



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

8.7.13

JULY 7, 2022

EFFECTIVE DATE

(07-07-2022)

PURPOSE

- (1) This transmits revised IRM 8.7.13, e-file Cases.

MATERIAL CHANGES

- (1) Made editorial changes and updates throughout.
- (2) Added internal controls section IRM 8.7.13.1, Program Scope and Objectives, and its related subsections to comply with the Deputy Commissioner of Services and Enforcement Operations Support memo dated September 14, 2016, titled Heightened Awareness, Sensitivity, and Understanding of Internal Controls. Subsequent sections are renumbered accordingly.
- (3) Incorporated the changes from Interim Guidance Memorandum AP-08-0621-0018, Carding In e-file Cases Without an Assigned Electronic Filing Identification Number (EFIN) to update procedures that if a case does not have an assigned EFIN, the IM number will be used to establish the case in ACDS.
- (4) Updated 8.7.13.4, Origin of e-file Cases, to show cases are worked in Boston, MA and updated address for sending physical e-file cases.
- (5) Removed Note for IRM 8.7.13.5.1.1, Sanctions of Providers as it is no longer applicable.
- (6) Updated 8.7.13.6, Verification of Case Summary Card Information in e-file Cases, procedures to change the requirement to verify the case summary card information within five business days. Verification of the case summary card and initial contact must be made within 45 calendar days.
- (7) Updated IRM 8.7.13.7.1, Paperless e-file Case Process, to remove the APS mailbox as the procedure for submitting e-file cases.
- (8) Added IRMs 8.7.13.7.1.1, Paperless e-file Case Process (EPSS), and IRM 8.7.13.7.1.2, Paperless e-file Case Process (SBSE Field) for updated procedures on submitting e-file cases to Appeals.
- (9) Updated IRM 8.7.13.7.2, Cases Referred to Appeals without Criminal Investigation Indicators, to change acknowledgement letter to initial contact letter and added Letter 4304 can be used to schedule a conference.

EFFECT ON OTHER DOCUMENTS

This IRM supersedes IRM 8.7.13, e-file Cases, dated February 16, 2016. Incorporated Interim Guidance Memorandum AP-08-0621-0018, Carding in e-file Cases Without an Assigned Electronic Filing Identification Number (EFIN).

AUDIENCE

Appeals Employees

Steven M. Martin
Director, Case and Operations Support

8.7.13
e-file Cases

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8.7.13.1
(07-07-2022)
Program Scope and Objectives

- (1) Purpose: This IRM describes the processes used by the IRS Independent Office of Appeals (Appeals) to work e-file cases.
- (2) Audience: Appeals Technical Employees (ATE) and Appeals Team Managers (ATM).
- (3) Policy Owner: Director, Case and Operations Support.
- (4) Program Owner: Director, Policy, Planning, Quality and Analysis.
- (5) Contact Information: Appeals employees should follow established procedures on *How to Contact an Analyst*. Other employees should contact the Product Content Owner shown on the Product Catalog Information page for this IRM.

8.7.13.1.1
(07-07-2022)
Background

- (1) Any return preparer who anticipates preparing and filing 11 or more returns during a calendar year must use IRS e-file. Applicants must meet eligibility criteria and pass a suitability check before an Electronic Filing Identification Number (EFIN) is issued. If the suitability check fails, the IRS will notify the applicant of the denial to participate in IRS e-file. In most circumstances, denied and sanctioned providers are entitled to an administrative review by the IRS. If the reviewing office affirms the sanction, providers may request an appeal with the IRS Independent Office of Appeals unless the sanction is a written reprimand.
- (2) As stated in IRC 7803(e)(3), Purposes and Duties of Office, the Appeals mission is to resolve Federal tax controversies without litigation on a basis which is fair and impartial to both the government and the taxpayer, promotes a consistent application and interpretation of, and voluntary compliance with, the federal tax laws, and enhances public confidence in the integrity and efficiency of the IRS.
- (3) Appeals accomplishes this mission by considering protested and Tax Court cases and negotiating settlements in a manner which ensures Appeals employees act in accord with the Taxpayer Bill of Rights (TBOR) in every interaction with taxpayers.
- (4) The Taxpayer Bill of Rights (TBOR) lists rights that already existed in the tax code, putting them in simple language and grouping them into 10 fundamental rights. Employees are responsible for being familiar with and acting in accord with taxpayer rights. See IRC 7803(a)(3), Execution of Duties in Accord with Taxpayer Rights. For additional information about TBOR, see <https://www.irs.gov/taxpayer-bill-of-rights>.

8.7.13.1.2
(07-07-2022)
Authority

- (1) IRC 6011(e)(1) gives specific authority for the Service and the Treasury Department to “prescribe regulations providing standards for determining which returns must be filed on magnetic media or in other machine-readable form.” Revenue Procedure 2007-40 informs Authorized IRS e-file Providers of their obligations to the Internal Revenue Service, taxpayers, and other participants in the IRS e-file Program, and combines the rules for governing IRS e-file.

8.7.13.1.3
(07-07-2022)
Responsibilities

- (1) The Policy analyst shown on the Product Catalog page as the originator is the assigned author of this IRM.

8.7.13.1.4
(07-07-2022)

Program Reports

- (1) Policy, Planning, Quality, and Analysis (PPQ&A) provides trend and data analyses and detailed summary reports for Appeals.

8.7.13.1.5
(07-07-2022)

Terms and Acronyms

- (1) See IRM 8.1.1-1, Common Terms Used in Appeals, for common terms and definitions used in IRM Part 8. Terms listed in this exhibit are not included in this section.
- (2) The table lists commonly used acronyms and their definitions:

EFIN	Electronic Filing Identification Number
ERO	Electronic Return Originator
IM Number	Incident Management Number

8.7.13.1.6
(07-07-2022)

Related Resources

- (1) This IRM is the primary source of guidance on this program. The following provide additional sources of guidance.
- IRM 3.42.10, Authorized IRS e-file Providers
 - IRM 4.21.1, Monitoring the IRS e-file Program
 - IRM 8.20.5.19, e-file Cases
 - IRM 8.20.5.19.1, e-file Case Carding
 - Publication 3112, IRS e-file Application and Participation
 - Publication 1345, Handbook for Authorized e-file Providers of Individual Income Tax Returns
 - Rev. Proc. 2007-40 2007-26 I. R. B. 1488 (June 25, 2007)
 - In addition to the above, updates are posted to the IRS web site at <http://www.irs.gov>.

8.7.13.2
(07-07-2022)

e-file Cases

- (1) This IRM section describes the process for working Authorized IRS e-file Provider denial and sanction cases in Appeals. IRS e-file is a process by which tax returns are submitted to the IRS by way of data communications and processed electronically. Filing a tax return through IRS e-file can be accomplished by using an Electronic Return Originator (ERO). An ERO is the first point of contact for most taxpayers in filing a tax return and it is the Authorized IRS e-file Provider that originates the electronic submission of an income tax return to the IRS. Refer to IRM 3.42.10, Authorized e-file Providers.
- (2) Several sources of information are available to assist you in working e-file denial and sanction cases. IRM 3.42.10.2.2, IRS e-file Publications, provides a complete list of publications to be used in working e-file denial and sanction cases. In addition, the references listed in IRM 8.7.13.1.6, Related Resources, will assist you.
- (3) There are several court cases that will assist you in working e-file cases. Refer to:
- *Michael v. United States*, 36 Fed. Appx. 821,89 AFTR 2d 2002-3066 (6th Cir. 2002)

- *Brenner Income Tax Centers, Inc. v. Director of Practice of the Internal Revenue Service*, 87 F.Supp.2d 252, 2000-1, USTC P 50,308 (S.D.N.Y. 2000)
- *Ekanem v. United States*, 98-2 USTC P 50,257 (D. Md. 1998)
- *Forehand v. United States*, 877 F. Supp. 592, 75 AFTR 2d 95-1186 (M.D. Al. 1995)
- *Sabat v. United States*, 2000-1 USTC P 50,328 (W.D. Pa. 2000)

8.7.13.3
(02-16-2016)
IRS e-file Overview

- (1) An Authorized IRS e-file Provider is a business authorized by the IRS to participate in IRS e-file. The business may be a:
 - sole proprietorship
 - partnership
 - corporation or
 - organizationThe business:
 - a. Submits an application
 - b. Is accepted or denied participating in IRS e-file
 - c. If accepted, is assigned an Electronic Filing Identification Number (EFIN) and
 - d. Receives credentials, i.e., an acceptance letter or a letter that allows continued participation in IRS e-file
- (2) The Internal Revenue Service reviews each Firm, Organization, Principal, and Responsible Official on the application. Suitability is used by the IRS to determine if the Firm or individuals listed on the applications are suitable to participate in IRS e-file. A suitability check is performed on every applicant, Principal, and Responsible Official. Each can be denied participation in IRS e-file for a variety of reasons. For a complete discussion on suitability, refer to IRM 3.42, Electronic Tax Administration, Publication 3112, IRS e-file Application and Participation, and Rev. Proc. 2007-40.
- (3) Once the applicant is accepted to participate in e-file, the Provider must adhere to specific requirements in order to continue participation in IRS e-file. The IRS monitors Authorized IRS e-file Providers for compliance with the Revenue Procedures and IRS e-file requirements.
- (4) Individuals incarcerated in prison are restricted from participation in IRS e-file while incarcerated.
- (5) The Internal Revenue Service may sanction an Authorized IRS e-file Provider, Principal, or Responsible Official for violating any provision of the Revenue Procedure as well as any publications or notices governing IRS e-file. Sanctions that the IRS may impose range from a written reprimand to expulsion, depending on the seriousness of the infraction. There are different categories of infractions:
 - a. **Level One** – violations of the rules governing IRS e-file that have little or no adverse impact on the quality of electronically filed returns or IRS e-file. The IRS may send a letter of reprimand for a Level One infraction. Refer to IRM 3.42.10.14.15.1.
 - b. **Level Two**- violations of the rules governing IRS e-file that have an adverse impact upon the quality of electronically filed returns or on IRS e-file. Depending on the infractions, the IRS may either restrict participa-

tion in IRS e-file or suspend the Provider, Principal, or Responsible Official from participation in IRS e-file for one year. Refer to IRM 3.42.10.14.15.2.

- c. **Level Three** – violations of the rules governing IRS e-file that have a significant adverse impact on the quality of electronically filed returns or on IRS e-file. Depending on the infractions, the IRS may suspend the Provider, Principal, or Responsible Official from participation in IRS e-file for two years, or depending on the severity of the infraction, e.g., fraud or criminal conduct, could result in expulsion from participating in IRS e-file indefinitely. Refer to IRM 3.42.10.14.15.3 for examples of Level Three infractions.

Note: Continuous Level Two or Level Three behavior, additional Level Two or Level Three infraction(s) after the IRS has brought the infraction(s) to the attention of the Provider, conviction of a felony crime, identity theft, or fraud may be reason(s) for expulsion.

- (6) Suspended Providers, Principals, and Responsible Officials may reapply to participate in IRS e-file after the suspension period ends, or sooner if they resolve the suitability issues.

8.7.13.4
(07-07-2022)

Origin of e-file Cases

- (1) Appeals receives cases from the Director, Electronic Products & Services Support (EPSS) or from SBSE Field.
- (2) Appeals will receive paperless case files through the Appeals Electronic Case Receipts SharePoint:
- EPSS will upload all case file documentation to SharePoint
 - SBSE Field will provide access to paperless case files housed in their ERO dedicated SharePoint

Note: Most SBSE Field cases will use the paperless process but some cases originating from the field may contain physical files.

- (3) If there are any physical e-file cases they will be sent to the following address to be carded in:

Independent Office of Appeals

Attn: APS Carding Team

3211 S. Northpointe Drive

Mail Stop 55205

Fresno, CA 93725

- (4) The cases are worked by the team in the Boston, MA Appeals Office.
- (5) See IRM 8.7.13.7.1, Paperless e-file Case Process, for instructions for paperless e-file procedures.
- (6) Each case received must have the following information in it:

- a. A copy of the application screen from TPDS which will contain the most current information for the Provider
- b. Copies of all correspondence related to that particular sanction or any non-compliance history or suitability
- c. First appeal suitability recommendation worksheet and appeal rights suitability recommendation worksheet
- d. Copy of written, signed protest
- e. History sheet
- f. Any compliance memoranda issued with regard to the Provider (i.e., Criminal Investigation (CI) and Criminal Investigation Branch (CIB) memorandum and documentation)
- g. Any related Employer Identification Numbers (EIN) and tax years (if applicable)
- h. Power of Attorney (if applicable)
- i. For **SBSE Field cases only**, copies of the Summary of Findings, visitation worksheets and rebuttal/T-letter (Form 4665, Report Transmittal.)

8.7.13.5
(02-16-2016)
**The Administrative
Review Process**

- (1) An applicant and/or participant has a right to an Administrative Review when:
 - a. The applicant is denied participation into IRS e-file and the applicant, Principal, or Responsible Official files a timely appeal or
 - b. The Provider, Principal, or Responsible Official is suspended or expelled while participating in IRS e-file and files a timely appeal
- (2) For a complete list of IRS e-file letters, forms, and suitability review letters, refer to the exhibits in IRM 3.42.10, Authorized IRS e-file Providers.

8.7.13.5.1
(02-16-2016)
**Denial of Participation in
IRS e-file**

- (1) All Authorized IRS e-file Providers, except those that function solely as Software Developers, IRS sponsored Not for Profit organizations, and Large Taxpayers, pass a suitability check on the firm as well as on all Principals and Responsible Officials of the firm prior to acceptance in IRS e-file. The IRS reviews each firm or organization, Principal, and Responsible Official listed on the IRS e-file Application. An applicant, Principal, or Responsible Official may be denied participating in IRS e-file for a variety of reasons that include, but are not limited to:
 - a. An indictment or conviction of any criminal offense under the laws of the United States or of a state or other political subdivision, or an active IRS criminal investigation
 - b. Failure to file accurate federal, state or local tax returns
 - c. Failure to pay any federal, state, or local tax liability unless appropriately addressed (e.g., installment agreement)
 - d. Assessment of fraud penalties
 - e. Suspension/disbarment from practice before the IRS or before a state or local tax agency
 - f. Disreputable conduct or other facts that may adversely impact IRS e-file
 - g. Misrepresentation on an IRS e-file Application
 - h. Unethical practices in return preparation
 - i. Non-compliance with IRC 6695(g), (Failure To Be Diligent in Determining Eligibility For Certain Tax Benefits)
 - j. Stockpiling returns prior to official acceptance to participate in IRS e-file
 - k. Knowingly and directly or indirectly employed or accepted assistance from a firm, organization, or individual denied participating in IRS e-file, or

suspended or expelled from participating in IRS e-file. This includes any individual whose actions resulted in denial, suspension, or expulsion of a firm from IRS e-file

- l. Knowingly and directly or indirectly accepting employment as an associate, correspondent, or as a subagent from (or sharing fees with) any firm, organization, or individual denied participation in IRS e-file, or suspended or expelled from participating in IRS e-file. This includes any individual whose actions resulted in denial, suspension, or expulsion of a firm from IRS e-file
 - m. Prohibited from filing returns by a federal or state court injunction or prohibited from filing returns by any federal or state legal action that prohibits them from participation. A type of such legal action is a Federal Executive Order such as Executive Order 13224 (September 23, 2001), which involves prohibitions directed at terrorist individuals and organizations
 - n. Applied for or obtained an EFIN using a stolen identity or e-filed returns using stolen identities
- (2) IRM 3.42.10.14.6.1, Reasonable Cause for Suitability Literals, addresses reasonable cause.
- (3) An applicant, Principal, or Responsible Official who is denied participation in IRS e-file has the right to an administrative review. Within 30 calendar days of the date of the denial letter from the Director, Electronic Products & Services Support, they may upload/fax/mail a written response to the site/fax number/address shown on the denial letter. Upon receipt of the written response, the IRS will reconsider the denial of participation in IRS e-file. That denial may either be
- a. Withdrawn and the applicant accepted to participate in IRS e-file; or
 - b. Sustained, and a second denial letter, providing the right to an appeal to the Office of Appeals.
- (4) An applicant, Principal, or Responsible Official who receives a second denial letter from the Director, Electronic Products & Services Support, is entitled to an appeal. The appeal must be uploaded/faxed/mailed to the site/fax number/address shown in the second denial letter within 30 calendar days of the date of the second denial letter. The written appeal must contain detailed reasons, with supporting documentation, showing why the recommended sanctioning should not be imposed. Failure to respond within 30 calendar days beginning with the date of the proposed sanctioning letter described above, terminates the right to an administrative review or an appeal.

8.7.13.5.1.1
(07-07-2022)

Sanctions of Providers

- (1) Any Authorized IRS e-file Provider, Principal, or Responsible Official who has been advised of a proposed sanction has the right to an administrative review. If a Provider, Principal, or Responsible Official receives a letter proposing a sanction, they may upload/fax/mail a detailed written explanation with supporting documentation as to why the proposed sanction should be withdrawn within 30 calendar days of the date of the letter proposing the sanction. Upon receipt of the written response, the Internal Revenue Service will reconsider the proposed sanction and may either withdraw its proposed sanction or affirm it by issuing a recommended sanctioning letter depending on the severity of the infraction.
- (2) If a Provider, Principal, or Responsible Official receives a recommended sanction letter affirming the sanctioning, they may appeal to the Office of Appeals at the address on the letter. The appeal must be in writing and

uploaded/faxed/mailed to the Internal Revenue Service office that issued the recommended sanctioning letter within 30 calendar days of the date of the letter recommending a sanction.

Note: A sanction is a measure that may restrict or suspend the privileges of an Authorized IRS e-file Provider, Principal, or Responsible Official from participating in IRS e-file. Sanctioning may be a written reprimand, suspension, or expulsion from IRS e-file, depending on the seriousness of the infraction. Sanctions may be appealed through the administrative review process to include an initial review from the office proposing the sanctions. Suspensions and expulsions may have a subsequent review by the Office of Appeals.

(3) The Provider's written appeal must contain detailed reasons, with supporting documentation, showing why the recommended sanctioning should not be imposed. Failure to respond within 30 calendar days beginning with the date of either the proposed sanctioning letter or the recommended sanctioning letter described above, terminates an Authorized IRS e-file Provider's right to an administrative review or an appeal.

8.7.13.6
(07-07-2022)
**Verification of Case
Summary Card
Information in e-file
Cases**

(1) For information regarding Account and Processing Support (APS) carding procedures, refer to IRM 8.20.5.19, e-file Cases.

(2) Upon receipt of a newly assigned and/or transferred case, the ATE will verify the following case summary card information and issue contact Letter 4301, Acknowledgement Letter-ERO Initial Contact, within 45 calendar days of receipt. The ATE may make initial contact by telephone in lieu of using the contact letter. During such contact, the ATE must ensure that the substance of the contact letter is discussed with the provider and documented in the Case Activity Record on ACDS. The ATE will review the case file for e-file application information, for the name, address, and EFIN number or Incident Management (IM) number.

Note: The EFIN and IM numbers will always be 00 followed by a six-digit number.

Field Name	Description
TP Name	The name of the EFIN applicant
TIN	EFIN or IM Number
MFT	<ul style="list-style-type: none"> • Individual name - 30 • Business name - 02
TP Address	The address of the EFIN applicant
Representative	The representative of the EFIN applicant
WUNO	Note: For each EFIN or IM Number the provider has, there will be a separate WUNO created
Type Code	DOP
Source Code	SC (For cases from EPSS) or FE (For cases from SBSE Field)

Field Name	Description
Category	Other
Subcategory	DOP
Appeals Officer	The assigned Appeals Technical Employee (ATE)
Date Assigned	The date the case was assigned to the ATE
Date Received	The date the case was received in Appeals
Date Created	System generated - the date the case was created on ACDS
ReqAppl date	The date the EFIN applicant requested an appeal
Key Period	2099

Note: There will be *no return level information* entered, i.e., AIMS indicator, tax period, and statute code.

- (3) If the IM number is used, the literal "IM number" will show in the Notes field.
- (4) The provider or POA may submit a completed Form 2848, Power of Attorney and Declaration of Representative, to authorize one or more eligible individuals to represent the provider. A new/revised POA is needed as e-file representation is separate from other types of representation. Box 3 of Form 2848 should state that the representation is for "e-file privileges" ("e-file sanction" or words to that effect are acceptable).

8.7.13.7
(02-16-2016)
Working e-file Cases in Appeals

- (1) The Office of the Professional Responsibility transferred responsibility to Appeals for the administrative review of proposed denial of entry into e-file or sanctions imposed on current Providers, Principals, or Responsible Officials.
- (2) Please refer to Rev. Proc. 2012-18 or IRM 8.1.10, Appeals Function - Ex Parte Communications, regarding Ex Parte Communications.

8.7.13.7.1
(07-07-2022)
Paperless e-file Case Process

- (1) Cases originating from EPSS in Andover and SBSE Field will use the paperless process.
- Note:** Cases originating from the field may continue to send physical case files to Appeals at the address shown in IRM 8.7.13.4, Origin of e-file Cases.

8.7.13.7.1.1
(07-07-2022)
Paperless e-file Case Process (EPSS)

- (1) The following table outlines the step by step instructions for paperless e-file cases from EPSS:

Step	Description	Notes / Information
1	e-file appeal request is received from EPSS Andover via the Appeals Electronic Case Receipt SharePoint (AECR)	Electronic Products and Services Support in Andover (EPSS) will access the <i>AECR</i> site to submit all new receipts and upload all case file documentation indicated in Step 2. For field descriptions see IRM 8.7.13.6, Verification of Case Summary Information in e-file cases.
2	e-file sanction Appeal received	The electronic case file received via the <i>AECR</i> site will contain all correspondence, signed protest, any related EIN numbers and tax years, copy of e-file application screen from TPDS, history sheet, suitability recommendation, power of attorney (if applicable) and any compliance memoranda. IDRS prints are no longer necessary.
3	APS cards in e-file case making it ready for assignment	APS will access the <i>AECR</i> site to create an ACDS Work Unit Number (WUNO) (Case Summary Card) and upload the electronic case file documents received to the ACDS database. TE enters Feature Code "PL" which generates a notification in ACDS 2.0 to the ATM when a new case is available to be assigned.
4	ATM assigns case and AO is notified	The ATM assigns the case on ACDS and the AO will be notified of a new case assignment in ACDS 2.0
5	AO will accept case and verify entity information	The AO will accept receipt of the case and verify the case summary card information within 45 calendar days of receipt and will make a determination if the case needs to be returned to EPSS or if the case is ready for Appeals' consideration. The AO will generate Letter 4301, Acknowledgement Letter - ERO Initial Contact, and upload a copy of the letter to ACDS. See Step 6 for naming conventions.
6	AO holds conference and reaches case decision	The AO holds the conference and works the case to reach a decision. The AO prepares the appropriate closing letter (and cover letter to the POA if applicable), Appeals Case Memorandum (ACM) and Form 5402 electronically. The AO will upload an electronic copy of all documents as attachments to the ACDS case database. Any documents that are received in paper form will be converted to an electronic medium and uploaded to the ACDS database. Documents will be uploaded to ACDS and named as follows: 1. WUNO (Followed by the WUNO number) 2. A brief description of the document Example: WUNO9988765485Letter4305a
7	Notification of case closure by AO to ATM	Upon case completion, the AO places the case in AC/FR status which notifies the ATM via ACDS 2.0 that the case is ready for approval and closing. All closing documents will be uploaded and signed electronically on ACDS.
8	ATM approves settlement and case closure	The ATM downloads the closing letter and Form 5402 from ACDS, approves settlement, and electronically signs and dates 5402 and closing letter. The ATM uploads the approved copies and deletes the old copies in ACDS. The ATM or ATE mails the closing letter to the practitioner and/or representative or will notate on the Form 5402 for APS to mail the closing letter. The ATM inputs the ACAP date on ACDS.

Step	Description	Notes / Information
9	Case is assigned to an APS Tax Examiner for closing	After the ATM enters the ACAP date, this action will generate an ACDS 2.0 Paperless Notification to the APS PTM. The APS PTM will assign the case to a TE for final processing. All closing documents are uploaded to the ACDS database and no administrative file will follow.
10	APS performs closing actions on ACDS	APS will make the necessary closing entries on ACDS upon receipt of the case closure.
11	APS sends the necessary documents to Andover EPSS via encrypted email to internal e-mail box	APS will send the necessary closing documents to EPSS via an internal mailbox. The TE will attach a copy of the closing letter, Form 5402, and ACM (if present) by encrypted email to the originator of the case. The mailbox address for EPSS is “*W&I EPSS OOA”. The subject line of the email will include “T2 (Team number) CD (assistor initials) EPSS-DOP-Appeals-WUNO-Closure to EPSS”.
12	Entire electronic file resides on ACDS	It is no longer necessary to send an administrative paper file to files as the administrative file will be housed on ACDS.

8.7.13.7.1.2
(07-07-2022)

- (1) The following table outlines the step by step instructions for paperless e-file cases from SBSE Field

Paperless e-file Case Process (SBSE Field)

Step	Description	Notes / Information
1	e-file appeal request is received from SBSE Field via the Appeals Electronic Case Receipt Share-Point (AECR)	SBSE Field will access the <i>AECR</i> site to submit all new receipts and upload documentation indicated in Step 2. For field descriptions see IRM 8.7.13.6, Verification of Case Summary Information in e-file cases.
2	e-file sanction Appeal received	The electronic case file received via the <i>AECR</i> site will include the following for each case: <ul style="list-style-type: none"> • EFIN • SBSE Area • Proposed Sanction • SBSE Administrative Review Decision • Form 4665, Report Transmittal
3	APS cards in e-file case making it ready for assignment	APS will access the <i>AECR</i> site to create an ACDS Work Unit Number (WUNO) (Case Summary Card) and upload the electronic case file documents received to the ACDS database. TE enters Feature Code “PL” which generates a notification in ACDS 2.0 to the ATM when a new case is available to be assigned.
4	ATM assigns case and AO is notified	The ATM assigns the case on ACDS and the AO will be notified of a new case assignment in ACDS 2.0

5	AO will accept case and verify entity information	<ol style="list-style-type: none"> 1. The AO will email the SBSE analyst at *SBSE HQ RPC Analyst Inquiry with the following information: <ul style="list-style-type: none"> • EFIN • SBSE Area 2. The SBSE HQ Analyst will respond to the email and provide a read-only link to the electronic case file in SharePoint to the AO and their Manager. 3. The AO will access the SharePoint and accept receipt of the case and verify the case summary card information within 45 calendar days of receipt and will make a determination if the case needs to be returned to HQ or if the case is ready for Appeals' consideration. The AO will generate Letter 4301, Acknowledgement Letter - ERO Initial Contact, and upload a copy of the letter to ACDS. See Step 6 for naming conventions.
6	AO holds conference and reaches case decision	<p>The AO holds the conference and works the case to reach a decision. The AO prepares the appropriate closing letter (and cover letter to the POA if applicable), Appeals Case Memorandum (ACM) and Form 5402 electronically. The AO will upload an electronic copy of all documents as attachments to the ACDS case database. Any documents that are received in paper form will be converted to an electronic medium and uploaded to the ACDS database. Documents will be uploaded to ACDS and named as follows:</p> <ol style="list-style-type: none"> 1. WUNO (Followed by the WUNO number) 2. A brief description of the document <p>Example: WUNO9988765485Letter4305a</p>
7	Notification of case closure by AO to ATM	Upon case completion, the AO places the case in AC/FR status which notifies the ATM via ACDS 2.0 that the case is ready for approval and closing. All closing documents will be uploaded and signed electronically on ACDS.
8	ATM approves settlement and case closure	The ATM downloads the closing letter and Form 5402 from ACDS, approves settlement, and electronically signs and dates 5402 and closing letter. The ATM uploads the approved copies and deletes the old copies in ACDS. The ATM or ATE mails the closing letter to the practitioner and/or representative or will notate on the Form 5402 for APS to mail the closing letter. The ATM inputs the ACAP date on ACDS.
9	Case is assigned to an APS Tax Examiner for closing	After the ATM enters the ACAP date, this action will generate an ACDS 2.0 Paperless Notification to the APS PTM. The APS PTM will assign the case to a TE for final processing. All closing documents are uploaded to the ACDS database and no administrative file will follow.
10	APS performs closing actions on ACDS	APS will make the necessary closing entries on ACDS upon receipt of the case closure.

11	APS sends the necessary documents to SBSE HQ via encrypted email to internal email box	APS will send the necessary closing documents to SBSE HQ via an internal mailbox. The TE will attach a copy of the closing letter, Form 5402, and ACM (if present) by encrypted email to the originator of the case. The mailbox address for SBSE HQ is “*SBSE HQ RPC Analyst Inquiry”. The subject line of the email will include “HQ-ERO-Appeals-WUNO-Closure to HQ”.
12	Entire electronic file resides on ACDS	It is no longer necessary to send an administrative paper file to files as the administrative file will be housed on ACDS.

8.7.13.7.2
(07-07-2022)

**Cases Referred to
Appeals without
Criminal Investigation
(CI) Indicators**

- (1) ATEs may receive the following types of e-file cases:
 - a. Applicants denied from participation in IRS e-file
 - b. Providers, Principals, or Responsible Officials sanctioned while participating in IRS e-file or
 - c. Providers, Principals, or Responsible Officials asking for a reconsideration of a prior Appeals’ decision in an e-file case.
- (2) The ATE should issue the e-file initial contact Letter 4301 from APGolf. The purpose of the e-file initial contact letter is to provide a contact person’s name and phone number, schedule a conference, and inform the Provider what can be expected from Appeals in the resolution of the case.
- (3) The ATE assigned to work the case will review the case file prior to issuing the initial contact Letter 4301, Acknowledgement Letter-ERO Initial Contact. The initial contact letter will:
 - a. Schedule a conference.
 - b. Ask for any additional information, if applicable, with respect to the appeal of the case.
 - c. Explain consequences of the appellant’s failure to respond or participate in the conference.
 - d. Letter 4304, Electronic Return Originators (ERO) Conference Letter can also be used to schedule conferences.
- (4) At the conclusion of the conference, the ATE will prepare an Appeals Case Memorandum (ACM) in each case. The Decision may be:
 - a. A sustained sanction, including a lesser sanction
 - b. A reconsideration of a former Decision made in Appeals
 - c. A denial of participating in IRS e-file
 - d. Not sustaining a sanction
 - e. Allowing participation in IRS e-file
- (5) Each ACM should contain:
 - a. The Revenue Procedure(s) prescribing the eligibility requirements to participate in the program
 - b. The standard of conduct
 - c. The scope of authority, circumstances and conditions under which a Provider, Principal, Responsible Official, or applicant may participate in IRS e-file to exercise the privilege of electronic filing federal income tax returns

- d. A brief synopsis explaining the information provided by Andover e-Help in each case and
- e. Considerations Appeals made in the case

8.7.13.7.3
(02-16-2016)
**Premature Referral -
Cases with Criminal
Investigation (CI)
Indicator(s)**

- (1) An e-file case may be received in Appeals with a CI indicator present. These modules will have a freeze code on the Integrated Data Retrieval System (IDRS).

Transaction Code	Freeze Indicator	Definition

#

- (2) Any cases with a CI indicator will not be worked in Appeals as Appeals does not have jurisdiction over the case. The case will be returned to Andover e-Help as a Premature Referral. ATE will:
 - a. Review the case file and determine if there is an active CI indicator on the IDRS prints.
 - b. Document the case activity record.
 - c. Use case closing code 20, premature referral.
 - d. Prepare closing Letter 4302-A, Premature Referral-CID, advising the case is being returned to Andover e-Help.
 - e. Prepare Form 5402.

8.7.13.7.4
(02-16-2016)
Appeal Not Timely

- (1) Occasionally Appeals receives cases where the appeal was untimely. If the ATE determines the appeal is untimely, the ATE will:
 - a. Not return the case as premature
 - b. Document the case activity record that the appeal request was untimely.
 - c. Make a determination as to whether the suitability issues have been resolved or not **without** holding a conference
 - d. Prepare the appropriate closing letter advising the customer that the appeal request was late and whether the denial or sanction is sustained or overturned. Refer to IRM 8.7.13.8.1, Closing Letters and Closing the Case .
 - e. Prepare Form 5402 using the appropriate closing code. Refer to IRM 8.7.13.8.1, Closing Letters and Closing the Case .
 - f. Prepare brief Appeals Case Memorandum (ACM).
 - g. Submit the completed closed case file to the ATM for approval and closing.

- 8.7.13.7.5
(02-16-2016)
**Premature Referral –
Withdrawal of the
Request for an Appeal**
- (1) When an appellant withdraws the request for an appeal, the appellant's appeal is now moot. If an appellant withdraws the request for an appeal, the ATE will:
- Document the case activity record.
 - Prepare premature referral Letter 4303-B, Appeal Moot.
 - Use case closing code 20, premature referral.
 - Prepare Form 5402 .

- 8.7.13.7.6
(02-16-2016)
**Premature Referral -
Other Reasons**
- (1) Occasionally Appeals receives cases that are premature for consideration, such as incomplete compliance actions, pending claims for abatement/refund or an incomplete case file. If the ATE determines the case is not ready for Appeals consideration, the ATE will:
- Document the case activity record.
 - Prepare premature referral Letter 4302-B, Premature Referral.
 - Use case closing code 20, premature referral.
 - Prepare Form 5402.

- 8.7.13.8
(02-16-2016)
**e-file Case Closing
Procedures**
- (1) Refer to the Account and Processing Support (APS) e-file closing procedures in IRM 8.20.7.25, e-file Procedures, for information on how APS closes e-file cases.
- (2) The closed case file must contain the appropriate APGolf letter generated to the appellant and the POA (if applicable), and:
- ACM
 - Customized Form 5402
 - Appropriate closing letter
- (3) Submit the completed closed case file to the ATM for approval and closing.

- 8.7.13.8.1
(02-16-2016)
**Closing Letters and
Closing the Case**
- (1) In each case, the ATE will document the case activity record on the outcome of the conference and prepare:
- Appropriate closing letter
 - Appeals Case Memorandum
 - Form 5402

Note: Do not return case files to the Director, Electronic Products & Services Support.

- (2) Enter the appropriate closing code for the e-file case on the customized Form 5402:

Closing Code	Definition	Letter
14	Reconsideration Denied	Letter 4303-A
14	Rejection/Reprimand Sustained	Letter 4305-A
15	Rejection/Reprimand Not Sustained	Letter 4305-C
16	Partially Sustained	Letter 4305-B

Closing Code	Definition	Letter
20	Premature Referral	Letter 4302-A, Letter 4302-B or Letter 4303-A
20	Appeal Withdrawn	Letter 4303-B

