



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

8.21.4

APRIL 12, 2019

## EFFECTIVE DATE

(04-12-2019)

## PURPOSE

- (1) This transmits revised IRM 8.21.4, *Appeals Management Statute Responsibility*.

## MATERIAL CHANGES

- (1) Added new IRM 8.21.4.1 , **Program Scope and Objectives** and related sections containing internal control information required by IRM 1.11.2, **Internal Revenue Manual (IRM) Process**. As a result, all other IRM sections were renumbered.
- (2) Changed the title of IRM 8.21.4.2.1 from Assisting APS Identify Statutes to new subsection title, IRM 8.21.4.3.1, Assisting APS - Identifying Statutes.
- (3) Revised IRM 8.21.4.6 and IRM 8.21.4.9 to update Area Director and Executive Director titles due to realignment.

## EFFECT ON OTHER DOCUMENTS

IRM 8.21.4, *Appeals Management Statute Responsibility*, dated December 20, 2013, is superseded.

## AUDIENCE

All Appeals Managers

Anita M. Hill  
Director, Case and Operations Support



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8.21.4

Appeals Management Statute Responsibility

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8.21.4.1  
(04-12-2019)  
**Program Scope and Objectives**

- (1) *Purpose:* This IRM contains guidelines for Appeals managers to meet their statute protection responsibilities.
- (2) *Audience:* All Appeals Managers
- (3) *Policy Owner:* Policy, Planning, Quality and Analysis is under the Director of Case and Operations Support.
- (4) *Program Owner:* Appeals Policy is the program office responsible for providing technical and procedural guidance to the Appeals organization and is under the Director of 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.

8.21.4.1.1  
(04-12-2019)  
**Background**

- (1) Appeals' mission is to resolve tax controversies, without litigation, on a basis which is fair and impartial to both the Government and the taxpayer in a manner that will enhance voluntary compliance and public confidence in the integrity and efficiency of the Service. Appeals accomplishes this mission by considering protested and Tax Court cases, holding conferences, 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. See IRC 7803(a)(3). See Pub 5170, *Taxpayer Bill of Rights*. Appeals managers are accountable for supporting Appeals' missions and core values, and for overseeing the activities of their employees.
- (2) The procedures in this IRM extend to all Appeals Managers and outline their statute responsibility for ensuring statute expiration dates are accurately determined, monitored, and protected for all cases within their jurisdiction.

8.21.4.1.2  
(04-12-2019)  
**Authority**

- (1) IRC Sec. 6501, *Limitations on assessment and collection*
- (2) IRM 25.6, *Statute of Limitations*

8.21.4.1.3  
(04-12-2019)  
**Responsibilities**

- (1) The Director, Case and Operations Support (C&OS) has the executive responsibility for designing, developing, delivering, and monitoring short and long-range tax administration policies, programs, strategies, and objectives for the Appeals organization.
- (2) The Director, Policy, Planning, Quality and Analysis (PPQ&A) oversees the Appeals Policy function and is responsible for providing technical and procedural guidance to Appeals employees, establishing and maintaining policies and standard procedures for Appeals work streams.
- (3) The PPQ&A Analyst shown on the Product Catalog page, as the originator, is the assigned author of this IRM.

8.21.4.1.4  
(04-12-2019)  
**Program Reports**

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

8.21.4.1.5  
(04-12-2019)

#### Terms and Acronyms

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

Acronyms	Definitions
PPQ&A	Policy, Planning, Quality and Analysis
AIVP	Appeals Inventory Validation Process
ASED	Assessment Statute Expiration Date
CSC	Case Summary Card
SVS	Statute Validation System
VTL	Validation Tracking Log

8.21.4.1.6  
(04-12-2019)

#### Related Resources

- (1) Additional sources of guidance can be found in:
  - IRM 8.21.1, *General Statute Responsibility*
  - IRM 8.21.2, *Account and Processing Support (APS) Statute Responsibility*
  - IRM 8.21.3, *Appeals Technical Employees Statute Responsibility*
  - IRM 8.21.5, *Collection Statutes*
  - IRM 8.21.6, *Statute Information on TEFRA Cases*
  - IRM 8.21.7, *Barred Statute Procedures*
  - IRM 25.6.1, *Statute of Limitations Processes and Procedures*

8.21.4.2  
(04-25-2012)

#### Responsibility for all Appeals Managers

- (1) Management oversees the statute protection process for all cases within Appeals jurisdiction as well as all docketed cases.
- (2) Individual managers are responsible for ensuring all employees within their jurisdiction:
  - understand the laws pertaining to statutes commensurate with the employee's assigned responsibility;
  - adhere to the statute guidelines; and
  - make timely assessments of tax and penalties where applicable.

8.21.4.3  
(04-12-2019)

#### Appeals Team Manager (ATM)

- (1) The ATM protects the statute of limitations on all cases in his/her possession for assignment or review and approval. This responsibility continues until the case is delivered to the Appeals Technical Employee (ATE), or is forwarded to and received by Account and Processing Support (APS).
- (2) When a new case is received for assignment, do a cursory review to ensure the correct statute date is shown on the Case Summary Card (CSC). If the statute date shown on Appeals Centralized Database System (ACDS) is

incorrect, follow the procedures outlined in IRM 8.10.3, *Appeals Inventory Validation Process (AIVP)*. The AIVP Statute Validation System (SVS) is used to update, change or modify the critical data fields of statute date, statute code and tax period on the SVS system.

- (3) Once a month, the ATM generates a “Master Statute List” of cases for his/her team where the statute expires within 180 days. Cross match individual statute reports with the master list.
- (4) Exercise due diligence when reviewing the monthly statute lists submitted by the ATE and when necessary, follow up to ensure the time frames provided are met.
- (5) If the case is assigned to an ATE who is away from the office, the ATM is responsible for statute control until the employee returns. In addition, the ATM is responsible for monitoring the statute on any short statute case in which he/she has been pre-notified, in writing, that some action is required while the ATE is away from the office.
  - a. An ATM may review all changes to statute critical data fields, tax period, statute date and statute code, using the SVS system accessible from the ATM Home Page in ACDS. The “Statutes - Review Changes” button is located in the Notification Section of the ACDS Home Page and displays the ATE Statute Changes Listing for each employee on the team. Selecting the hyperlink under the taxpayer name displays the Validation Tracking Log (VTL), which provides information for all changes to ACDS critical data fields submitted for system update, by date, type and submitter. The ATM may indicate completion of the review of statute changes by checking the “reviewed” box on the Statute Updates Listing. Selecting the Review button removes a change from the listing. All statute changes not reviewed will remain on the listing until reviewed.
  - b. ATMs may also update, change, or modify any statute date, statute code or tax period using the SVS menu in ACDS. The SVS menu is accessible from the CSC or the Case Activity Record and Timesheet (CARATS) screen by selecting “Validations” from the menu at the bottom of the screen. Once submitted, the validation will update the return in real time and place an entry in the VTL as to the original and changed data.
- (6) If the employee’s absence from the office is due to an emergency and continues for more than forty-five (45) calendar days, generate a statute list for that employee to ensure there are no statute problems.
- (7) Generally, at least 120 days must remain on the statute when the ATM submits the case to APS for processing. If less than 120 days remains, notify the Processing Team Manager (PTM) via secure e-mail. Ensure an acknowledged Form 3210, *Document Transmittal* is received from APS to show receipt of the case. Responsibility for such statutes is jointly held by APS and the ATM.
- (8) Discuss statute procedures periodically and emphasize the procedures during workload reviews and other performance evaluations.

8.21.4.3.1  
(04-12-2019)  
**Assisting APS -  
Identifying Statutes**

- (1) If requested, the ATM assists APS employees in identifying statute dates on new cases received in Appeals. Detailed procedures are outlined in IRM 8.21.2.4(2), **Actions When Statute Date is Uncertain**.

- (2) When a new case is received in APS and the correct statute date cannot be determined, the case will be handled with high priority and identified as a short statute case until the correct statute date is determined. Within two business days of receipt, update the correct statute date and statute code using the AIVP SVS menu in ACDS.
- (3) Jurisdiction shifts from APS when the case is given to an on-site ATM. If the ATM is not on-site, jurisdiction shifts from APS when acknowledgement is received.

8.21.4.3.2  
(04-25-2012)  
**Rescinding Statutory  
Notices of Deficiency**

- (1) Once Form 8626, *Agreement to Rescind Notice of Deficiency*, is executed, immediately attach it to the related tax return and send a copy to APS indicating that the notice was rescinded and ACDS needs to be updated. Return the case to the ATE for further work. See IRM 8.2.2.4.1, **Criteria for Rescinding a Statutory Notice of Deficiency**.

8.21.4.3.3  
(08-07-2007)  
**Reporting Barred  
Statutes**

- (1) Ensure that barred statutes are timely reported to the appropriate Area Director.
- (2) Refer to IRM 8.21.7, **Barred Statute Procedures**, for barred statute reporting procedures.

8.21.4.4  
(04-12-2019)  
**Processing Team  
Managers (PTM)**

- (1) Upon receipt of a case in APS, the PTM has statute responsibility for that case until it is received by an ATM for assignment. See IRM 8.21.1.3, **Case Jurisdiction**. This includes the receipt of cases from Compliance functions, IRS campuses and other Appeals offices.
- (2) The PTM may update, change, or modify a statute on a new receipt, if necessary, using the PTM Statute Menu on the Validation Menu, accessible from the ACDS Home Page.
- (3) Exercise due diligence in reviewing the monthly statute reports for APS.
- (4) The PTM and the ATM hold joint responsibility for statutes on cases received in APS with less than 120 days remaining on the ASER. See IRM 8.21.4.3 (7).
- (5) The PTM should periodically discuss statute procedures during group meetings throughout the year. Statute procedures should also be addressed and emphasized during workload reviews and performance evaluations.
- (6) Timely report barred statutes to the appropriate Area Manager.

8.21.4.5  
(04-12-2019)  
**Appeals Tax  
Computation Team  
Manager (ATCTM)**

- (1) The ATCTM is responsible for promptly assigning all short statute work requests received and for ensuring priority treatment is given by the Tax Computation Specialist (TCS) assigned the case.
- (2) Periodically discuss the importance of prioritizing short statute cases with employees.
- (3) Monitor employees performance when handling short statute cases through case reviews, workload reviews or other performance evaluations.



- 8.21.4.6  
(04-12-2019)  
**Area Directors and Area Managers**
- (1) For purposes of these guidelines, any reference to Area Director includes all of the following job titles:
    - a. Area Director, Collection Appeals
    - b. Area Director, Examination Appeals
    - c. Area Director, Specialized Examination Programs and Referrals (SEPR)
  - (2) Area Manager refers to an APS Area Manager.
  - (3) Overall, the Area Director/Area Manager is responsible for statute control within the Area, and for ensuring that all employees in the area understand and properly perform their statute duties in a timely manner.
  - (4) Take the following actions to ensure sufficient statute control in the area:
    - a. During operational reviews, review statute procedures followed by each team to ensure the manager is adhering to these guidelines.
    - b. Make sure employees at all levels exercise due diligence when working the monthly statute reports.
    - c. Ensure employees timely report barred statutes to the appropriate person.
  - (5) Area Directors/Area Managers have the same responsibilities as the ATM on cases assigned to their direct employees and on cases submitted for approval as required by delegations or other procedures within the area.
- 8.21.4.7  
(10-01-2012)  
**Directors, Account and Processing Support**
- (1) Overall, the Director, Account and Processing Support (APS) is responsible for the statutes in APS, for emphasizing statute control responsibility during operational reviews, and for timely approving barred statute reports and annually reviewing these reports to identify trends.
  - (2) If trends are identified, the Director takes appropriate action to provide resources (personnel, training, IRM or statute guidelines changes) to address the trends and reduce the number and type of barred statute cases in the future.
- 8.21.4.8  
(04-12-2019)  
**Planning, Policy, Quality and Analysis (PPQ&A) Exam Program Analyst**
- (1) A program analyst on the staff of the Director, PPQ&A, is primarily responsible for the statute program and for performing the following tasks:
    - a. Ensuring the *final* Form 3999, **Statute Expiration Report**, is timely prepared.
    - b. Monitoring the barred statute reports for identification of trends.
    - c. Preparing executive summaries for presentation to the Chief, Appeals.
    - d. Providing copies of barred statute reports to the program analyst responsible for the APS Program, who will determine impact on processing issues.
    - e. Updating IRM 8.21, *Appeals Statute Responsibility*.
- 8.21.4.9  
(04-12-2019)  
**Executive Directors**
- (1) For purposes of these guidelines, any reference to Executive Director includes all of the following job titles:
    - a. Director, Case and Operations Support
    - b. Director, Specialized Examination Programs and Referrals
    - c. Director, Examination Appeals
    - d. Director, Collection Appeals

- (2) Executive Directors ensure designated employees on their staff are aware of the statute guidelines and are available to assist field personnel, when appropriate, in following proper statute procedures.
- (3) If trends are identified, the Executive Director identifies a Director(s) on their staff to take appropriate action to reduce the number and type of barred statute cases in the future.

8.21.4.10  
(12-20-2013)  
**Chief, Appeals**

- (1) The Chief, Appeals is responsible for emphasizing statute control responsibility throughout Appeals.
- (2) The Chief, Appeals reviews the barred statute reports on a quarterly basis to identify trends and takes appropriate action to provide resources (personnel, training, IRM or statute guidelines changes) to address the trends and reduce the number and type of barred statute cases in the future.