of APOC identifying the flagged condition for all Chapter 11 and 12 cases. The Secured Flag indicates the Service may have a pre-petition NFTL on file and may be entitled to an adequate protection or cash collateral agreement.

5.9.14.2.8  
(09-14-2020)  
**Case Flags**

- (1) **Case Flag Information.** Case flags affect the entire case and alert the user of the need for additional review.
  - a. Flagged cases are considered "Open" requiring manual intervention to address (i.e., take appropriate action) and/or update the flags before the APOC case is exported to AIS. The APOC User Interface enables employees to add and/or update claim and history records for each flag condition.
  - b. Once flags are updated on a case, the case will move to "Completed" the next time the APOC process runs, or when the user chooses to use the **Process APOC** button. The APOC claim information is transferred to the AIS Proof of Claim tables and APOC adds a record to the AIS history screen that summarizes the claim information.
- (2) **Case Flags.** The name of each case flag can be found on the APOC Case Flag screen. Caseworkers must determine the proper action to follow to resolve the case flag issue so processing can continue. When all required actions to resolve the case flags are completed, go to the Case Flag screen, select the flag, and select *Clear*. This action alerts APOC the flag has been updated and the case can continue the processing cycle. The current date is automatically populated in the column to the right of the flag title.

- (3) **Reopen a Case Flag.** If the flag was updated in error, highlight the date again, select the *Delete Key or Spacebar* and select Save. The caseworker may use the arrow key to access the next flag at the bottom of the screen.
- (4) **Case Flag Conditions and Resolutions.** A brief description of each case flag condition and resolution is listed below:

Case Flags	Description and Resolutions
Amended IRPTRL Flag	<p>This flag is issued when the IRPTRL information on IDRS has been amended. APOC alerts the caseworker of additional IRPTRL pages which APOC cannot read. Review IRPTRO and other sources to determine if an estimated liability is necessary.</p> <ul style="list-style-type: none"> <li>• If an estimated tax liability is necessary, then create the period, compute the estimate, input the estimate and update the flag.</li> <li>• If an estimate is not necessary, close the filing requirements on IDRS and clear the flag.</li> </ul>
Available Credit Flag	<p>This flag is issued when APOC identifies an available credit greater than \$25. Follow local procedures to resolve the credit and clear the flag.</p>
BMF Compliance Flag	<p>This flag is issued when APOC identifies an EIN (cross referenced on INOLES), but does not locate a record on BMFOLI. Users must determine if the Entity should have a BMF estimate.</p> <ul style="list-style-type: none"> <li>• If the BMF estimate is not necessary, then clear the flag.</li> <li>• If the BMF estimate is necessary and IMF Period Detail records do not exist, then compute the estimate, create a period detail record, input the estimate and clear the flag.</li> <li>• If the BMF estimate is necessary and IMF Period Detail records exist, then compute the estimate(s), insert a Period Detail Record, input the estimate, and clear the flag.</li> </ul>
CID Freeze Flag	<p>This flag is issued when a -Z freeze exists on a period on the TIN. Contact Criminal Investigation (CI) before proceeding with the filing of a proof of claim. APOC will include all liabilities on the claim but gives the caseworker an opportunity to change the claim as needed.</p> <ul style="list-style-type: none"> <li>• If CI states a claim can be filed, clear the flag.</li> <li>• If CI states a claim should not be filed, terminate the case and follow the procedures outlined in IRM 5.9.13.16, Criminal Investigation Involvement.</li> <li>• If a specific period should not be on a claim, remove the period and clear the flag.</li> </ul>
Debtor TIN with an Asterisk Flag	<p>This flag is issued when the debtor TIN ends with an asterisk. APOC processes the TIN as if the asterisk is not present. Review APOC determinations on this TIN, make any additions or deletions to the records and then clear the flag.</p>

Case Flags	Description and Resolutions
Discharged, Dismissed, or Closed Date on AIS Flag	<p>This flag is issued when there is a date in the dismissed, discharged, or closed fields on the AIS Taxpayer screen. Review IDRS for abated liabilities.</p> <ul style="list-style-type: none"> <li>• If there is no liability, clear the flag.</li> <li>• If the case was originally filed as a Chapter 7 No Asset and converted to a Chapter 7 Asset, then identify the discharged liabilities and include them on the claim.</li> <li>• If a case was originally filed as a Chapter 7 No Asset and converted to a Chapter 7 Asset and liabilities were not abated, clear the flag.</li> <li>• If it appears a discharged Chapter 7 No Asset was converted to a Chapter 13 proceeding, then check the court's electronic records to verify the discharge was vacated. Remove the discharge date on AIS, if necessary. Identify all periods to be included on the claim. Calculate, classify and insert each period and clear the flag.</li> </ul> <p><b>Note:</b> For cases commenced on or after October 17, 2005, Bankruptcy Code section 1328(f) prohibits discharge, including a hardship discharge, in a Chapter 13 case if the debtor has received a discharge in a case filed under Chapter 7, 11, or 12 during the preceding four years, or in a prior Chapter 13 case during the preceding two years. (See IRM 5.9.5.7.1(5), Discharge Limitations , IRM Exhibit 5.9.5-3, Allowable Elapsed Time Between Bankruptcy Filings and Discharges, IRM 5.9.10.3.2(7), Discharge Limitations, and Bankruptcy Code 1328(f).)</p>
Estimate with -L Freeze Flag	<p>This flag is issued when APOC identifies an open TC 420 on the TXMODA indicating a Substitute for Return (SFR) has been initiated on a period that has not been filed and an assessment has not posted. Follow local procedures to determine the tax, interest and penalty amounts as needed and clear the flag.</p>

Case Flags	Description and Resolutions
Late Filed Claim Flag	<p>A late filed claim flag is issued on a case that has an APOC processing date which is more than 180 days after the petition date. Determine if a claim should be filed. See IRM 5.9.13.7.1, Late Filed Claims.</p> <ul style="list-style-type: none"> <li>• If a claim should be filed, then calculate and classify each period, create or insert periods as needed, ensure all periods needed on the claim have been added to APOC and clear the flag.</li> <li>• If the claim should not be filed, then terminate the case.</li> </ul> <p><b>Note:</b> APOC recognizes all liabilities and adds them to the claim, not distinguishing between pre-petition and post-petition liabilities. Consequently, post-petition periods may appear on the claim. Local procedures and appropriate IRM sections should be followed in dealing with those post-petition liabilities. See IRM 5.9.10.9, Post-petition Tax Liabilities; IRM 5.9.8.14.1, Post-petition Debts - Chapter 11 Individuals; IRM 5.9.9.10.3, Post-petition Liabilities in Chapter 12 - Individual Cases; and IRM 5.9.6.13, Post-petition Liabilities- Individual.</p>
LLC Flag	<p>This flag is issued when an entity has "LLC "in any name line field on the AIS Taxpayer record. Manual intervention is required to determine the basis of the liability and accuracy of the claim. IRM 5.9.13.14, Limited Liability Companies, provides guidance on proper preparation of LLC claims. Counsel input may also be required.</p> <ul style="list-style-type: none"> <li>• If a claim is not necessary, then terminate the case.</li> <li>• If the claim is necessary, then ensure all appropriate periods are included on the claim, create, insert or remove periods as needed and clear the flag.</li> </ul>
MFT = 14 or 60 Flag	<p>This flag is issued when APOC identifies an open filing requirement on INOLES for MFT 60, Form 2290, Heavy Highway Vehicle Use Tax Return, or for MFT 14, Form 944, Employer's ANNUAL Federal Tax Return. APOC cannot do a compliance check on these MFTs. Review bankruptcy schedules and other sources to determine if an estimated liability is necessary.</p> <ul style="list-style-type: none"> <li>• If an estimate is not necessary, then clear the flag.</li> <li>• If an estimate is necessary, then calculate and classify each period, create a period detail for each estimate and then the flag.</li> </ul> <p><b>Note:</b> APOC will process balance due periods but cannot conduct a compliance check for MFT 60 or MFT 14.</p>

Case Flags	Description and Resolutions
Multiple ACA for Different TINs with Same Period Flag	<p>This flag is issued to alert the caseworker that the AIS freeze table contains the Shared Responsibility Payment (SRP) assessed under MFT 65 on the same period for both debtors in a joint bankruptcy. APOC will list the liability under both debtors but will allow the caseworker to remove one of the APOC records, if appropriate. Review the SRP liabilities to determine if they are from the same jointly filed Form 1040. If the SRP assessments are for separately filed Forms 1040, then update the flag. If the SRP assessments are for the jointly filed Form 1040, then either:</p> <ul style="list-style-type: none"> <li>• Remove one of the MFT 65 periods, insert the proper clarifying proof of claim statement and update the flag, or</li> <li>• Leave both periods on the claim, insert the proper clarifying proof of claim statement and update the flag.</li> </ul> <p>If the SRP assessments are for separately filed Forms 1040, then the flag. See IRM 5.9.13.18.4, Duplicate and Mirror Assessments and NMF Periods, for guidance.</p>
Pending Additional Assessment on a TXMOD Flag	<p>This flag is issued when APOC identifies the existence of a pending tax assessment on TXMODA that has not posted to IMFOL or BMFOL. Insert a period, calculate and classify the liability and clear the flag.</p>
Potential Missed BAL Due Flag	<p>This flag is issued when a balance due period, greater than \$25 is on IDRS but the period is not present in the AIS freeze tables. Decide if the period should be included on the proof of claim.</p> <ul style="list-style-type: none"> <li>• If the period should not be included on the claim, then clear the flag.</li> <li>• If the period should be included on the claim, then calculate and classify each period, create a period detail for each estimate and clear the flag.</li> <li>• If this is a pre-petition module and a decision is made to not include this liability on the proof of claim, then manually input the TC 520 on this module and add the TC 520 to the Freeze screen on AIS.</li> </ul>
Section 965 Flag	<p>This flag is issued to alert the caseworker of a possible Section 965 liability. The caseworker must manually review the account to determine if there is a Section 965 liability that needs to be added to the claim. See IRM 5.9.13.18.7, Section 965 Transition Tax.</p> <ul style="list-style-type: none"> <li>• If a claim is necessary, the caseworker will update the record with the amount and clear the flag.</li> <li>• If the claim is not necessary, the period can be removed and the flag cleared.</li> </ul>

Case Flags	Description and Resolutions
TFRP for Multiple SSNs in the Same Period Flag	<p>This flag is issued to alert the caseworker that the AIS freeze table contains an MFT 55 assessment on the same period for both debtors in a joint bankruptcy. APOC will list the liability under both debtors but will allow the caseworker to delete one of the assessments, if appropriate. Review the liabilities to determine if they are for the same business entity. See IRM 5.9.13.13(4), Duplicate Spousal Trust Fund Assessments, for guidance.</p> <ul style="list-style-type: none"> <li>• If the caseworker determines the assessments are for the same underlying business entity's liability, the claim should be filed according to local procedures. See IRM 5.9.13.18.4(2), Duplicate Spousal MFT 31, MFT 65, and Trust Fund Recovery Penalty (TFRP) Assessments. The appropriate proof of claim statement(s) should be added to the claim.</li> <li>• If the MFT 55 assessments are for different business entities, then clear the flag.</li> </ul>

- (5) **Case Documentation.** Caseworkers must document the actions they take to resolve APOC case flags and period flags. (See IRM 5.9.5.4, AIS Documentation). AIS histories generated by APOC alone are not sufficient case documentation.

5.9.14.2.9  
(09-12-2022)  
**Period Flags**

- (1) **Period Flag Information.** Period flags impact a specific TIN, MFT, and period. Flagged cases are considered "Open" requiring manual intervention to address and/or **clear** the flags before the APOC case is exported to AIS. Caseworkers must determine the proper action to follow to resolve the flag issue so processing can continue.
- (2) **Identifying Period Flags.** Specific period flags can be found on the APOC Period screen. The APOC Period screen will show the number of open period flags. Select the *Index* of the specific period you would like to review. The lower section of the APOC Period Detail screen provides the name of each period flag. Each flag must be updated before the case processing can complete.
- (3) **Update Period Flags.** Each time a period flag is encountered, the caseworker must take additional steps to determine the appropriate action to be taken. Once those steps have been taken, the caseworker should go to the APOC Period Detail screen, select the flag to be updated and select the **Clear** button. This action alerts APOC the flag has been resolved, and the case can continue the processing cycle. The current date is automatically populated in the column to the right of the flag title.
- (4) **Reopen Period Flag.** If the flag was updated in error, highlight the date again, select the **Delete** key or **Spacebar** and select **Save**. The caseworker may use the arrow key to access the next flag at the bottom of the screen.
- (5) **Period Flag Conditions and Resolutions.** A brief description of each period flag condition and resolution is listed below:

Period Flags	Description and Resolutions
CARES Act TC 766 CRN 280 Flag	<p>This flag is issued when APOC identifies a TC 766 Credit Reference Number (CRN) 280 on IDRS. APOC creates a claim record for MFT 01, MFT 11, MFT 14, MFT 09, and MFT 30 with a TC 766 CRN 280 in tax periods 202006, 202009, and 202012.</p> <ul style="list-style-type: none"> <li>• If the period should remain on the claim, then calculate the liability manually by following the procedures outlined in IRM 5.9.13.18.8(4) , Proof of Claim, update the APOC record as necessary, and clear the flag.</li> <li>• If the period should not remain on the claim, then remove the period.</li> </ul>
Credits Posted After Petition Date Flag	<p>This flag is issued when APOC identifies a credit that may have been received after the petition date in violation of the stay. This flag should be worked within <b>five</b> calendar days of APOC identifying the flagged condition. APOC has created a claim record for this MFT and Period with amounts for Tax, Penalty, or Interest. Determine if the credit is in violation of the automatic stay.</p> <ul style="list-style-type: none"> <li>• If the credit is NOT in violation of the automatic stay, then clear the flag.</li> <li>• If the credit is in violation of the automatic stay and cannot be kept, then manually calculate the period without including the credit, update the APOC record with the new figures, clear the flag and prepare a manual refund or credit transfer.</li> <li>• If the tax period should not be included on the claim, then remove the period.</li> </ul>

Period Flags	Description and Resolutions
Error Condition - APOC Program Problem Flag	<p>One of the three flag conditions below is issued when APOC encounters a processing problem on a specific tax period, but is still able to continue processing the case. The conditions are displayed as individual Period Flags within APOC; however, they are all lumped together under the title of Error Condition - APOC Program Problem for purposes of the individual Period Detail Flag reports.</p> <ul style="list-style-type: none"> <li> <b>TXMODA Fault Flag.</b> This flag is issued when APOC encounters a dummy module, for example cases in status 23, 53, etc. If the period should remain on the claim, then use command code MFREQ or RECON to bring the period to IDRS and request INTSTB. If a TXMOD has a dummy module or no module, then enter MFREQC. If an item of information is posted to IMFOLT but not to TXMOD, then request RECON. With this information in hand, calculate and classify the period manually, update the APOC record, and clear the flag. If the period should not remain on the claim, then remove the period. </li> <li> <b>Potential Reversed Credit with MF-STC 10 or 12 Flag.</b> This flag is issued when APOC attempts calculation of a balance due, but encounters an error. APOC may or may not provide dollar amounts in the Tax, Penalty or Interest field. The APOC calculation provided cannot be relied upon. If the period should remain on the claim, then calculate the assessment manually, update the APOC record, as necessary and clear the flag. If the period should not remain on the claim, then remove the period. </li> <li> <b>Calculation Error: Credits Paid Off All Assessmts Flag.</b> This flag is issued when APOC attempts calculation of a balance due, but encounters an error with the application of credits. APOC may or may not provide dollar amounts in the Tax, Penalty, or Interest field. The APOC calculation provided cannot be relied upon. If the period should remain on the claim, then calculate the assessment manually, update the APOC record, as necessary and clear the flag. If the period should not remain on the claim, then remove the period. </li> </ul>

Period Flags	Description and Resolutions
Exam Freeze Flag	<p>This flag is issued when APOC identifies the existence of a <b>-L Freeze</b> on IDRS for an MFT and Period which has a balance due or which was for one of the periods within the time frame checked for compliance (TC 420 on a TXMODA). APOC creates a claim record for this MFT and Period with no amounts for the tax, penalty or interest. Refer to AMDISA on IDRS and contact the appropriate Examination unit to determine if an additional assessment will be proposed.</p> <ul style="list-style-type: none"> <li>• If Exam indicates an additional assessment will be proposed, then ask for the amount of the proposed assessment and compute interest on that amount from the due date of the return to the petition date. If Exam proposes a failure to file penalty, then compute interest on that penalty from the due date of the return to the petition date and add that amount to the penalty. Update the APOC record with the proposed tax, interest on tax, and any penalty amount(s) Exam may give and clear the flag.</li> <li>• If Exam is not going to make an additional assessment and the period is otherwise full paid, then remove the period and clear the flag.</li> <li>• If Exam is not going to make an additional assessment but the period still has a liability, the flag should be cleared.</li> </ul>
IRPTR Not Filed Flag	<p>This flag is issued when APOC attempts to calculate an estimate using IRPTRL information, however that information results in a balance due of equal to or less than zero. APOC will input a \$100 estimate and issue the flag.</p> <ul style="list-style-type: none"> <li>• Change the amount, if information warrants, and clear the flag.</li> <li>• If no change to the estimate is warranted, then clear the flag.</li> <li>• If the tax period should not be included on the claim, then remove the period.</li> </ul> <p><b>Exception:</b> APOC does not issue \$100 dollar estimate flags on Chapter 7 cases, or on all general unsecured periods on Chapter 11, 12, or 13 cases.</p>
IRPTRL Greater than One Million Flag	<p>This flag is issued when APOC identifies an IRPTRL entry that is equal to \$999,999*. This flag alerts the user that an entry is actually greater than one million. (The maximum value of the field is six characters).</p> <ul style="list-style-type: none"> <li>• Review IRPTRO, update the period with the estimated tax calculated using the actual amounts and clear the flag.</li> <li>• If the tax period should not be included on the claim, then remove the period.</li> </ul>

Period Flags	Description and Resolutions
Last Return Not Filed Flag	<p>This flag is issued when APOC attempts to calculate an estimate using Last Filed Return (LFR) information; however, that information results in a balance due of equal to or less than zero. APOC will input a \$100 estimate and issue the flag.</p> <ul style="list-style-type: none"> <li>• Change the amount, if information warrants, and clear the flag.</li> <li>• If no change to the estimate is warranted, then clear the flag.</li> <li>• If the tax period should not be included on the claim, then remove the period.</li> </ul> <p><b>Exception:</b> APOC does not issue \$100 dollar estimate flags on Chapter 7 cases, or on all general unsecured periods on Chapter 11, 12, or 13 cases.</p>
Letter 226-J Issued for ESRP Flag	<p>This flag is issued to alert the caseworker that the government issued Letter 226-J, ESRP Preliminary Contact, to the debtor. This letter explains the proposed amount the IRS will assess unless further information is provided by the debtor, to change or nullify the amount. The flag indicates an assessment is not yet made due to the debtor's response time not expiring prior to the bankruptcy filing. The caseworker will need to contact the ESRP unit, to determine the amount on the Letter 226-J, ESRP Preliminary Contact, and determine whether a protective claim is necessary.</p> <ul style="list-style-type: none"> <li>• If a protective claim is necessary, the caseworker will update the record with the amount and clear the flag.</li> <li>• If the protective claim is not necessary, the period can be removed and the flag cleared.</li> </ul>

#  
#

Period Flags	Description and Resolutions
Lien Recorded Date Blank or Greater Than The Petition Date Flag	<p>This flag is issued when the recording date of the NFTL is not on AIS, or the date recorded is greater than the petition date. This flag should be worked within <b>five</b> calendar days of APOC identifying the flagged condition.</p> <ul style="list-style-type: none"> <li>• If the petition date is within 30 days of the TC 582 date, then call the recorder where the NFTL was filed and ask for the recorded date to determine if the NFTL was filed prior to the petition date.</li> <li>• If the NFTL was recorded prior to the petition date, then verify the period has the correct assessment date, update the APOC record with the NFTL date and clear the flag.</li> <li>• If the NFTL was recorded after the petition date (in violation of the automatic stay), then reclassify the period as appropriate, clear the flag, and request a withdrawal of the NFTL. Managerial approval is required for a NFTL withdrawal.</li> <li>• If the NFTL has been received but not recorded, then schedule a follow-up to re-contact the recorder prior to the earliest of: 341 Hearing, Confirmation Date, or Bar Date. If the recorder has not received the NFTL request, then reclassify the period as appropriate and clear the flag.</li> <li>• If the petition date is more than 30 days from the TC 582 date, then update the APOC record with the TC 582 date and clear the flag.</li> <li>• If the tax period should not be included on the claim, then remove the period.</li> </ul>
Mortgage Interest Greater Than 50% of Income Flag	<p>This flag is issued when APOC identifies that the mortgage interest field on IRPTRL is greater than 50% of the total amount of the</p> <p>should make any needed adjustments to the claim based on their initial case review for all cases. If the case meets the streamlined criteria, the caseworker is required to review IDRS and other sources to determine if an estimate is necessary for this period.</p> <ul style="list-style-type: none"> <li>• If an estimate is NOT necessary, then clear the flag, remove the period, and close the filing requirements on IDRS.</li> <li>• If an estimate is necessary, then update the period and clear the flag.</li> </ul>
Negative Tax, Interest, or Penalty Flag	<p>This flag is issued when APOC identifies a credit balance on the tax, penalty, or interest. The total balance due on the Period Detail Screen will be correct.</p> <ul style="list-style-type: none"> <li>• Pull TXMODA and INTSTB to correct the tax, penalty, and interest figures, update the APOC record to reflect the correct figures and clear the flag.</li> <li>• If the period should be removed from the claim, then remove the period.</li> </ul>

#  
#  
#

Period Flags	Description and Resolutions
Not Filed Flag	<p>This flag is issued when APOC is unable to compute an estimate after trying to utilize both IRP and LFR information. APOC will input a \$100 estimate and issue the flag.</p> <ul style="list-style-type: none"> <li>• Change the amount, if information warrants and clear the flag.</li> <li>• If no change to the estimate is warranted, then clear the flag.</li> <li>• If the tax period should not be included on the claim, then remove the period.</li> </ul> <p><b>Exception:</b> APOC does not issue \$100 dollar estimate flags on Chapter 7 cases, or on all general unsecured periods on Chapter 11, 12, or 13 cases.</p>
Potential Missed BAL Due Flag	<p>This flag is issued when a balance due period, greater than \$25 is on IDRS but the period is not present in the AIS freeze tables. Decide if the period should be included on the proof of claim. APOC calculates the amount owed.</p> <ul style="list-style-type: none"> <li>• If the period should be included on the claim, then clear the flag.</li> <li>• If the period should not be included on the claim, then remove the period.</li> </ul>
Possible Error in Interest Calculation Flag	<p>This flag is issued when APOC attempts calculation of a balance due, but encounters an error. APOC may or may not provide dollar amounts in the Tax, Penalty, or Interest field. The APOC calculation provided cannot be relied upon.</p> <ul style="list-style-type: none"> <li>• If the period should remain on the claim, then calculate the assessment manually, update the APOC record as necessary and clear the flag.</li> <li>• If the period should not remain on the claim, then remove the period.</li> </ul>
Restricted Interest or FTP Flag	<p>This flag is issued when APOC identifies a TC 270 or a TC 340 with a TC amount greater than zero. APOC creates a record for this MFT and Period with amounts for tax, penalty, or interest. Review INTSTB to determine if the message <i>Computation Hold on Interest/FTP</i> appears at the bottom of the screen.</p> <ul style="list-style-type: none"> <li>• If that statement does not appear, then update the flag. If the statement does appear, then calculate the period manually, update the APOC record and clear the flag.</li> <li>• If the tax period should not be included on the claim, then remove the period.</li> </ul> <p><b>Caution:</b> Often interest or penalty appears to be restricted, but is not.</p> <p><b>Note:</b> If penalties were abated in a prior bankruptcy, there may not be any penalties to be computed or claimed on the proof of claim for the current bankruptcy.</p>

Period Flags	Description and Resolutions
Secured Period Flag	<p>APOC issues this flag when it identifies that a Notice of Federal Tax Lien was recorded on a specific period. This flag should be worked within <b>10</b> calendar days of APOC identifying the flagged condition for all Chapter 11 and 12 cases. The Secured Period flag indicates the Service may be entitled to an adequate protection or cash collateral agreement. APOC calculates the period as fully secured by default. Determine, by reviewing the NFTL, schedules, or other sources if the period should remain fully secured.</p> <ul style="list-style-type: none"> <li>• If the entire amount of the period should remain secured, then clear the flag.</li> <li>• If the period should be partially secured, then determine the correct secured amount, update the APOC record, insert a period for the remaining amount, reclassify the period, and clear the flag.</li> <li>• If the period should not be secured, then reclassify the period, and clear the flag.</li> <li>• If the tax period should not be included on the claim, then remove the period.</li> </ul> <p><b>Reminder:</b> Determining the secured value of a period in a Chapter 13 case is required during the caseworker's initial analysis.</p> <p><b>Note:</b> If the NFTL was filed with respect to the restitution assessment, the NFTL will carry an "R" and the form number of the underlying tax source, such as "R1040". The flag should be updated in accordance with the instructions above.</p>
Split Period Flag	<p>This flag is issued when APOC identifies an assessed balance due on MFT of 01, 03, 04, 09, 11, 16 and a period where the Return Due Date greater than the Petition Date. A claim record will have been created for this MFT and Period by APOC with no amounts for tax, penalty, and interest. Decide if there are any pre-petition amounts that should be included on the proof of claim. Calculate the pre-petition and post-petition liability for tax, penalty, and interest.</p> <ul style="list-style-type: none"> <li>• If there is pre-petition liability, then update the period record with the pre-petition tax, penalty and interest amounts and clear the flag.</li> <li>• If there is no pre-petition liability and the tax period should not be included on the claim, then remove the period.</li> </ul>

Period Flags	Description and Resolutions
TC 922 Flag.	<p>This flag is issued when APOC identifies a TC 922 on IDRS for an MFT and period which has a balance due or which was for one of the periods within the time frame for compliance. APOC creates a claim record for this MFT and period with NO amounts for tax, penalty, or interest. Check AMS for the CP2000.</p> <ul style="list-style-type: none"> <li>• If one is available, then update the claim with the additional tax assessment amount shown on the CP2000. Include interest and any penalty applicable up to the petition date. Clear the flag.</li> <li>• If there is no CP2000 on AMS, then contact the appropriate Campus Automated Underreporter Unit to determine if a proposed additional assessment is planned. If an additional tax assessment is planned, then compute the liability, update the APOC record with the proposed tax, interest, and any penalty and clear the flag. If AUR proposes a failure to file penalty, then compute interest on that penalty from the due date of the return to the petition date and add that amount to the penalty total. If no additional assessment is planned, then remove the period. See Exhibit 4.19.3-4, ,AUR Process Codes.</li> </ul>
TF/NTF with Multiple Assessments Flag	<p>This flag is issued when APOC identifies multiple assessments on a single tax period where the due date of the return is more than three years prior to the petition date. The tax assessment will need to have a split classification (unsecured priority and general). Follow procedures outlined in IRM 5.9.13.20, Claim Calculations.</p> <ul style="list-style-type: none"> <li>• Clear the period for the unsecured general amount, insert period if necessary, with priority classification and amount and clear the flag.</li> <li>• If the tax period should not be included on the claim, then remove the period.</li> </ul>
TXMODA ST 10/12 Credit Flag	<p>This flag is issued when APOC identifies a credit balance on a period that is identified as Status 10 or 12 on TXMODA Master File History Section. APOC will process the proof of claim calculations as if the credit does not exist. Review INTSTB to determine if the claim calculations are correct.</p> <ul style="list-style-type: none"> <li>• If the calculations are correct, then clear the flag.</li> <li>• If the calculations are not correct, then recompute the liability, update the APOC record and clear the flag.</li> <li>• If this assessment should not remain on the claim, then remove the period.</li> </ul>
Unable to Determine PBE Flag	<p>APOC issues this flag when the system cannot calculate the prior bankruptcy extension (PBE) for a specific tax period.</p> <ul style="list-style-type: none"> <li>• If the period should remain on the claim, then pull TXMOD, calculate the extension and determine the correct claim classification, update the APOC record and clear the flag.</li> <li>• If the period should not be on the claim, then remove the period.</li> </ul>

Period Flags	Description and Resolutions
Unagreed Assessment Flag	<p>This flag is issued when an unagreed assessment posted with a date that is after the petition date. Determine if this assessment should remain or needs to be abated, and whether or not the assessment can be included on the proof of claim.</p> <p><b>Example:</b> Post-petition assessments of unagreed deficiencies on pre-petition periods for which the statutory response time to file a Tax Court petition has not expired (or been waived) are violations of IRC 6213 and must be reversed. See IRM 5.9.4.4(8), Unagreed Deficiency Assessments.</p> <p>Contact Exam or AUR, provide them with the petition date and request they determine if the assessment was made in violation of IRC 6213.</p> <ul style="list-style-type: none"> <li>• If the assessment was not made in violation of IRC 6213 and the period should remain on the claim, then clear the flag.</li> <li>• If the assessment was made in violation of IRC 6213, but the amounts should remain on the claim, then tell Exam/AUR they need to abate the liability, monitor the case and reassess after dismissal or discharge. Update the APOC record to reflect the correct estimated paragraph, remove the assessment date and clear the flag.</li> <li>• If the period should not be included on the claim, then remove the period. Add applicable case classification ex. URP/IRP or EXAM, . See IRM 5.9.5.4.1, Case Classifications.</li> </ul>
Wrong Tax Assessment Date on Lien Flag	<p>This flag is issued when the assessment date on the NFTL record on AIS does not exactly match the assessment date on IDRS. APOC creates a claim record and classifies it as secured. Determine if the NFTL applies to the assessment in question, and if the assessment should remain as secured.</p> <ul style="list-style-type: none"> <li>• If the assessment date on the AIS NFTL record does not match the assessment date on IDRS for this assessment, but the IDRS assessment date and the NFTL date match, then update the <b>AIS Assessed</b> field with the correct assessment date and follow the instructions for Secured Period Flag.</li> </ul> <p><b>Caution:</b> An amended NFTL should NOT be requested during the time the taxpayer is in bankruptcy.</p> <ul style="list-style-type: none"> <li>• If the IDRS assessment date does not match the NFTL assessment date and it is not secured by any other NFTL, then reclassify the period to priority or general, add a history record to document the activity, and clear the flag.</li> <li>• If the tax period should not be included on the claim, then remove the period.</li> </ul>

5.9.14.2.10  
(09-12-2022)  
**Case Compliance**

- (1) **Compliance Review.** The caseworker should conduct a compliance review on cases with and without flags after all of the case flags have been cleared. The Case Compliance screen displays all compliance periods for a specific case.
- (2) **APOC Compliance Screen.** This screen is for compliance information only. No processing is done on this screen.

- a. Each debtor IMF TIN is shown separately with compliance records for the past six years.

**Exception:** If debtors in a joint bankruptcy filed a joint return and that period was moved to retention, APOC will not determine if both debtors are on the return for the period in retention. A cross-reference IMF TIN (X-TIN) is displayed when a joint return was filed with the debtor. The X-TIN is the primary TIN filed for that year. If the X-TIN is not listed in the "TIN" field, it is a non-debtor spouse.

- b. BMF compliance is conducted for open filing requirements for six years prior to the petition date. If the establishment date for the entity is less than six years prior to the petition date, APOC will only address compliance starting with the establishment date. If the filing requirements have been closed pre-petition, APOC will do a compliance check to the closure period instead of to the petition date.

**Note:** For both IMF and BMF cases with a prior bankruptcy extension (PBE), a compliance check is conducted for unfiled returns for eight years prior to the petition date. Previous bankruptcy(cies) conceivably could move an eight year old unfiled return from a general claim to a priority claim. If the debtor has no previous bankruptcy filing(s), or if periods more than six years prior to the petition date will be classified as general, the compliance check for unfiled returns is systemically limited to the usual six years. Per IRM 5.1.11.7.1, Enforcement Determination, pursuing unfiled returns for periods more than six years prior requires manager approval.

- c. The Compliance Screen displays each debtor TIN listed and the six years of tax periods for which compliance has been checked. If a filed return is found, a "Y" appears under the data column entitled Compliance. If APOC has not identified a filed return, the annotation in the Compliance column will be "★NO★."
- d. If a TDI has been closed using TC 59(X), a "Y" will be displayed for this period, and APOC will not prepare an estimated claim.

- (3) **IMF Compliance Record Review.** Each debtor IMF TIN is listed separately with compliance records for the past six years.

IF	THEN
the case is filed on or after October 17, 2005,	compliance is checked for six years, unless the case has a prior bankruptcy extension (PBE). A compliance check is then conducted for unfiled returns for eight years prior to the petition date.
the debtors have previously filed joint returns and a tax year has moved to the IDRS retention register under the NPS,	APOC is unable to check the tax year and will assume the period is satisfied for the debtor.
the estimated period is not necessary,	remove the period.

IF	THEN
a joint return was filed with the debtor and the X-TIN is not present,	the debtor's TIN is the primary for that year.
a joint return was filed with the debtor and the X-TIN (Non Petitioning Spouse (NPS) TIN) is primary on IDRS	the X-Ref TIN (NPS TIN) will be displayed.

- (4) **BMF Compliance Record Review.** BMF compliance is conducted on each MFT with an open filing requirement. APOC will research the past 24 periods for quarterly returns and the past six periods for annual returns.

IF	THEN
the case is filed on or after October 17, 2005,	compliance is checked for 24 periods for quarterly returns and 6 periods for annual returns unless the case has a prior bankruptcy extension (PBE). A compliance check is then conducted for unfilled returns for 8 years prior to the petition date.
the established date for the BMF entity is less than eight years prior to the petition date,	APOC will only address compliance starting with the established date.
the filing requirements have been closed prior to the petition date,	APOC will do a compliance check to the closure period instead of to the petition date.

- (5) **Prior Bankruptcy Extension (PBE) Period Review.** Cases with a PBE must have a compliance check conducted for unfilled returns for the past "eight" years prior to the petition date. Previous bankruptcies could move an eight year old unfilled return from a general claim to a priority claim.
- (6) **Delinquent or Filed Return.** If a return is found, a "Y" appears under the data column entitled Compliance. The "Y" indicator only confirms a tax return was filed. It does not establish that the period is fully paid, or has a debit or credit balance. If APOC has not identified a filed return, the annotation in the Compliance column will be "★NO★".

**Note:** If a Return Delinquency period has been closed using TC 59(X), {e.g. TC 590, TC 591, or TC 594}, a "Y" will be displayed for this period and APOC will not prepare an estimated claim record.

5.9.14.2.11  
(09-12-2022)  
**Claim Record**

- (1) **Removing a Claim Record from APOC.** Should a caseworker choose to remove a claim record from APOC for a specific period, they should select the period from the APOC Period List, select the *Remove Period* button from the APOC Period Detail screen. This will remove the record. A message will appear on the claim record stating PERIOD REMOVED.

**Reminder:** When a period or multiple periods are removed from APOC and there are no other liabilities or open flags on a case, APOC will close the case as no liability on AIS after the next APOC processing. (APOC will not close Chapter 11 or Chapter 12 cases as no liability.)

Once a period has been removed, the *Remove Period* button changes to *Restore Period*. By selecting the *Restore Period* button and selecting the *Save* button, the removed period will be restored.

- (2) **Insert Period.** When a caseworker chooses to select the *Insert* button available from the APOC Periods screen a claim record will appear. The caseworker must choose the appropriate TIN from the drop down TIN options and update all blank areas with the appropriate information. Select the *Save* button to save the record.
- (3) **Split Period.** If an existing claim record must be split (usually when a secured period should be partially priority or general), the caseworker must use *Insert* button available from the APOC Periods screen and update all areas with the appropriate information. Select the *Save* button to save the record.

5.9.14.2.12  
(12-04-2019)  
**Printing, Generating or  
Transmitting APOC  
Claims**

- (1) **Claims Available for Printing.** After cases have completed the APOC process, and the claim is transferred to the Proof of Claim screen, the claims are available for printing on the Proof of Claim screen under *Generate POC*. Options for printing include:

- Draft
- Official Filing Copy
- Reference Copy
- Previously Filed Claims

See IRM 5.9.13.22, Printing Claims.

**Note:** Proofs of claim are NOT generated or printed from the APOC system. Once APOC has completed its tasks, it populates the relevant fields in AIS so a claim can be produced in hard copy or electronic format. The electronic signature of the specialist assigned the case will appear on the front of the claim.

- (2) **Process APOC Button.** Both APOC and APOC Amends systems allow users to electronically file their claims using the Electronic Proofs of Claim (EPOC) system **AFTER** all required actions have been completed. The *Process APOC* button is located on the Case Detail screen. If caseworkers choose to move the claim to AIS without submitting the claim to EPOC, then they will still be able to process EPOC from the AIS POC screen. Caseworkers should utilize the *Submit Claim for EPOC* button in the EPOC area of the Proof of Claim screen, for this purpose.

5.9.14.2.13  
(09-12-2022)  
**Terminating a Case**

- (1) **Terminating a Claim.** If a claim no longer should be filed (e.g., a case has been dismissed or converted to Chapter 7 No Asset), the case can be terminated in APOC to prevent the data from being written over to AIS. The *Terminate APOC* button is located on the APOC Case Detail screen. The caseworker must select *Terminate APOC* button.

**Reminder:** Caseworkers should determine whether removing periods or terminating a case is the appropriate case action. When a period or multiple

periods are removed from APOC and there are no other liabilities or open flags on the case, APOC will close the case as no liability on AIS after the next APOC processing. (APOC will not close Chapter 11 and 12 cases no liability.) Caseworkers will need to manually address closure of cases terminated in APOC.

- (2) **Identifying Terminated Cases.** When a case has been terminated, the caseworker will not be able to resolve any of the flag conditions. The case is immediately terminated and updated in APOC and AIS after the caseworker exits the Case Detail screen. The case automatically moves to "Completed Cases". APOC will input:
  - a. An "R" (Terminated original APOC case) in the "APOC Status" field on the AIS Taxpayer screen.
  - b. A "T" (Terminated Amends case) in the POC statement on the APOC Case Detail screen.
- (3) **Terminated Cases Report.** Cases terminated in APOC will appear on the *Terminated Cases Report* located on the APOC Reports Menu in Business Objects.

**Note:** A terminated case cannot be run through APOC again. If a claim is later deemed necessary, it should be prepared manually.

5.9.14.2.14  
(07-01-2014)  
**Estimated Return  
Process**

- (1) **Estimated Return Information.** APOC processes periods for Debtor TINs found to be non-compliant. Estimates are created for any period where:
  - There is 'NONE' on the B/IMFOLI for the Debtor TIN and no more information is available from cross reference SSNs, or
  - The period is completely missing from Debtor TIN's B/IMFOLI and no more information is available from cross reference SSNs.

APOC will then investigate IRPTRL.

- If IRPTRL information exists for a TIN and period, APOC will compute the tax based on the total taxable reported income.
- If IRPTRL information does not exist for this TIN and period or if MFT is not 30, APOC develops a tax estimate using information from the last filed return (LFR).
- If there is no IRPTR or LFR then APOC estimates the tax period at \$100.

A claim record is created using this estimate as the tax amount.

- (2) **IMF Estimated Process.** APOC computes an estimate using the following process for IMF periods:
  - IRPTRL is used for the unfiled tax year and an estimate is computed based on all reported income.
  - Self-employment tax is computed when non-employee compensation is identified and adds it to the tax estimate.
  - Penalties are not computed on an estimated period.
  - APOC will reduce the estimate when there are credits available on a period.

Step	Action
1	Take total NEC x .9235 = Net Earnings from Self employment
2	Net Earnings from Self employment x .153 = SE tax
3	SE tax x 50% = ½ SE tax
4	Add all other taxable income to the NEC income = Total taxable income
5	Total taxable income -1/2 SE tax =Adjusted Gross Income
6	Adjusted gross income - \$5000 (standard deduction) - \$3000 (personal exemption) = Taxable income
7	Taxable income x .2 (20% tax rate) = Income tax

(4) **IMF Reference Tables.** IMF reference table requirements are as follows:

IF	Then
IRPTRL is available and Mortgage Interest is more than 50% of the total income,	APOC: <ul style="list-style-type: none"> <li>• Issues a period flag,</li> <li>• Creates a claim record, and</li> <li>• Classifies this claim record.</li> </ul>
IRPTRL is not available,	APOC goes to LFR to compute an estimate: <ul style="list-style-type: none"> <li>• The tax on the LFR is increased by 5% per year to the year being estimated.</li> <li>• The withholding figure on the current year credits (credit elect or estimated tax payments) are deducted from the estimated amount.</li> <li>• The resulting amount is used to create a claim record.</li> </ul>
IRPTRL and LFR do not exist for that period and there is a prior estimated tax period based on IRPTRL	APOC: <ul style="list-style-type: none"> <li>• Deducts the withholding figure on the current year credits (credit elect or estimated tax payment) from the estimated amount.</li> <li>•Creates a claim record.</li> </ul>

IF	Then
IRPTRL and LFR do not exist for that period and there is <b>not</b> a prior estimated tax period based on IRPTRL	<p>APOC:</p> <ul style="list-style-type: none"> <li>• Creates a claim record,</li> <li>• Inputs a \$100.00 estimate, and</li> <li>• Issues a flag.</li> </ul> <p><b>Exception:</b> APOC does not issue this flag in Chapter 7 cases, or for unsecured general periods in Chapters 11, 12 or 13 cases.</p>

- (5) **BMF Estimated Process.** APOC computes estimates for BMF periods using the following process:

- BMF periods are based on LFR information.
- The tax amount is calculated from the period liability using all TC 150s, 290s, or 300s.
- APOC will reduce the estimate when there are credits available on a period.
- The tax amount is input to the APOC claims record.
- No penalty is computed for the estimate.

**Note:** APOC does not do compliance on returns such as tax form 2290 or 944, thus it will not compute estimates for those returns.

- (6) **BMF Reference Tables.** BMF reference table requirements are as follows:

IF	THEN
An estimate cannot be computed and the MFT is 01, 03, 11, 16, or 19,	<p>APOC:</p> <ul style="list-style-type: none"> <li>• Creates a claim record,</li> <li>• Inputs a \$100.00 estimate,</li> <li>• Classifies the record as <b>P</b> (Priority), and</li> <li>• Issues a flag.</li> </ul> <p><b>Exception:</b> APOC does not issue this flag in Chapter 7 cases.</p>

- (7) **BMF Split Period Estimates.** APOC computes an estimate for “Split Periods” using the liability incurred after the period beginning date and before the petition date (pre-petition). It is computed as follows:

- A prorated estimate is computed using 91 days for quarterly returns and 365 days for annual returns.
- The tax amount for the last filed return is divided by the number of days for a daily rate.
- The number of days is computed from quarter or year beginning date to the petition date for the total of pre-petition days.

- The pre-petition days are multiplied by the daily rate for the prorated estimate.

**Example:**

- Last Filed return had tax of \$455.00.
- $455.00 / 91 = 5.00$  per day.
- Beginning of quarter to petition date is 50 days.
- $50 \text{ days} \times 5.00 = 250.00$  for the prorated estimate.

5.9.14.3  
(05-05-2016)  
**Amended Automated  
Proofs of Claim  
(AAPOC)**

- (1) **APOC Amends Information.** When a proof of claim has been timely filed and situations warrant, an amended claim may be filed as necessary to claim the correct liability owed the Service. Amended claims processed through APOC are not limited to initial proofs of claim created by APOC, thus all cases shall be candidates for the APOC Amends process.

**Reminder:** If a claim is amended, the plan information on the Confirmed Plan Monitoring screen must be changed manually to match the amended claim.

- (2) **Source for Amended Claims.** The basis for APOC Amends process is the existing "Litigation Transcript System" (LTS) process, a subsystem of AIS. LTS matches "Master File" (MF) data with a -V and/or -W freeze codes with the TIN records on the AIS. The MF data is extracted weekly to a file that is sorted and transmitted to the AIS database. LTS transcripts are retained for six weeks, after that time, the transcripts are deleted from AIS. The litigation transcript data that is available to the APOC Amends process is the source for triggering an automated amended proof of claim.

5.9.14.3.1  
(09-12-2022)  
**Amends Process**

- (1) **Amends Case Selection.** The following must be met before a case will be eligible for APOC Amends processing.
- The case is a chapter 7A, 11, 12, or 13.
  - The Employee Org1 level is NOT 85000 (CIO).
  - "Discharged", "Dismissed", "Noticed", and "On AIS" fields are Null.
  - Proof Required is F.
  - Proof Filed is NOT Null.
- (2) **Litigation Transcript Criteria.** The following must be met before a transcript will be eligible for APOC Amends processing:
- The transcript type is "NEW ASSMTS -----Transaction Code 150 Found".
  - The TC 150 has posted to IDRS (TXMODA) with an assessment date.
  - Period Ending date on Litigation transcript is determined to be "Pre-Petition".
- Note:** APOC Amends does not process "Post-Petition or Split Periods".
- (3) **Estimated Paragraph Criteria.** APOC Amends will process the litigation transcript if the tax period was included on the proof of claim with an "Estimated Paragraph" equal to one of the following:
- 1 (Estimated - No return was filed and APOC estimated based on IRPTR or Last Return Filed information) or,
  - c (Estimated - Return is due after the petition date) or,

- d ( Estimated - APOC could not provide an estimate. A \$100 estimate is being used as a placeholder on the claim. The caseworker needs to make a manual determination of the estimated amount)

**Note:** Occasionally employees will choose to amend a proof of claim after receiving the **original tax return**. Employees must remember to change the **estimated paragraph** number/alpha for the manually amended period to something other than **1, c, or d**, to prevent APOC Amends from processing the Litigation Transcript when the return posts to IDRS.

- (4) **Processing Delays.** APOC may encounter processing delays caused by any of the following:
  - Problems with IP Address connections to IDRS,
  - IDRS Dead Cycles,
  - LTS unavailable, or
  - TC 150 assessed on LTS but not found on TXMODA.
- (5) **TC 150 Not Found on TXMODA.** When a "TC 150 New Assessment" transcript is selected for Amends processing but the TC 150 does not appear on the TXMODA, APOC will abort the transcript and select it again during the next Amends process.
- (6) **MFREQ.** The Amends program has added the ability to run MFREQ. Occasionally there are times when the amends program is unable to retrieve INTSTB for a pending TXMODA. When this occurs APOC will abort the transcript and select it again during the next Amends process.
- (7) **APOC Review Field.** The "APOC Review" field located on the Litigation Transcript screen will automatically be populated with the date APOC Amends selected the transcript for processing.

#### 5.9.14.3.2 (12-04-2019) Amends Status

- (1) **APOC Status Field.** The "APOC Status" field is located on the Case File and APOC Case Detail screen. This field will be populated with one of the following APOC Amends status codes:
  - H – Amends case on Hold
  - T – Terminated Amends case
  - @ - Completed Amends case
- (2) **H Status.** All cases selected for amendment will be in "H (Hold)" status. When a caseworker removes the "H" from the "APOC Status" field, APOC will process the case during the next APOC run. The case will then move to AIS and update the AIS POC. All periods selected for amendment should be reviewed prior to removing the "H".
- (3) **T Status.** A caseworker may choose to terminate the case from the Amends process by selecting the **Terminate APOC** button located on the APOC Case Detail screen. The case is immediately terminated and updated in APOC and AIS after the caseworker exits the APOC Case Detail screen. The case automatically moves to "Completed Cases".
- (4) **@ Status.** When a caseworker removes the "H (Hold)" from the "APOC Status" field, APOC will select the case during the next APOC Initiation Process and process the amendment. The case will then move to AIS and update the AIS POC. The "@" sign will appear in the "APOC Status" field on

the APOC Case Detail Screen and in the “APOC Status” field on the Case File screen when a case has been amended by APOC Amends.

**Note:** Caseworkers must remember to submit the case to be EPOC’d or generate the claim for printing.

5.9.14.3.3  
(12-04-2019)  
**Amends Access**

- (1) **APOC Amends Access.** Select the *Open - Amendment* or *Completed - Amendment* option from the APOC Processing drop down menu from the Case File screen.

5.9.14.3.4  
(12-04-2019)  
**Open Amends**

- (1) Open Amends cases are those cases that have not successfully completed the APOC Amends process. Open Amends cases are those with a date in the “Amend Beg Date” field and without a date in the “Amend End Date” field on the APOC Case Detail screen. These cases are currently in “H (Hold)” in the Amend status, awaiting processing determination by the caseworker.
  - a. **Open Amendment Case List.** This screen provides a list of all cases with a transcript selected for the amendment process.
  - b. **Amend Beg Date.** This column reflects the date APOC Amends selected the case for processing.
  - c. **Amend Status.** This column reflects the current APOC Amend status. The Open Amends cases will always reflect a status of “blank” which reflects the user has removed the “H” and the case is awaiting further processing, or “H” if it has not been worked.
- (2) **Access Amended Period.** The Periods List Screen will have a “Yes” under *Amended* column for the period that was selected for an amendment.

5.9.14.3.5  
(05-05-2016)  
**Amends Time Frame Requirements**

- (1) **Field Insolvency.** Field Insolvency groups generate and work Litigation Transcript System (LTS) reports on cases currently assigned to the Field.
- (2) **Weekly Extractions.** MF data are sorted and transmitted to the AIS database once a week. The APOC system will process the “Bal Due” TC 150 New Assessment transcripts for cases assigned to the Field and meet the “Case Selection” criteria.
- (3) **Time Frame.** Caseworkers must review “Open Amendment” cases within 30 calendar days of the Amend Beg Date.

5.9.14.3.6  
(09-12-2022)  
**APOC Amends Flag Conditions and Resolutions**

- (1) **TC 150 Flags.** Flags will be issued for the following TC 150 transcripts processed through the APOC Amends system:

APOC Amends Flags	Definition and Resolutions
TC 150 Zero Module Balance – Possible Offset	<p>APOC Amends will select a New TC 150 Zero Balance transcript where the original POC contained an estimated delinquent period and the tax return for this period is now filed and assessed. APOC processes new assessment periods with a zero balance. APOC provides a zero dollar calculation of the period based on the filed return. The caseworker will need to review the Litigation Transcript for this particular period flag to determine if an offset occurred and to which period the offset was applied. If an offset occurred, the caseworker will process the offset on the appropriate APOC record and then clear the flag. If there was no offset, but the claim still needs amending to reflect the filing of the return, the caseworker can update the claim. If the claim no longer needs amendment, the caseworker can terminate the amends process.</p> <p><b>Reminder:</b> If the bankruptcy is joint and separate estimates were done by APOC, and then the taxpayers file a joint return, the caseworker will need to remove or zero the estimate for the other TIN.</p>

APOC Amends Flags	Definition and Resolutions
TC 150 LT Credit Module Balance	<p>APOC Amends will select a TC 150 Credit Module Balance transcript where the original POC contained an estimated delinquent period and the tax return for this period is now filed and assessed. APOC processes new assessment periods with a credit balance. APOC provides a zero dollar calculation of the period based on the filed return. The caseworker will need to review the Litigation Transcript for this particular period flag to determine if an offset should take place and to which period the offset should be applied. If an offset is required, the caseworker will process the offset on the appropriate APOC record and then clear the flag.</p> <p><b>Note:</b> APOC does NOT move the credit on IDRS. The caseworker will need to ensure that credit systematically offsets to the correct period or request a credit transfer.</p> <p>If there is no need for offset, but the claim still needs amending to reflect the filing of the return, the caseworker can update the claim. When the claim is processed IIP will input a new 520 with the closing code used by the territory. If that closing code allows systemic refunds and a manual refund will not be issued, update the AIS Refund Screen to "Never Process". If the closing code does not allow systemic refund, prepare manual refund.</p> <p>If the claim no longer needs amending, the caseworker can terminate the amends process.</p> <p><b>Reminder:</b> If the bankruptcy is joint and separate estimates were done by APOC and then the taxpayers file a joint return, the caseworker will need to remove or zero the estimate for the other TIN.</p>
TC 150 LT Balance Due	<p>APOC Amends will select a New Assessment Transaction Code 150 Found transcript where the original POC contained an estimated delinquent period and the tax return for this period is now filed and assessed. APOC processes new assessment periods with a balance due and issues this flag. Users must decide if the period that was previously estimated should be amended to reflect the new balance due. APOC calculates the new amount owed. If the period should be amended the caseworker can clear the flag. If the period should not be included on the claim, the caseworker can terminate the amends process.</p> <p><b>Reminder:</b> If the bankruptcy is joint and separate estimates were done by APOC and then the taxpayers file a joint return, the caseworker will need to remove or zero the estimate for the other TIN.</p>

These flags are located in the *Period Flag* section on the APOC Periods screen. Flags must be resolved prior to case completion. A case will appear on the Open Amendment Report and the Flagged Amendment Report until all flags have been resolved. A case with an open flag cannot be submitted for processing through EPOC until after flags have been resolved.