



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

7.2.4

NOVEMBER 24, 2023

EFFECTIVE DATE

(11-24-2023)

PURPOSE

- (1) This transmits revised IRM 7.2.4, TE/GE Closing Agreements, Employee Plans Voluntary Closing Agreement Requests.

MATERIAL CHANGES

- (1) Updated IRM 7.2.4.1.1 Acronyms, Terms and Definitions to include references to previously undefined acronyms.
- (2) Added IRM 7.2.4.2 to include procedures for Taxpayer Digital Communications Secure Messaging.
- (3) Revised IRM 7.2.4.4, Guidelines for Voluntary Requests for EP Closing Agreements and VCAP Pre-Submission Conference Requests, to add language clarifying that VC has discretion to decline to process any closing agreement request or pre-submission conference request and that VCAP pre-submission conference requests are held at the discretion of VC, and as time permits.
- (4) Updated IRM 7.2.4.4 (6) to provide that the VC Manager must approve and obtain the concurrence of the Director of EP R&A to permit any request to allow correction to be completed after the closing agreement is executed.
- (5) Revised IRM 7.2.4.4.2 Procedure for Receipt of VCAP Requests and VCAP Pre-Submission Conference Requests, to reflect that applicants may be informed of the receipt of their VCAP request via fax.
- (6) Updated IRM 7.2.4.4.3 Processing Closing Agreement Requests under the VCAP, to provide additional instructions for specialists and managers regarding handling closed VCAP pre-submission conference files after the specialist has completed their review and updating RCCMS case records of any anonymous case once they receive disclosure information.
- (7) Updated IRM 7.2.4.4.4 (6) to provide that the program coordinator will send the closing letter to the applicant.
- (8) Updated IRM 7.2.4.6 to reflect that documents for sanction processing can now be sent to a designated mailbox via email and to note special rules that apply when sanctions are approved to be paid via paper check.
- (9) Updated in various places to reflect an RCCMS update that now allows for recording "failure codes" into the RCCMS issue data grid. Previously they were noted in the "Principal Issue Code" field.
- (10) Made changes throughout the IRM for plain language, editorial changes, clarity and removal of outdated references.

EFFECT ON OTHER DOCUMENTS

This supersedes IRM 7.2.4 dated October 26, 2022, and incorporates the applicable provisions of TEGE 04-0622-0018, Taxpayer Digital Communications Secure Messaging.

AUDIENCE

Tax Exempt and Government Entities
Employee Plans

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7.2.4

Employee Plans Voluntary Closing Agreement Requests

Table of Contents

7.2.4.1 Procedure Scope and Objectives

7.2.4.1.1 Acronyms, Terms and Definitions

7.2.4.1.2 Authority

7.2.4.1.3 Roles and Responsibilities

7.2.4.2 Taxpayer Digital Communications Secure Messaging (TDC SM)

7.2.4.3 Employee Plans Voluntary Closing Agreement Requests Overview

7.2.4.4 Guidelines for Voluntary Requests for EP Closing Agreements and VCAP Pre-Submission Conference Requests

7.2.4.4.1 Information Required in Voluntary Closing Agreement Requests and VCAP Pre-Submission Conference Requests

7.2.4.4.2 Procedure for Receipt of VCAP Requests and VCAP Pre-Submission Conference Requests

7.2.4.4.3 Processing Closing Agreement Requests under the VCAP

7.2.4.4.4 Processing VCAP Pre-Submission Conference Requests

7.2.4.5 Voluntary Submissions for 457(b) Plans

7.2.4.6 Processing Closing Agreement Sanction Payments

7.2.4.7 Converting a VCAP Request into a VCP Submission

Exhibits

7.2.4-1 Links to the VC SharePoint site

7.2.4.1 (11-05-2019) Procedure Scope and Objectives

- (1) Purpose: This IRM describes the procedures Employee Plans (EP) Voluntary Compliance (VC) follows to process requests for closing agreements under the EP Voluntary Closing Agreement Procedures (VCAP).
- (2) Audience: EP Employees who process closing agreement requests and any IRS employee who transfers a closing agreement request to VC.
- (3) Policy Owner: Director, EP.
- (4) Owner: EP.
- (5) Objective: To encourage sponsors of qualified plans, and others that service qualified retirement plans, to voluntarily disclose to the IRS discovered violations of qualified plan and federal tax requirements along with a proposed correction.

7.2.4.1.1 (11-24-2023) Acronyms, Terms and Definitions

- (1) This table lists commonly used acronyms and terms and provides their definitions.

Term or Acronym	Definition
ACH	Automated Clearing House
CCR	Form 5464, Case Chronology Record.
DO 8-3	Delegation Order 8-3
IRC	Internal Revenue Code of 1986, as amended
EEE	Associate Chief Counsel - Employee Benefits, Exempt Organizations and Employment Taxes
EP	The Employee Plans Division
EPCRS	Employee Plans Compliance Resolution System
EP R&A	Employee Plans' Rulings and Agreements
EP R&A Director	EP R&A Director or Delegatee
EP R&A Technical Advisor	EP R&A Tech Advisor
HQEP -TRAC	Headquarters Employee Plans System of TE/GE Rulings and Agreements Control
IDRS	Integrated Data Retrieval System
Kansas City	Kansas City Submission Processing Center

Term or Acronym	Definition
POA	Power of Attorney. For purposes of this IRM, an individual designated on a signed and completed Form 2848 authorized to represent the plan sponsor or taxpayer before the IRS.
RCCMS	Reporting Compliance Case Management System
Specialist	Any Internal Revenue Agent or Tax Law Specialist in EP that processes VCP submissions or VCAP requests.
TDC SM	Taxpayer Digital Communication Secure Messaging
TE/GE	Tax Exempt and Government Entities
TEGEDC	TEGE Division Counsel
VC	Employee Plans' Voluntary Compliance Function
VCAP	Voluntary Closing Agreement Procedures
VCAP Pre-Submission Conference Request	Voluntary Closing Agreement Procedures Requests for telephone conferences to discuss a potential submission (can be done anonymously). These conference requests are not considered VCAP requests.
VCP	Employee Plans' Voluntary Correction Program

7.2.4.1.2
(10-26-2022)
Authority

- (1) The IRS Commissioner may enter into and approve a written closing agreement with any person for their liability with respect to any internal revenue tax for any taxable period ending before or after the date of such agreement. (IRC 7121 and the regulations thereunder).
- (2) Treasury Regulation Section 301.7121-1(a) permits the IRS to enter into a closing agreement in any case in which there appears to be an advantage to permanently and conclusively close the case, or if the taxpayer shows good and sufficient reasons for a closing agreement, and the Commissioner determines that the United States will not sustain any disadvantage through consummation of an agreement.
- (3) The Commissioner delegates to the Commissioner, Tax Exempt and Government Entities Division (TE/GE) in cases under their jurisdiction the authority to

enter into and approve a written agreement with any person for internal revenue tax liability of such person, or the person or estates for whom they act as authorized by IRM 1.2.2.9.3 and Delegation Order 8-3. (DO 8-3).

- (4) Delegation Order 8-3 (DO 8-3) delegates the authority to enter into and approve a written closing agreement with any person relating to their federal tax liability to the EP Director and the Director, EP Rulings and Agreements (R&A).
- (5) R&A considers voluntary closing agreement requests to resolve certain income and excise tax issues that are ineligible for resolution under EPCRS. (Rev. Proc. 2023-4, Section 4).
- (6) Voluntary closing agreement requests are resolved by issuing a Director's closing agreement authorized by IRM 1.2.2.9.3, DO 8-3 signed by the appropriate party (for example, the plan sponsor, plan administrator or plan trustee) and IRS representative, as authorized under the Delegation Order.
- (7) For approved closing agreement requests processed under this IRM 7.2.4, the EP R&A Director will sign the closing agreement.

7.2.4.1.3
(10-12-2021)
**Roles and
Responsibilities**

- (1) The VC Manager oversees the processing of voluntary requests for closing agreements and requests for pre-submission conferences and assigns them to specialists and also collaborates with VC program coordinators to monitor the overall progress on assigned requests.
- (2) VC program coordinators review and process assigned closing agreement requests and requests for pre-submission conferences and collaborate with specialists assigned closing agreement requests, requests for pre-submission conferences and VCP submissions that are resolved with a closing agreement.

7.2.4.2
(11-24-2023)
**Taxpayer Digital
Communications Secure
Messaging (TDC SM)**

- (1) The IRS is implementing Taxpayer Digital Communications Secure Messaging (TDC SM) as a more efficient way for taxpayers and their authorized representatives, if applicable, to exchange information and documents with the IRS. Taxpayers/representatives will use the TDC SM platform by invitation only. The procedures apply to all compliance activity types (cases) that include taxpayer contact with a start date on or after June 22, 2022.
- (2) You must offer TDC SM to all taxpayers and their representatives with the initial contact letter. TE/GE has revised many initial contact letters to include language that advises taxpayers and their representatives of the availability of TDC SM to communicate securely with you. The revised letters use selectable paragraphs that you must choose. Use the TDC SM paragraph with the initial contact letter and suggest that irs.gov/TEGEConnect be visited to enroll and get started.
- (3) For cases with start dates before June 22, 2022, where employees have already issued the opening letter initiating contact to the taxpayer/representative, those employees will consult with their manager to determine whether offering TDC SM is appropriate for facilitating efficient and effective issue resolution and/or timely case closure. If you and your manager think TDC SM would be beneficial, invite the taxpayer and their representative to use TDC SM to bring your case to conclusion. Include the following language with the request for information (e.g., Information Document Request):

While you can always reach me via the telephone number, fax number, and mailing address shown above, the IRS now has an easier method of communicating with taxpayers: IRS Secure Messaging. With this service, you (and your authorized representative, if applicable) will be able to quickly and easily communicate with me about your case. Please visit irs.gov/TEGEConnect for more information about secure messaging.

- (4) If contacting the taxpayer/representative by telephone, you should discuss the availability of TDC SM. You can review the Publication 5295 with the taxpayer/representative, or send by fax or mail if necessary. You can also send the publication by secure email, an option currently available through October 31, 2023, per interim guidance NHQ-01-1121-0004.
- (5) Taxpayers/representatives participating in the TDC SM must consent to receive and send information and documents via the TDC SM platform. Secure from the taxpayer and their representatives electing to participate with the TDC SM platform a signed Form 15314, TE/GE Secure Messaging Taxpayer Agreement Authorization of Disclosure to Designated Users. When returned, submit the signed form to the BSP shared mailbox (*TEGE TDC TP Provisioning) for taxpayer and representative account creation. Once established, the system will notify the taxpayer and their representative through email with instructions on how to access their TDC SM account. You will send a welcome message to the taxpayer and their representative.
- (6) Document your invitation to the taxpayer and their representative to use TDC SM and their response in your CCR.
- (7) Upon closure of your case, send a message to the taxpayer that you are closing your case and future communications within TDC SM will not be possible for this case and follow procedures to close the case within TDC SM.

7.2.4.3 (10-26-2022)

Employee Plans Voluntary Closing Agreement Requests Overview

- (1) These procedures apply to closing agreement requests submitted to:
 - a. VC under the EP VCAP.
 - b. Any IRS employee, including employees of the Office of Chief Counsel, Wage and Investment, Small Business/Self-Employed, Large Business and International, and TE/GE Operating Divisions, who transfers the request to VC.
 - c. VC for 457(b) plans. (Rev. Proc. 2021-30, Section 4.09).
 - d. VC as a result of an EPCRS VCP submission converted to a closing agreement request because the VCP submission includes failures and/or other issues ineligible to be corrected under EPCRS, as authorized under Rev. Proc. 2023-4, Section 4.

Note: With your group manager's approval along with the approval of the VC Manager, employees may offer a VCP applicant the option to resolve failures or issues by converting the VCP case to a VCAP request. In such instances, the specialist should review the Form 2848 that was submitted with the VCP case to determine if a new Form 2848 will be needed. In most cases a new Form 2848 will be needed because the description of "Matters" in Line 3 is limited to issues that can be addressed under VCP and the issues that will be resolved in the VCAP are outside the scope of issues that can be addressed under VCP.

- (2) VC has discretion to determine whether to accept or reject any closing agreement request or pre-submission conference request. VC has discretion to determine whether to resolve the issues disclosed in the request.

7.2.4.4
(11-24-2023)

Guidelines for Voluntary Requests for EP Closing Agreements and VCAP Pre-Submission Conference Requests

- (1) Generally, VC will consider closing agreement requests and, beginning on January 1, 2022, requests for pre-submission conferences, for failures or problems that aren't eligible for resolution under EPCRS.

Example: Some issues ineligible for EPCRS:

Excise taxes associated with prohibited transactions.

Failure to provide (or accurately provide) Forms 1099-R or W-4P.

Note: A closing agreement request that includes issues in IRM 7.2.4.4 (1), may also include failures that are resolvable under EPCRS.

- (2) Requests from a plan sponsor or entity or requests involving a plan that is under any type of IRS examination at the time they send the closing agreement request to the IRS may cause VC to decline to enter into a closing agreement.
- (3) Requests from a plan sponsor, any other party to the closing agreement, including any entity that makes the request, or requests involving a plan that was or may have been a party to an abusive tax avoidance transaction, may cause VC to decline to enter into a closing agreement.
- (4) VC will consider closing agreement requests and pre-submission conference requests submitted:
- a. Anonymously, if made before January 1, 2022, by a representative of the taxpayer. The taxpayer's identity is not disclosed until after the IRS and representative have agreed to the closing agreement terms.
 - b. To reduce or relieve penalties associated with a failure to pay and/or failure to file that are in addition to the taxpayer's liability for income or excise tax amounts.
 - c. By an organization involving several plans for an umbrella or mass closing agreement.
 - d. Anonymously, by a representative of the taxpayer, for a pre-submission conference request made on and after January 1, 2022.
- (5) Generally, for closing agreement and pre-submission conference requests under this IRM 7.2.4, requests to negotiate the following will be denied:
- a. Any applicable income or excise tax amounts, including applicable interest owed to the IRS.
- Exception:** A request may be made to waive the 100% excise tax imposed by IRC 4971(b) and 4975(b) and such waiver may be provided in appropriate circumstances.
- b. Minimum funding deficiencies or correction of prohibited transactions. Taxpayers shouldn't ask for the following actions in closing agreement and pre-submission conference requests:
 - Reduce a plan's existing minimum funding deficiency.
 - Settle for less than 100% of the tax imposed by IRC 4971(a) and 4975(a).

- Accept a reduction of a minimum funding deficiency.
- Not require correction of prohibited transactions.

Note: For plans subject to Title I of ERISA, a plan sponsor should correct a prohibited transaction using the Department of Labor's Voluntary Fiduciary Correction Program before making a request for a closing agreement.

- (6) Generally, all corrective actions described in the closing agreement must be completed before the agreement is executed. The VC Manager must approve and obtain the concurrence of the Director of EP R&A, to permit any request to allow correction to be completed after the closing agreement is executed.
- (7) Closing agreements issued under this IRM:
 - a. Provide administrative convenience allowing taxpayers to address tax consequences other than plan disqualification (such as excise tax or additional income tax) by paying their full tax liability, interest, and, if applicable, penalties.
 - b. Won't be open-ended, prospective or relate to future periods.
- (8) An entity making a closing agreement request or pre-submission conference request doesn't receive examination protection, so the request doesn't preclude the IRS from subsequently examining the plan or plan sponsor. However, if the VCAP request includes items eligible for EPCRS, we'll exempt those items from examination while working the VCAP request, if they were originally made by a disclosed plan and plan sponsor.
- (9) For anonymous closing agreement requests submitted before January 1, 2022, and pre-submission conference requests received on and after January 1, 2022, if the plan or plan sponsor is under examination after they submitted their request, but before they have disclosed their identity to the IRS, then VC cannot consider their request and the request will be closed by VC without issuing a closing agreement. Instead, the issues in the closing agreement request or pre-submission conference request will have to be resolved as part of the IRS examination.
- (10) VC coordinates with the EP R&A Director to evaluate VCAP requests. Where appropriate, VC coordinates with the EP Examinations Director, TEGE Division Counsel or Associate Chief Counsel - Employee Benefits, Exempt Organizations and Employment Taxes (EEE).
- (11) Except as noted below, for VCP submissions that are converted into a VCAP, the full sanction amount should be paid without any offset of any VC user fee previously collected. VCP user fees should be refunded to the applicant. (IRM 7.2.4.6 (7)).

Exception: Don't refund VCP user fees for VCP submissions that are converted into a VCAP due to the situations described in IRM 7.2.2.10(2)(b), (c) and (f).

- (12) VCAP pre-submission conference requests are held only at the discretion of the IRS, and as time permits.
- (13) VC may decline to process a closing agreement request or VCAP pre-submission conference request.

7.2.4.4.1

(10-26-2022)

Information Required in Voluntary Closing**Agreement Requests and VCAP****Pre-Submission****Conference Requests**

- (1) The plan, plan sponsor (or entity making the request) or the “eligible party” (collectively referred to as the applicant) must include the following items in a VCAP request. (See IRM 7.2.4.4.1(2) for anonymous VCAP requests submitted before January 1, 2022).

A	Employee Identification Number (EIN).
B	Name and address of the entity expected to sign the closing agreement.
C	Name of retirement plan, if applicable.
D	Three-digit plan number, if applicable.
E	Name of plan sponsor, if applicable.
F	Person to contact at plan sponsor or entity identified in B. Note: In rare situations, you may need authorization from the taxpayer before disclosing information to the person identified as the person to contact. Remember that a Taxpayer needs to provide authorization if the individual identified is a third party.
G	Six-digit North American Industry Classification (NAICS) code Note: Find the NAICS code on the filed Form 5500 series return for the retirement plan or choose the appropriate code from the Form 5500 instructions for making the request.
H	Explanation of the issue(s) in detail, including how and why it occurred, the number of people impacted, the plans or IRAs affected and the period of time the issue occurred.
I	Explanation of a proposed solution of the issue(s) and why the proposed solution is the best course of action.
J	Explanation of the method used to compute and computation of the tax, interest or penalties, if applicable.
K	Proposed sanction amount and an explanation of why it's appropriate.
L	Number of plan participants and the total amount of plan assets. If not readily available or for a request covering multiple plans, provide estimates if possible.
M	Exhibits and/or spreadsheet with additional details.
N	Statement as to whether the plan sponsor, plan, or entity making the request is under any IRS examination.
O	Statement to certify the plan sponsor, plan, or entity making the request, has not been involved with an abusive tax avoidance transaction.
P	Signed penalty of perjury statement that the submitted information is accurate and complete to the best of their knowledge.
Q	Form 2848, <i>Power of Attorney and Declaration of Representative</i> , if a representative has been appointed.

- (2) For anonymous submissions submitted before January 1, 2022, and anonymous pre-submission conference requests made on and after January 1, 2022, the representative making the request should include items H-N, above, and the following:
 - a. A unique identifying number the representative has assigned to the closing agreement request. The identifying number should not be used for any other closing agreement request.
 - b. The EIN of the representative's employer.
 - c. A penalty of perjury statement signed by the representative stating: "Under penalties of perjury, I declare that I am an authorized representative of the taxpayer who would be party to any closing agreement. I comply with the power of attorney requirements described in 26 C.F.R. § 601.501-601.509. I will submit an executed Form 2848 upon the disclosure of the identity of the taxpayer to the IRS. I also declare that the issues and information included with this request are true, correct, and complete to the best of my knowledge and belief."
- (3) VCAP requests, including anonymous VCAP pre-submission conference requests, should be faxed to (855) 240-1585.
- (4) Other IRS functions (including TEGEDC and EEE) that receive VCAP requests involving tax-favored retirement plans should notify the VC Manager that they received a VCAP request and fax the request to (855) 240-1585. The VC Manager has discretion to determine if the request will be worked by VC and will notify the originating IRS function of that determination.

7.2.4.4.2
(11-24-2023)

**Procedure for Receipt of
VCAP Requests and
VCAP Pre-Submission
Conference Requests**

- (1) The VC Manager assigns an employee to convert any faxed VCAP requests or VCAP pre-submission conference requests into electronic records and establish those requests as a Compliance Activity on the Reporting Compliance Case Management System (RCCMS).
- (2) When a VCAP request or pre-submission conference request is sent to the VCAP fax number (either from a plan sponsor, POA or other business unit), the assigned employee:
 - a. Establishes the request on the Headquarters Employee Plans System of TE/GE Rulings and Agreements Control (HQEP -TRAC) to obtain a unique identifying number that will be entered as the "Work Unit" number in a newly established RCCMS Activity.
 - b. Completes the identifying information and all required fields in the **General (1 of 2)** and **Codes/Checksheets** tab for establishing cases in RCCMS:

1. TIN (i.e., EIN) or SSN, but only for instances where closing agreement covers an individual.
2. Name.
3. Enter as the appropriate type of case **Voluntary request for Closing Agreement, Voluntary Closing Agr-Gp Submission, Closing Agreement Pre-Submission Conference**, for pre-submission conference requests received on and after January 1, 2022, or for anonymous requests made before January 1, 2022, **Voluntary Closing Agr-Anonymous**.
4. Work unit.
5. Plan type.
6. Plan number.
7. Return received, as the date the request was faxed.
8. Statute, as two years from the date entered in the **Return Received** field.
9. Name control.
10. Appropriate project code that applies to the plan type submitted to VCAP.
11. Status code should be "08", but if the assigned employee is a program coordinator input "10".
12. Activity grade.
13. NAICS Code

Note: Use **111100--Oilseed and Grain Farming** for cases involving an individual who has never maintained a trade or business.)

- c. After the request to establish the RCCMS case is approved the assigned employee prepares all documents for posting as an Adobe Portable Document Format (PDF) file to the Office Documents folder in RCCMS. The RCCMS naming convention, as described in IRM 7.2.2.17.2, Mandatory RCCMS Naming Convention for EP VC Cases, is used.
- d. For VCAP requests, conduct or request IDRS search to see if the applicant or plan is under examination.
 - Use AMDIS, EMFOLT, INOLE and BMFOLT IDRS commands, as appropriate.
 - Place results in the "Office Documents" folder in RCCMS or note findings in workpapers.
 - Discuss indications of examination activity with the VC Manager.
- e. For VCAP Requests, notify the applicant (or the representative, if filed anonymously before January 1, 2022) of receipt of the request and the assigned Work Unit number using Letter 5265.
- f. Request establishment of the new VCAP request (including VCAP pre-submission conference requests) on RCCMS. Once the case is established on RCCMS, request a transfer of the case to Group 7550 so the VC Manager can assign the request.

7.2.4.4.3
(11-24-2023)
**Processing Closing
Agreement Requests
under the VCAP**

- (1) The VC Manager, group manager, program coordinator or specialist may consult a local IRS Field Actuary, and EP Examinations, including area managers, for technical assistance.

Example: Some issues/failures that may require additional coordination:

IRC 412(i) plan issues.
IRC 409(p) failures.
Rollovers as Business Startups failures.

- (2) For program coordinators working cases, unless noted otherwise, they should follow the same procedures as the specialist to process the case.
- (3) The VC Manager assigns VCAP requests to VC groups. Group managers, unless noted otherwise, should follow the same procedures that are in IRM 7.2.2.5 when assigning VCAP requests to specialists. The specialist works with the program coordinator and group manager to finalize the closing agreement and sanction payment.

Note: The VC Manager will assign all closing agreement pre-submission conference requests to program coordinators.

- (4) Specialist: Upon receipt, see IRM 7.2.2.6, Actions Upon Receipt of Newly Assigned VCP Cases, and IRM 7.2.2.6.1, Required Use of Form 5464 and WebETS, for additional directions and requirements for initial case processing.
- (5) Follow the naming convention guidelines in IRM 7.2.2.17.2 for naming files that are posted in RCCMS when working VCAP requests.
- (6) For VCAP requests where there is information indicating that the applicant made a pre-submission conference request:
 - a. Contact your manager and request that the closed pre-submission conference case be transferred to you so you can review the workpapers.
 - b. When reviewing the workpapers remember that any discussion during a pre-submission conference request is advisory only and not binding on the IRS. The facts, the proposal, the supporting documents, and the disclosed issues or resolution may have changed from what was included in the pre-submission conference request.
 - c. Transfer the pre-submission conference RCCMS case file back to your manager once you have completed your review.
 - d. The specialist's manager transfers the pre-submission conference RCCMS case file to Group 7550 and the program assistant returns the file to the RCCMS closed case library
- (7) Specialists develop and keep workpapers that document:
 - a. Analysis and research.
 - b. Explain conclusions.
 - c. Conversations that led to a conclusion or recommendation.
- (8) Specialists should develop and analyze requests.
 - a. Coordinate with your group manager before contacting a program coordinator, as the group manager should be consulted to assist you with developing the case and may designate what program coordinator you should work with on the VCAP case.

- b. If additional information is needed, use Letter 5345 (and, if applicable, Letter 5346) to request that information.
 - c. Offer TDC SM to the Applicant/POA by following IRM 7.2.4.2, Taxpayer Digital Communications Secure Messaging (TDC SM).
 - d. Consult with the assigned program coordinator for assistance, if needed, in developing the case.
 - e. After development of the case, prepare a summary of the case (using the template posted on SharePoint) and email the summary, along with the narrative in the original request, to the program coordinator who is assisting you with the case.
 - f. The program coordinator will communicate with the specialist to finalize the summary of the case. In some instances, the program coordinator may have questions that require the specialist to do additional research or contact the applicant in order to further develop the case.
- (9) The VC Manager designates a program coordinator to follow the steps below for the VCAP request. Once cases are fully developed, the designated program coordinator takes the following actions:

Action	Steps
Emails the other program coordinators and the VC Manager to have a preliminary discussion of any requests, after the case has been developed by the specialist working the request and the specialist has emailed a summary of the request to the assigned program coordinator assisting the specialist with the case.	<ol style="list-style-type: none"> 1. Circulate summaries of requests (using template) for discussion. <ol style="list-style-type: none"> a. The specialist assigned the case is expected to develop the case issues and provide the program coordinator with a summary of the request. The specialist should coordinate with their group manager before contacting a program coordinator. b. The specialist should consult with a program coordinator for assistance. 2. Schedule a teleconference for the group to discuss requests and make a determination whether the request is ready to be presented to the EP R&A Director or needs further development.
Schedules a teleconference with: <ul style="list-style-type: none"> • VC Manager. • EP R&A Director. • EP R&A Tech Advisor. • Other program coordinators. 	Attach to the teleconference invite a summary of each closing agreement request, any other helpful documents and proposed sanction.

Action	Steps
Participates in a discussion.	<ol style="list-style-type: none"> 1. The program coordinator assigned the case (or assisting the specialist assigned the case) should present the case to the group. 2. Discussion should address whether the IRS should: <ol style="list-style-type: none"> a. Proceed with addressing the issue disclosed in the closing agreement request. b. Accept the proposed correction or consider an alternative. c. Accept the proposed sanction or propose an alternative.

- (10) For cases assigned to specialists, the program coordinator assisting the specialist emails an updated version of the case summary with meeting notes to the specialist, so the specialist knows the outcome of the discussion. Specifically, whether the request is accepted or denied and for accepted requests whether the proposed correction is acceptable (or if the group agreed on an alternative) and the agreed sanction.
- (11) Denied Requests. If the group agrees that the request should be denied, the specialist should follow the process outlined in IRM 7.2.4.4 (9), as applicable, but using the appropriate letters for VCAP cases posted on SharePoint.
- (12) Accepted Requests. If the group reaches a consensus on the correction method and sanction, the individual assigned the case will inform the applicant of the outcome. The specialist should document that the applicant agrees to the correction method and sanction before drafting a closing agreement.
- (13) Once all parties are in agreement to move forward and enter into a closing agreement, take the following actions:

Action	Steps
Draft a DO 8-3 closing agreement.	<ol style="list-style-type: none"> 1. Use sample agreement on the VC SharePoint, if applicable to your case. 2. If the case is assigned to a specialist, the specialist will: <ol style="list-style-type: none"> a. Ask a program coordinator if there is a relevant sample closing agreement, in instances where the samples posted on SharePoint do not cover the issues in your case. b. Email a draft of the closing agreement to a program coordinator for review with a reference to the work unit in the body of the email. c. If the program coordinator returns the agreement with comments and/or changes, review and discuss any questions about those changes or comments the program coordinator made to the draft closing agreement. d. Revise the agreement according to suggested revisions and comments and return the revised draft to the program coordinator via email. e. Wait for an email from the program coordinator notifying you that the draft agreement has been approved by the VC Manager.
Send the draft agreement to the VC Manager for review and comments.	<ol style="list-style-type: none"> 1. If the case is assigned to a specialist, the program coordinator will: <ol style="list-style-type: none"> a. Email the draft agreement to the VC Manager. b. Make any suggested revisions. c. If changes are made, email an updated version to the specialist. If no changes are needed, email the specialist to let the specialist know that the VC manager has approved the draft. <p>Note: For cases assigned to a program coordinator, the program coordinator will email the draft agreement to the VC Manager and make any suggested revisions.</p>

Action	Steps
Send the draft approved by the VC Manager to the plan sponsor or POA for their review and comment.	<ol style="list-style-type: none"> 1. Inform the plan sponsor or POA that: <ol style="list-style-type: none"> a. The draft closing agreement isn't necessarily the final version. b. The existence of the draft doesn't mean that the IRS has agreed to enter into a closing agreement. c. The EP R&A Director has the final decision on the closing agreement terms and acceptance, so there may be additional changes to the agreement.
Secure the plan sponsor's or POA's informal consent to the draft document.	<ol style="list-style-type: none"> 1. Consider any requested changes by the POA or submitter and coordinate with the VC Manager, if needed. 2. If the case is assigned to a specialist, the specialist will: <ol style="list-style-type: none"> a. Discuss any requested changes with the program coordinator. b. Inform the program coordinator that the draft agreement was accepted. c. Discuss if the applicant has requested additional time to complete corrective actions.

- (14) Program coordinator: email the closing agreement draft, including attachments, to the EP R&A Tech Advisor for review.
- (15) If the EP R&A Director or EP R&A Tech Advisor requests changes to the draft closing agreement, then the program coordinator will make any requested changes and, if the case is assigned to the coordinator, send the revised agreement to the plan sponsor or POA. If the case is assigned to a specialist, the program coordinator will send the revised draft agreement to the specialist and the specialist will send it to the plan sponsor or POA.
- (16) For anonymous requests submitted before January 1, 2022:
- a. Send the representative the revised agreement along with a letter requesting the identifying information, noted in the table below. Use the sample cover letter located on the VC SharePoint website for requesting the identity for anonymous closing agreement requests.

A	Employer Identification Number (EIN).
B	Name and address of the entity who will sign the closing agreement.
C	Name of retirement plan, if applicable.
D	Three-digit plan number, if applicable.
E	Type of retirement plan, if not previously provided.

F	Six-digit North American Industry Classification System (NAICS) code Note: Should be the NAICS code on the filed Form 5500 series return for the retirement plan. For other entities the filer should choose the appropriate code from the Form 5500 Instructions.
G	Statement as to whether the plan sponsor, plan, or entity making the request, is under any IRS examination.
H	Statement to certify neither the plan, the plan sponsor, or entity making the request, has not been involved with an abusive tax avoidance transaction.
I	If not previously provided, the number of plan participants and the total amount of plan assets. If not readily available, or for a request covering multiple plans, provide estimates if possible.
J	Plan documents, corrective amendments, exhibits and/or spreadsheets that are not redacted.
K	Any other identifying information needed to properly draft a closing agreement.
L	Penalty of perjury statement signed by the plan sponsor or eligible party that indicates the submitted information is accurate and complete to the best of their knowledge.
M	A signed and fully completed Form 2848, Power of Attorney and Declaration of Representative.

- b. Once you receive the identifying information check IDRS (or request an IDRS check) to see if the plan, plan sponsor, or entity making the request, is under IRS examination. If there are indications of examination activity, discuss with the VC Manager (or the program coordinator, if the case is assigned to a specialist).

Note: If the plan sponsor or plan is under examination, a voluntary closing agreement may not be issued.

- c. If there is no examination activity, update:
1. The key data fields in RCCMS by working with your group manager to transfer the case to Group 7558. Refer to IRM 7.2.2.3.2 for detailed processing procedures for handling requests to revise data fields in RCCMS. After the updated RCCMS case is returned to you, proceed with the next step
 2. The approved anonymous closing agreement draft with the identifying information and fax or mail it to the POA for review

- (17) If the POA (or plan sponsor for cases without a representative) approves the revised draft, the specialist/program coordinator:

- a. Sends the closing agreement to the plan sponsor/applicant requesting an authorized employee of the entity sign the agreement and use Letter 5359 as the cover letter.

- b. Requests the sanction payment, if applicable, by direct debit of a bank account or for sanctions less than \$25,000 via credit card through the Pay.gov website.

Exception: Coordinate with your group manager if the applicant cannot pay via the Pay.gov website. If your manager approves payment of the sanction via a paper check, document the approval in your CCR and request the sanction payment in the form of a cashier's check or certified check payable to the "United States Treasury." Follow IRM 7.2.4.4.3(18) for processing of paper checks.

- c. Request evidence that the plan sponsor made all corrective actions under the closing agreement before signing it.

(18) Review the documents you receive from the POA/taxpayer:

Action	Steps
Review documents.	<ol style="list-style-type: none"> 1. Check to see if the closing agreement was signed by an authorized employee of the entity. 2. Verify that the Pay.gov payment is the correct amount. Specialists should contact a VC program coordinator, typically the VC program coordinator that assisted the Specialist with the case, to ask them to get a Pay.gov deposit ticket to confirm receipt of the payment. Note: Program Coordinators will wait 7 to 10 days from the payment date to take action in order to ensure that the sanction payment was successfully received and posted. 3. For Pay.gov payments, review deposit ticket information: <ol style="list-style-type: none"> a. Verify that "Transaction Amount" is the amount of the sanction. b. For ACH payments, make sure the payment was processed, by verifying that "Collection Status" is "Settled." If it shows "Retired" or anything else the payment could not be processed. Look to the Pay.gov "Transaction Detail" report for additional information. A new payment will need to be requested. c. For credit/debit card payments, make sure the payment was processed by verifying that the Collection Status is "Successful." d. Request a new or additional payment for any payment that was not the correct amount or was unsuccessfully processed.

Action	Steps
	<ol style="list-style-type: none"> 4. Generally paper checks are not allowed. However, EPCRS does allow the taxpayer to request an exception if they don't have a computer or other hardship and can't access Pay.gov to make a payment. If you received approval for the applicant to pay the sanction via a paper check: <ol style="list-style-type: none"> a. Verify that the sanction check is for the correct amount. b. Verify that the check is: (i) a certified check or cashier's check and (ii) made payable to U.S. Treasury or United States Treasury. c. Scan a copy of the sanction check and keep the original check in a secure location in accordance with the guidelines in IRM 5.1.2.3.1 until the paper check can be mailed for internal processing. 5. Record sanction payment information in the POA/Misc. tab of RCCMS. 6. Review documents that show completion of correction to verify that corrective actions are complete. 7. If there are problems, contact the taxpayer or POA to fix them.
For cases assigned to specialists.	<ol style="list-style-type: none"> 1. Email the program coordinator you worked with and include the RCCMS work unit in the body of the message and attach the following: <ol style="list-style-type: none"> a. A scanned version of the taxpayer signed closing agreement. b. Deposit receipt for sanction paid via Pay.gov (if payment was secured via a paper check, include a scanned version of the paper check). <p>Note: Wait for the program coordinator to send you the closing agreement that is signed by the EP R&A Director.</p>

(19) Program Coordinator: Email the signed closing agreement (include supporting documents) to the EP R&A Director for signature.

- a. For cases worked by specialists, the program coordinator who assisted the specialist with the case will email the EP R&A Director to request signature on the closing agreement.
- b. The email will include the following documents as attachments:
 - A scanned version of the taxpayer signed closing agreement.

- Deposit receipt for sanction paid via Pay.gov (if payment was secured via a paper check, include a scanned version of the paper check).
- Correspondence verifying that the agreement was reviewed by the EP R&A Tech Advisor.

Note: If you don't receive a response from the EP R&A Director within seven days of your email, send a follow-up email.

- (20) Specialist: When you receive the closing agreement signed by the EP R&A Director, prepare the forms for the sanction payment package by following the instructions in IRM 7.2.4.6 Processing Closing Agreement Sanction Payments, and process timely per IRM 5.1.2.4.

Note: If the sanction was paid via paper check, the sanction payment package must be mailed to Kansas City using UPS/Fed Ex overnight service.

- (21) Once Kansas City receives and processes the sanction payment (as indicated by your receipt of their signed acknowledgment copy of Form 3210) close the VCAP request:

Action	Steps
Prepare taxpayer closing letter and POA letters (keep copy for case file).	Specialist should use Letter 5362, VC Favorable Closing Letter - All VCAP Cases, including IRC 457(b), as the closing letter.
Prepare case file for closure.	<ol style="list-style-type: none"> 1. Record "I" issue codes in RCCMS using the issue data grid, see IRM 7.2.2.23(12) for instructions on using the data grid. Remember there are issue codes specific to VCAP inventory. 2. Specialists: contact the program coordinator to discuss specific issue codes to record in RCCMS. <ol style="list-style-type: none"> a. Upload the signed closing agreement into RCCMS. b. Generally follow the procedures in IRM 7.2.2.23. c. Upload all documents and complete required fields for case closure in RCCMS.

- (22) Group manager/designated employee: issue closing letters, signed closing agreements and close the case on RCCMS by following the procedures in IRM 7.2.2.24, Closing Procedures for Group Managers, as applicable to closing agreement cases.

7.2.4.4.4
(11-24-2023)
**Processing VCAP
Pre-Submission
Conference Requests**

- (1) The VC Manager currently assigns all VCAP pre-submission conference requests exclusively to program coordinators.
- (2) Upon receipt, program coordinators should follow the procedures for working cases in VC, as applicable. See IRM 7.2.2.6, Specialist's Actions Upon Receipt of Newly Assigned VCP Cases, and IRM 7.2.2.6.1, Required Use of Form 5464 and WebETS, for additional directions and requirements.

- (3) The assigned program coordinator will develop the request and prepare workpapers that document:
 - a. Analysis and any research.
 - b. Conclusions reached.
 - c. Any discussions that explain the conclusion reached or feedback provided to the representative.
- (4) Program coordinators should follow the naming convention guidelines in IRM 7.2.2.17.2 for the purpose of naming files that are posted in RCCMS when working VCAP pre-submission conference requests.
- (5) The program coordinator will contact the representative to schedule the pre-submission conference.
- (6) After the conference, the program coordinator will update workpapers to reflect the discussion and prepare a closing letter using Letter 5341, Closing Letter for EP Voluntary Compliance Pre-submission Conference Request. The program coordinator will send the closing letter to the applicant.
- (7) The program coordinator will prepare the case for closure in RCCMS by:
 - a. Posting all workpapers, closing letters, internal correspondence and any relevant documentation related to the pre-submission conference request.
 - b. Preparing the case for closure in RCCMS by completing all required fields.
 - c. Enter the appropriate "Disposal Code" in the General tab of the Closing Record in RCCMS, by entering one of the following:

806-Favorable based on information submitted
--

807-Not favorable based on submitted information
--

808-Withdrawn-Not due to disagreement

809-Failed to respond

- d. Enter the time charged, consistent with your CCR, in "Examiner's Time" and your name in "Examiner's Name" in the Details tab of the Closing Record. Also, if provided, add asset information to "Total trust assets" and the number of participants to "Number of participants affected."
- e. Enter the appropriate failure code(s) in the issue data grid. See IRM 7.2.2.23(12) for instructions on using the data grid. Remember there are issue codes specific to VCAP inventory.
- f. Requesting closure in RCCMS.

7.2.4.5
(10-26-2022)
**Voluntary Submissions
for 457(b) Plans**

- (1) Rev. Proc. 2021-30, Section 4.09, allows plan sponsors to voluntarily submit a closing agreement request (with identity disclosed or, if submitted before January 1, 2022, anonymously by following the procedures in Rev. Proc. 2019-19) for their 457(b) plan if they're either:
 - Government entities.
 - Tax exempt organizations (in limited circumstances, such as a plan that was erroneously established to benefit the entity's non-highly compensated employees).
- (2) EP VC applies standards similar to those under EPCRS to these submissions.

- (3) Plan Sponsors/POAs should file submissions electronically via Pay.gov by completing the online Form 8950 application and include:

- a. Description of the failure and proposed method of correction. Filers may find Form 14568 Model VCP Compliance Statement helpful to understand what information the IRS needs.

Note: The issues and correction methods in the model schedules (Form 14568-A through 14568-I) generally don't apply to 457(b) plans. Governmental plan sponsors may find Form 14568-E, Schedule 5, and Form 14568-H, Schedule 8 helpful if their 457(b) plan has participant loans that don't comply with IRC 72(p) or a failure to comply with minimum required distributions.

- b. Copy of the 457(b) plan document(s) in effect during the period of failure.
c. Exhibits and spreadsheets showing additional details for the description of the failure and/or proposed correction.

Note: Plan sponsors shouldn't submit a user fee because there is no fee required at the time of filing.

- d. Proposed sanction amount and an explanation supporting why it's appropriate.
- (4) While the submission may include the Form 14568 series, those documents are not model agreements for 457(b) submissions and we don't issue them to resolve the failures disclosed in the submission.
- (5) During the preliminary review process, identify these submissions and make notes in screening that will help the VC specialist and remind the VC specialist to coordinate with a program coordinator on the case.
- (6) The VC Manager and program coordinators may consult EP and TEGEDC to discuss a 457(b) submission.
- (7) Process 457(b) submissions, using the case processing procedures in IRM 7.2.4.4.3, Processing Closing Agreement Requests under the VCAP, to the extent applicable.
- (8) If VC declines to process the 457(b) case, the program coordinator/specialist should:

Action	Steps
Document reasons why VC won't process this request.	Prepare a workpaper that explains why VC won't process the closing agreement request.
Inform the plan sponsor/POA.	<ol style="list-style-type: none"> 1. Call the plan sponsor/POA and inform them that the IRS has declined to process the closing agreement request. 2. Document this call in the Form 5464, CCR or the integrated CCR in RCCMS.

Prepare VC closing letters.	<ol style="list-style-type: none"> 1. Complete Letter 5360 VC Closing Letter Decline to Process 457(b). 2. For cases with a representative under Form 2848, Power of Attorney and Declaration of Representative or Form 8821, Tax Information Authorization, prepare Letter 937-A, Transmittal of Information to Power of Attorney.
Complete Case Closure in RCCMS.	<ol style="list-style-type: none"> 1. Use Disposal Code 777-Declined. 2. Use appropriate Issue Code from the 153 series. 3. Complete all required closing fields in the closing record. 4. Request case closure within RCCMS.

(9) Generally, VC accepts cases involving governmental 457(b) plans that have operational failures. Most common failures involve IRC 401(a)(9) required minimum distribution failures and/or participant loans that didn't comply with IRC 72(p). Specialists should still work with a program coordinator on the submission.

(10) For assigned cases with a 457(b) plan sponsored by a governmental entity:

Action	Steps
Contact the plan sponsor/POA.	Verify that they're aware of the self-correction option in IRC 457(b) and 26 CFR 1.457-9, but still want to proceed with the submission.
Document actions and describe the plan sponsor/POA response.	Explain response on Form 5464, Case Chronology Record or specialist prepared workpapers.
Close case if the plan sponsor/POA no longer wants to pursue a closing agreement.	<ol style="list-style-type: none"> 1. Use RCCMS Disposal Code 778-Withdrawn. 2. Prepare Letter 5361, VC No Action Closing Letter - 457(b) Governmental Plan using SCP.

(11) For processing procedures for 457(b) cases, see IRM 7.2.4.4.3 (4) through IRM 7.2.4.4.3 (22).

Exception: Use the most current version of the Letter 5359 to request the signed agreement, sanction payment, if applicable, and evidence of correction.

Exception: Use Letter 5362, VC Favorable Closing Letter - All VCAP Cases, including IRC 457(b), as the favorable taxpayer closing letter.

7.2.4.6
(11-24-2023)

**Processing Closing
Agreement Sanction
Payments**

- (1) When you receive the signed closing agreements from the Director, prepare the following items using the most current version of the document posted on SharePoint, to send to Kansas City for processing using the following email address *CFO.CFM Pay.Gov Closing Agreements RACS-ANMF:

Action	Steps
Prepare Form 3244 Payment Posting Voucher.	<ol style="list-style-type: none"> Using the sample posted on SharePoint, complete the following: <ul style="list-style-type: none"> Taxpayer name, address, and ZIP code. Information comes from page one of the closing agreement. SSN/EIN. Should be the information on page one of the closing agreement and add an "N" to the end of that number. Form number/MFT. Enter 28. Tax Period. Enter the year and month (i.e. YYYYMM) that the Director signed the agreement. Plan/Report Number. If applicable, enter three-digit plan number. Transaction/ Received date. Enter the date the Director signed the closing agreement. Remarks. Enter "Closing Agreement- see attached." Transaction Data. To the left of Code 670 for "Subsequent Payment", enter total amount of sanction that you will send to Kansas City. Total Payment. Make sure that the amount entered to the left of Code 670 also shows up to the left of this item. Prepared by. Enter specialist's name and telephone number.

Action	Steps
Prepare Form 5734 Non-Master File Assessment Voucher.	<ol style="list-style-type: none"> Using the sample posted on SharePoint, complete the following: <ul style="list-style-type: none"> Line 1- Name and address. Enter name and address of entity signing the closing agreement. Information comes from page one of the closing agreement. Line 3- Taxpayer Identification Number. Enter EIN/SSN listed on page one of the closing agreement. Line 4- Type of Tax. Enter CLOSING AGREEMENT. Line 5- Form number. Enter N/A- Voluntary Agree. No exam. Line 6- Period. Enter the year and month that the Director signed the agreement and three-digit plan number if applicable (i.e. YYYYMM Plan 00X). Line 7- MFT code. Enter 28. Line 8- Abstract number. Enter 139. Line 10- Penalty. <ul style="list-style-type: none"> I.R. Code Section or Type of Penalty. Enter IRC 7121 Trans. Code. Enter 240. Amount. Enter total amount of the sanction that you will send to Kansas City. Line 12- Total. Enter the same number entered into "Amount" on Line 10. Line 13- Reason for assessment. Enter Closing Agreement -See Attached. Line 14- Signature of Preparer. Enter name of specialist working the case and the specialist's phone number. Line 15- Date. Enter date you complete the form.
Prepare Memorandum.	<ol style="list-style-type: none"> Using the sample posted on SharePoint, complete the following: <ul style="list-style-type: none"> Date: Enter date mailed to Kansas City. From: Enter Name of specialist working the case. Payer's Name: Enter entity's name that is entering into the closing agreement. Payer's EIN: Enter EIN/SSN listed on page one of the closing agreement. Payer's Address: Enter an address of entity signing the closing agreement. Information comes from page one of the closing agreement. Plan Name: Enter name of plan covered by the closing agreement, if applicable. Phone Number: Enter phone number of the specialist who's working the case.

Action	Steps
Prepare Form 3210 Document Transmittal	<ol style="list-style-type: none"> 1. Prepare Form 3210 using sample posted on SharePoint. Note: If the sanction is paid via a paper check, use the version of the Form 3210 that is designed for payments made via a paper check. <ul style="list-style-type: none"> • Release Date: Enter date emailed to Kansas City. • Remarks: Enter Voluntary Closing Agreement - monetary sanction deposited through Kansas City Submission Processing Center, ALC #2009090004. • Document Identification: List (one item per line) the following: <ul style="list-style-type: none"> • "Cover Memorandum- Submission Processing Center." • "Closing Agreement." • "Payment Posting Voucher-Form 3244." • "Non-Master File Assessment Voucher-Form 5734." • "REMITTANCE": • "Name": Enter entity's name that is entering into the closing agreement. • "EIN": Enter EIN listed on page one of the closing agreement. • "Type of Payment": Input whether sanction was paid via credit card or ACH. • "Deposit Ticket or Voucher #" enter information from Pay.gov reports. • "Tracking ID" enter the Pay.gov tracking number. • "Amount": Add amount of sanction. • "Plan #": Add three-digit number, if applicable. • "Pay.gov Credit Card or ACH Transaction Detail." • "Pay.gov Credit Card or ACH Transaction Search Results." • For Credit Card Payments "Voucher Summary for [INSERT DATE.]" • From: Enter the address and name of the specialist working the case. • Releasing Official: Enter the name of the specialist working the case. • Originator Telephone Number: Enter specialist's telephone number.

(2) Email the documents below to your group manager for approval:

- a. Copy of signed closing agreement.
- b. Pay.gov deposit receipt (if payment was made via a paper check, include a scan of the sanction check(s)).
- c. Copies of completed Forms 3244, 5734, 3210 and memo to Kansas City.

(3) The group manager (or VC Manager) reviews the documents for completeness and accuracy by completing the steps (a)-(e), below, and resolves any issues with the specialist.

- a. Confirm closing agreement was properly signed.
- b. Confirm sanction payment matches amount in closing agreement by checking "Transaction Amount" in Pay.gov reports (for paper checks, review amount on check, confirm that it is a cashier's check or certified check and made payable to the "United States Treasury" or "U.S. Treasury").
- c. Confirm payment of sanction was received and processed by checking "Collection Status" is "Settled" for ACH payments and "Successful" for credit/debit card payments.
- d. Review Forms and Memorandum.

- e. Once review is complete and any issues are addressed, notify specialist that documents can be submitted to Kansas City.
 - (4) The group manager (or VC Manager) keeps copies of the following:
 - a. Signed closing agreement.
 - b. Pay.gov documents (or copy of sanction check, if applicable).
 - c. Copy of email to specialist that authorizes them to send the closing agreement, sanction payment and applicable forms and documents for processing of the sanction payment.
 - (5) After receiving managerial approval, for cases where the sanction is paid via Pay.gov, the specialist sends the following documents via email to the following mailbox: *CFO.CFM Pay.Gov Closing Agreements RACS-ANMF. If the sanction is paid by paper check send the documents via next day delivery to Kansas City at the address on the Form 3210 and include the items listed below (except item (c) since you are sending the paper check). Follow IRM 10.5.1.6.9.3 , Shipping, when mailing the sanction package.
 - a. Form 3210 Document Transmittal.
 - b. A copy of the signed closing agreement.
 - c. Pay.gov documents.
 - d. Form 3244 Payment Posting Voucher.
 - e. Form 5734 Non-Master File Assessment Voucher.
 - f. Memorandum.
 - (6) After emailing the items in IRM 7.2.4.6(5) for a sanction that was paid via Pay.gov, wait to receive an email response acknowledging that the items you sent via email were received. You will not receive a signed Form 3210. Remember to post the email acknowledging receipt of the sent items to the RCCMS case file.
- Note:** For sanctions paid via a paper check, wait to receive the signed Form 3210 where documents are sent via next day delivery to Kansas City.
- (7) For VCP submissions that were converted to VCAP (other than a conversion described in IRM 7.2.2.10(2)(b), (c) and (f)), follow the procedures in IRM 7.2.2.10.2 to refund the User Fee once the sanction payment has cleared and you receive an email (or signed Form 3210 acknowledging receipt for sanctions paid by paper check) confirming receipt of applicable sanction processing documents.

7.2.4.7
(10-12-2021)
**Converting a VCAP
Request into a VCP
Submission**

- (1) After doing a technical review of a VCAP request and discussing the request with your manager, you might determine that the request can be resolved under VCP.
- (2) This may occur if the filing is made as a VCAP request, but the issues disclosed can be resolved under VCP.
- (3) Discuss the matter with a program coordinator and secure approval for converting the request to a VCP submission before taking any action.

Note: The program coordinator should discuss the case with the VC Manager and other program coordinators to determine whether it's appropriate to treat the disclosed issues under VCP. Once a determination is made, the program coordinator will notify the specialist and group manager of the decision.

- (4) Document the necessary approvals by posting any correspondence related to converting the VCAP request to a VCP submission. The conversion should be noted in your workpapers and CCR.
- (5) Discuss with the applicant and representative that the issues disclosed in the VCAP request can be addressed under VCP and get their approval to convert the case and address the issues under VCP.
- (6) Update WebETS by changing the activity code to “113 Voluntary Correction Program.” The project code should stay the same.
- (7) Update the RCCMS activity by changing the “Type” in the General 1 of 2 tab to “VCAP Cases Changed to VCP” and the “Activity code” to “113 Voluntary Compliance Program.”
- (8) Request the following from the applicant:
 - a. Form 14568 series, VC model compliance statement, (as applicable).
 - b. Payment of the VCP user fee from the applicant by following the procedures in IRM 7.2.2.10.1.
 - c. A completed copy of the SharePoint version of the Form 8950 that you send the applicant.

Note: You will need to provide the SharePoint version of the Form 8950 to the applicant (see the link in item 7 of Exhibit 7.2.4-1, below) because we do not want the applicant to complete the form online using Pay.gov which will result in a duplicate case in RCCMS.
 - d. Form 2848 if needed to meet the requirements in IRM 7.2.2.12(9).
- (9) Process the case in accordance with IRM 7.2.2.

Exhibit 7.2.4-1 (10-12-2021)

Links to the VC SharePoint site

Internet links to the VC SharePoint site for documents, forms and other helpful information:	
(1)	<i>Summary Listing of Published VC Letters</i>
(2)	<i>Failure and correction codes for Voluntary Closing Agreements</i>
(3)	<i>Sample Closing Agreement letters for non-457(b) plans</i>
(4)	<i>RCCMS VC Codes</i>
(5)	<i>Sample: Form 3244-A, Form 5734, Memorandum and Sample Form 3210 used to process closing agreement sanction payments</i>
(6)	<i>VC Refund Form mentioned in IRM 7.2.2.10.2, Refund Procedures and Instructions for VCP Compliance Fees</i>
(7)	<i>Fillable Form 8950 for VCAP requests converted to a VCP Submission</i>

