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Department of the Treasury
Internal Revenue Service

8.26.7

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EFFECTIVE DATE

(03-28-2014)

PURPOSE

- (1) This transmits new IRM 8.26.7, *Alternative Dispute Resolution (ADR) Program, Fast Track Settlement (FTS) for Tax-Exempt/Government Entities (TE/GE) Taxpayers*.

BACKGROUND

- (1) On December 1, 2008, the IRS initiated a two-year pilot Fast Track Settlement program for TE/GE taxpayers. On September 4, 2012, the program was extended indefinitely. This IRM section contains guidance for Appeals employees involved in the TE/GE Fast Track Settlement program.

MATERIAL CHANGES

- (1) This IRM section contains guidance for Appeals employees involved in the TE/GE Fast Track Settlement program.

EFFECT ON OTHER DOCUMENTS

IRM 8.26.7 supplements Announcement 2008-105, 2008-2 C.B. 1219 and Announcement 2012-34, 2012-36 I.R.B. 334.

AUDIENCE

Appeals

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8.26.7

Fast Track Settlement (FTS) for Tax-Exempt/Government Entities (TE/GE) Taxpayers

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8.26.7.1
(03-28-2014)
**General Provisions of
TE/GE FTS**

- (1) A primary objective of the Service is to resolve tax controversies at the lowest level without compromising the quality and integrity of its determinations. Alternative dispute resolution programs achieve this objective.
- (2) The IRS Restructuring and Reform Act of 1998 (RRA 98), P.L.105-206 directed the IRS to implement procedures to allow a broader use of early Appeals programs and adopt alternative dispute resolution methods, such as mediation and arbitration.
- (3) Announcement 2008-105, *2008-2 C.B. 1219* established TE/GE FTS as a two year pilot program to expedite case resolution and expand the range of dispute resolution options available to TE/GE taxpayers. Announcement 2012-34, *2012-36 I.R.B. 334* established TE/GE FTS as a permanent program.
- (4) TE/GE FTS is a service offered by the IRS for the purpose of enabling taxpayers, TE/GE, and the Office of Appeals to work together in resolving disputed issues while the case is under the jurisdiction of TE/GE.
- (5) TE/GE and Appeals administer the TE/GE FTS process jointly. The program is available to taxpayers nationwide.

8.26.7.1.1
(03-28-2014)
**Overview of TE/GE FTS
Process**

- (1) TE/GE FTS can be used to resolve factual and legal issues. The process may be initiated at any time after an issue has been fully developed, but before the issuance of a 30-day letter (or its equivalent).
- (2) TE/GE FTS is premised on the basis that TE/GE and the taxpayer have exhausted existing issue resolution strategies within TE/GE, including the Group Manager's conference, and now want to use an optional strategy to reach a settlement.
- (3) TE/GE FTS employs various alternative dispute resolution techniques to promote case or issue resolution. An FTS Appeals Official serves as a neutral party. A TE/GE Appeals Officer trained in mediation or, in limited cases, a mediation-trained Appeals Team Case Leader serves as the neutral FTS Appeals Official. The FTS Appeals Official does not perform in a traditional Appeals role, but rather uses dispute resolution techniques to facilitate settlement between the parties.
- (4) If TE/GE FTS is unsuccessful in reaching a resolution, a taxpayer is not precluded from requesting traditional Appeals consideration. See IRM 8.26.7.6, *Unresolved Issues after TE/GE FTS*.
- (5) When needed to effect a settlement based on the hazards of litigation, TE/GE FTS allows the parties to utilize Appeals settlement authority under Delegation Order 8-1 (formerly Delegation Order 60) and Delegation Order 8-8 (formerly Delegation Order 66). See IRM 1.2.47, *Delegation of Authorities for the Appeals Process*; IRM 8.6.4.1.4, *Judicial Attitude Toward Settlement*.

8.26.7.1.2
(03-28-2014)
**Objectives and Benefits
of TE/GE FTS**

- (1) TE/GE FTS takes place while the case is still under the jurisdiction of TE/GE.

8.26 Alternative Dispute Resolution (ADR) Program

- (2) The TE/GE FTS process is designed to be completed within 60 calendar days of acceptance of the TE/GE FTS Application (Form 14017, *Application for Fast Track Settlement*).
- (3) Some of the objectives and benefits of TE/GE FTS are:
 - Resolve issues at the lowest level possible;
 - Use Appeals settlement authority during the examination process;
 - Reduce overall case cycle time;
 - Reduce taxpayer burden; and
 - Optimize the use of internal resources.

8.26.7.1.3 (03-28-2014) **Collaborative Dispute Resolution Process**

- (1) All participants of the FTS session actively contribute to the resolution of the case. The FTS session generally includes the taxpayer and/or the taxpayer's authorized representative(s), the TE/GE representative(s), and the FTS Appeals Official. A taxpayer is not required to have a representative in order to participate in TE/GE FTS.
- (2) At least one person with decision-making authority from both the taxpayer and TE/GE must be present at the FTS session.
- (3) The taxpayer and TE/GE representative(s) participating in the FTS session should also include individuals with the information and expertise necessary to assist the parties and the FTS Appeals Official during the settlement process. However, the FTS Appeals Official may ask the parties to limit the number of participants at the FTS session to facilitate the process.
- (4) In the event the parties cannot reach a settlement through the use of mediation techniques, the FTS Appeals Official has delegated settlement authority and the ability to offer a settlement in both factual and legal issues. Neither party is obligated to accept the settlement proposal offered by the FTS Appeals Official.

8.26.7.1.4 (03-28-2014) **Settlement Authority**

- (1) Announcement 2012-34, *2012-36 I.R.B. 334* constitutes a delegation by the Commissioner of Internal Revenue Service of settlement authority to Grade 14, 13 and 12 Appeals Officers assigned to be Appeals FTS Officials for TE/GE FTS cases.
- (2) The delegation of settlement authority provided under Announcement 2012-34, *2012-36 I.R.B. 334* includes the responsibility for arriving at the final disposition from the Government's perspective, approving the final settlement in accordance with the delegated authority, and executing the appropriate closing documents. This authority may not be re-delegated.

8.26.7.2 (03-28-2014) **Determining Case Eligibility**

- (1) The TE/GE Group Managers and the Appeals Team Managers will identify and determine cases eligible for TE/GE FTS.
- (2) The process of identifying cases eligible for FTS generally begins with the TE/GE representative(s). If a case qualifies for FTS, the TE/GE representative(s) will discuss the FTS option with the taxpayer and explain the objectives and benefits of the program.
- (3) The taxpayer may also initiate the TE/GE FTS process at any time after an issue has been fully developed but before a 30-day letter (or its equivalent) is issued. See IRM 8.26.7.3, *Initiating TE/GE FTS*.

- (4) TE/GE FTS may not be the appropriate dispute resolution process for all cases involving TE/GE taxpayers. The TE/GE Group Manager and the taxpayer will evaluate the individual circumstances of the case to determine if the FTS process meets their needs.

8.26.7.2.1
(03-28-2014)
**Case Eligibility
Requirements for TE/GE
FTS**

- (1) Generally, TE/GE FTS is available for **non-docketed** cases involving income tax; exclusion of income from interest paid on municipal obligations; employment tax; estate and gift taxes; excise tax; exemption, foundation or qualification issues; or other such TE/GE functional issues as appropriate when:
- Issues are fully developed;
 - The taxpayer has stated a position in writing;
 - TE/GE and the taxpayer have exhausted available issue resolution strategies including the Group Manager's conference; and
 - There are a limited number of unagreed issues.
- (2) **If an issue is determined not to be eligible for TE/GE FTS, all issues in the case are not eligible for TE/GE FTS.**

8.26.7.2.2
(03-28-2014)
**Cases Excluded from
TE/GE FTS**

- (1) The following cases are not eligible for TE/GE FTS:
- a. Issues that are eligible for other established settlement initiatives, such as, but not limited to, the Self Correction Program, the Audit Closing Agreement Program, or other programs described in Rev. Proc. 2013-12, 2013-4 *I.R.B.* 313;
 - b. Correspondence examination or determination cases;
 - c. Cases in which the taxpayer has failed to respond to IRS communications or no documentation has been previously submitted for consideration by TE/GE;
 - d. Cases in which Appeals does not have jurisdiction (including determination of penalties under IRC 6700);
 - e. Cases involving Listed Transactions or Abusive Tax Avoidance Transactions defined in IRM 4.32.1-1;
 - f. Cases involving potential for civil or criminal fraud;
 - g. Rebate claim cases;
 - h. Tax Equity and Fiscal Responsibility Act (TEFRA) partnership cases;
 - i. Issues designated for litigation;
 - j. Issues under consideration for designation for litigation;
 - k. Frivolous issues, such as, but not limited to, those identified in Notice 2010-33, 2010-17 *I.R.B.* 609, or any successor guidance;
 - l. "Whipsaw" issues, i.e., issues for which resolution with respect to one party might result in inconsistent treatment in the absence of the participation of another party; or
 - m. Issues that have been identified in a Chief Counsel Notice, or equivalent publication, as excluded from the TE/GE FTS process.

8.26.7.3
(03-28-2014)
Initiating TE/GE FTS

- (1) While either the taxpayer or TE/GE can initiate the FTS process, both parties must agree to participate in the program.

8.26 Alternative Dispute Resolution (ADR) Program

- (2) The taxpayer, the TE/GE examiner, or the TE/GE Group Manager may consider using the TE/GE FTS process at any time after an issue has been fully developed but before a 30-day letter (or its equivalent) is issued.
- (3) To initiate FTS, the TE/GE representative(s) assemble a **TE/GE FTS Package**, which must include the following documents:
 - a. A Form 14017, *Application for Fast Track Settlement*, signed by both parties.

Who must sign Form 14017 , <i>Application for Fast Track Settlement</i>?	
IRS	Both must sign: <ul style="list-style-type: none"> • TE/GE Group Manager • TE/GE Territory/Area Manager
Taxpayer	The taxpayer or the taxpayer's authorized representative must sign. Note: If a person other than the taxpayer signs Form 14017, <i>Application for Fast Track Settlement</i> pursuant to a Power of Attorney, that Power of Attorney must express the taxpayer's grant of authority to consent to disclose the taxpayer's returns and return information by the Service to third parties. A copy of the Power of Attorney must be attached to the FTS application.

- b. A Form 5701, *Notice of Proposed Adjustment*, or a preliminary report of findings, as appropriate. If a Form 5701 has not previously been prepared, the TE/GE examiner will prepare one for submission with the FTS Application.
- c. The taxpayer must provide the TE/GE examiner with a brief, concise and soundly written position and response to the TE/GE examiner.
- d. A Form 2848, *Power of Attorney and Declaration of Representative*, if applicable.

8.26.7.4 (03-28-2014) Receipt and Control of TE/GE FTS Cases

- (1) TE/GE does not transmit the entire administrative file to Appeals, but rather sends only the **TE/GE FTS Package** to the Appeals Team Manager FTS Point of Contact via secured email at the **AP TEGE FTS* mailbox.
- (2) TE/GE and Appeals management can implement local procedures to meet TE/GE FTS time frames and enable effective communication between the two functions. For example, the two functions can locally decide whether to transmit the TE/GE FTS Package to the Appeals Team Manager FTS Point of Contact by mail, facsimile or secured email message.

- (3) Appeals will date stamp the Form 14017 on the date it is received.

8.26.7.4.1
(03-28-2014)
**Accepting Eligible
TE/GE FTS Cases**

- (1) Within **3 business days** of receipt:
- The Appeals Team Manager will confirm that the case eligibility requirements are met. If necessary, the Appeals Team Manager will contact the TE/GE Group Manager to discuss whether to accept or deny entry into the TE/GE FTS program.
 - If the case is accepted, the Appeals Team Manager will assign the case to an Appeals Officer trained in mediation. The Appeals Team Manager will also give Account and Processing Support (APS) a copy of Form 14017, the name of the FTS Appeals Official assigned to the case, and other relevant information necessary to input the case into the Appeals Centralized Database System (ACDS).
- (2) Upon acceptance of a case for FTS, the expectation is that all the issues and claims were raised, all relevant information disclosed, and the case is ready for resolution.

8.26.7.4.2
(03-28-2014)
**APS Carding Procedures
for Eligible TE/GE FTS
Cases**

- (1) APS will accord FTS cases priority treatment.
- (2) APS must have a signed Form 14017 before it can input the case record into ACDS.
- (3) APS will follow the general provisions for carding in cases contained in IRM 8.20.5.1, *Appeals Processing Manual, Processing and Establishing New Receipts*. However, the following unique entries are made on the case inventory screen for FTS cases:
- Feature Code = GE
 - REQAPPL = Latter of date on which Form 14017, *Application for Fast Track Settlement*, was signed by either the taxpayer or TE/GE
 - RECDATE = Acceptance Date by Appeals Team Manager
- (4) Add the following return level information:
- AIMS Indicator = E
 - STATDATE = Leave Blank
 - STATCODE = EXAM
 - PBC = APS will check AMDISA for the correct code
 - Proposed Tax/Proposed Penalty = APS will leave these fields blank until the FTS Appeals Official provides the proposed and revised adjustment dollar amounts on Form 14000, *Fast Track Session Report*, or Form 5402, *Appeals Transmittal and Case Memo*.

8.26.7.4.3
(03-28-2014)
**Returning Cases That
Do Not Qualify for
TE/GE FTS**

- (1) If the Appeals Team Manager determines the case does not qualify or is otherwise denied for FTS, the Appeals Team Manager will notify the TE/GE Group Manager in writing within **3 business days** of receipt. The Appeals Team Manager will provide the basis for the denial when returning the TE/GE FTS Package to TE/GE.
- (2) Appeals will notify the taxpayer in writing of the reason for denial.

8.26 Alternative Dispute Resolution (ADR) Program

- (3) TE/GE or Appeals will discuss other dispute resolution opportunities with the taxpayer, including 30-day letter procedures contained in Pub 1, *Your Rights as a Taxpayer*, or Pub 5, *Your Appeal Rights and How To Prepare a Protest If You Don't Agree*.
- (4) Examples of cases that might not qualify for TE/GE FTS include the following:
 - a. Cases with numerous issues, whether simple or complex, which will require longer than 60 days to resolve;
 - b. Cases where TE/GE or the taxpayer are unable to meet during the 60 day time frame; or
 - c. Cases presenting high profile or sensitive issues.
- (5) The decision not to accept a case into the TE/GE FTS program is not subject to administrative appeal or judicial review.

8.26.7.5 (03-28-2014) TE/GE FTS Session

- (1) Within **5 business days** of case assignment, the FTS Appeals Official will:
 - a. send Letter 4365, *FTS Acknowledgment Letter*, to the taxpayer; and
 - b. contact the taxpayer and TE/GE to start the FTS planning process.
- (2) The FTS Appeals Official will identify, determine and confirm the number, name and role of the respective participants to the FTS session and ensure that at least one person with decision-making authority from both the taxpayer and TE/GE will be present at the session.
- (3) The FTS Appeals Official will schedule the FTS session at a date and location agreeable to both parties. The FTS Appeals Official will consider holding the session at a location that has the least cost or impact to the Service, such as the local Office of Appeals.
- (4) The FTS Appeals Official may ask either party for additional information in order to acquire a full understanding of the issues. The FTS Appeals Official will share any information received with the other party prior to the FTS session.
- (5) The FTS Appeals Official will send the parties a customized copy of Letter 4448, *Fast Track Settlement Agenda Letter*, to confirm the agenda for the FTS session.

8.26.7.5.1 (03-28-2014) Conducting the TE/GE FTS Session

- (1) The FTS Appeals Official will use a Form 14000, *Fast Track Session Report*, to assist in planning the TE/GE FTS session and to report on developments during the FTS session. The FTS Session Report will include a list of all issues approved for the FTS program, a description of the issues, the amounts in dispute, conference dates, a plan of action for the FTS session and other information useful to the process as determined by the parties and the FTS Appeals Official.
- (2) The FTS Appeals Official will open and lead the FTS session. All parties are active participants with equal voices.
- (3) Prior to opening the FTS session, the FTS Appeals Official will establish ground rules. The FTS Appeals Official may modify the rules during the FTS session to adapt to changes in circumstances.

- (4) The FTS Appeals Official will prepare and update an agenda to guide the communication, set the order of issue discussion, and pose questions to clarify the issues. During the FTS session, the FTS Appeals Official will provide decision makers from both parties with copies of the agenda and the FTS session report.
- (5) During the course of the FTS session, the FTS Appeals Official will employ various alternative dispute resolution techniques to promote case or issue resolution. The FTS Appeals Official does not perform in a traditional Appeals role, but rather uses dispute resolution techniques to facilitate settlement between the parties.
- (6) The FTS session may include joint sessions with all parties and/or separate meetings, as appropriate. The FTS Appeals Official will use various methods and mediation techniques to meet the needs and circumstances of each particular case.

8.26.7.5.2 (03-28-2014) **New Information Presented During FTS Session**

- (1) Since it is expected that the taxpayer and TE/GE have raised all issues and presented all relevant documentation before the FTS Application package is submitted to Appeals, the FTS Appeals Official will generally consider only those issues outlined in the FTS Session Report.
- (2) If the taxpayer and/or TE/GE present new information during the FTS session that was not previously presented during the examination, the FTS Appeals Official will consider whether it is necessary to adjust the targeted completion date or terminate the FTS session until both parties have had adequate time to review and evaluate the new information.

8.26.7.5.3 (03-28-2014) **Appeals Settlement Recommendations**

- (1) When the parties cannot reach a resolution through mediation, the FTS Appeals Official may propose a settlement on factual and/or legal issues. Neither party is obligated to accept the settlement proposal offered by the FTS Appeals Official.
- (2) If the settlement proposed by the FTS Appeals Official is accepted by TE/GE and the taxpayer, TE/GE will close the case using agreed case closing procedures on the basis of the Appeals settlement proposal.
- (3) If the TE/GE Group Manager or their designee rejects the settlement proposed by the FTS Appeals Official, the TE/GE Territory Manager must concur with the rejection in writing.
- (4) If the TE/GE Territory Manager accepts the settlement proposed by the FTS Appeals Official, TE/GE will close the case using agreed case closing procedures on the basis of the Appeals settlement proposal.
- (5) If the TE/GE Territory Manager concurs with the rejection of the settlement proposed by the FTS Appeals Official, and no acceptable alternative settlement is reached, TE/GE will decide how it will proceed with the case.

8.26.7.5.4 (03-28-2014) **Coordinated Issues in TE/GE FTS**

- (1) Any recommended settlement by the FTS Appeals Official is subject to the same procedures and published guidance that would be applicable if the issue was being considered by Appeals at the time of the recommendation.

8.26 Alternative Dispute Resolution (ADR) Program

- (2) For all issues coordinated as either Industry Specialty Program (ISP) or Appeals Coordinated Issues (ACI), Appeals will follow the procedures outlined in IRM 8.7.3.4, *Review and Concurrence Procedures*.
- (3) Where ACI/ISP/Compliance Coordinated Issues (CCI) are subject to the review and concurrence by the Appeals Domestic Technical Specialist (DTS), the DTS will generally serve as a team member and participate in the FTS session with the taxpayer and TE/GE. If, for whatever reason, the DTS does not participate in the FTS session, the settlement of an ACI/ISP/CCI case remains subject to the review and concurrence of the DTS.

8.26.7.5.5 (03-28-2014) **Form 14000 Fast Track Session Report**

- (1) All TE/GE FTS cases require a Form 14000, *Fast Track Session Report*, on which the FTS Appeals Official will notate the issues, adjustment dollars in dispute, and the disposition of each issue.
- (2) At the end of the FTS session, the FTS Appeals Official will solicit the taxpayer (or representative(s), if applicable) and TE/GE to sign the report. The FTS Appeals Official will then give all session participants a signed copy of the report.
- (3) If the parties reach a basis for settlement during the FTS session, the parties' signatures on Form 14000, *Fast Track Session Report*, signifies acceptance of the terms of the settlement for purposes of preparing computations and closing documents. However, the FTS Appeals Official will explain to the parties that the settlement is not final until all necessary closing documents and/or waivers are signed.
- (4) The Form 14000, *Fast Track Session Report*, is not a waiver of restrictions on assessment; does not terminate consents to extend the statute of limitations; and does not start the running of any new statute of limitations.
- (5) The signature of an IRS Official on the Fast Track Session Report does not preclude the reopening of the case under Policy Statement 4-3 found in IRM 1.2.13.1.1.

8.26.7.6 (03-28-2014) **Unresolved Issues after TE/GE FTS**

- (1) If, after the FTS session, any issue remains unresolved, the FTS Appeals Official will follow the case closing procedures outlined in IRM 8.26.7.8.1, *Closing Procedures for Terminated, Withdrawn, or Unresolved TE/GE FTS Cases*.
- (2) If the parties fail to resolve any issue in TE/GE FTS, the taxpayer retains all of the standard appeal rights outlined in Pub 5, *Your Appeal Rights and How To Prepare a Protest If You Don't Agree*.
- (3) If the case returns to Appeals under standard procedures, the Appeals Team Manager will assign the case to an Appeals employee other than the person who acted as FTS Appeals Official during the TE/GE FTS process.

8.26.7.7 (03-28-2014) **Withdrawal from TE/GE FTS**

- (1) Both parties retain the right to withdraw throughout the entire TE/GE FTS process.
- (2) A party wishing to withdraw should provide written notice to the FTS Appeals Official and the other party.
- (3) In the event of a withdrawal, the FTS Appeals Official will return the TE/GE

FTS Package to TE/GE and follow the case closing procedures outlined in IRM 8.26.7.8.1, *Closing Procedures for Terminated, Withdrawn, or Unresolved TE/GE FTS Cases*.

8.26.7.8
(03-28-2014)
TE/GE FTS Case Closing Procedures

- (1) Although Appeals does not receive an administrative file in a TE/GE FTS case, APS must take appropriate action to close the case off of ACDS.
- (2) In closing FTS cases, APS will follow standard case closing procedures as outlined in IRM 8.20.7, *Appeals Processing Manual - General Closing Procedures*, subject to the following exception:
 - a. APS does not process account adjustments based on the agreement reached during the FTS session.

8.26.7.8.1
(03-28-2014)
Closing Procedures for Terminated, Withdrawn, or Unresolved TE/GE FTS Cases

- (1) TE/GE FTS cases that are terminated, withdrawn, or fully unresolved will be closed on ACDS and returned to TE/GE for appropriate action.
- (2) The FTS Appeals Official will prepare a TE/GE FTS Closing Package, which contains the following documents:
 - a. Form 14000, *Fast Track Session Report*, signed by all parties.
 - b. Two copies of Letter 5203, *Unagreed Fast Track Settlement Closing Letter*, one addressed to the taxpayer and the other to TE/GE.
 - c. A Form 5402, *Appeals Transmittal and Case Memo*, with the following entries:

Form 5402 Item	Entry
Proposed and Revised FTS Adjustment dollars	Enter the same proposed and revised adjustment dollar amounts on both: <ul style="list-style-type: none">• Form 5402, <i>Appeals Transmittal and Case Memo</i>; and• Form 14000, <i>Fast Track Session Report</i>.
Item 11 remarks	Enter TE/GE Fast Track Settlement Case
Closing code	Enter the applicable closing code: <ul style="list-style-type: none">• 15 - Unresolved or voluntary withdrawal• 20 - Withdrawn or terminated for procedural reasons

- (3) The FTS Appeals Official will route the original TE/GE FTS Closing Package to TE/GE through the Appeals Team Manager.
- (4) The Appeals Team Manager will send a copy of the TE/GE FTS Closing Package to APS to close the case off of ACDS.

- (5) The FTS Appeals Official will send a copy of the Form 14000, *Fast Track Session Report*, and Form 5402, *Appeals Transmittal and Case Memo*, to the Tax Policy and Procedure TE/GE Program Analyst.

8.26.7.8.2
(03-28-2014)

**Closing Procedures for
Fully or Partially
Resolved TE/GE FTS
Cases**

- (1) For TE/GE FTS cases that are fully or partially resolved, the FTS Appeals Official will prepare a "TE/GE FTS Closing Package", which contains the following documents:
- Form 14000, *Fast Track Session Report*, signed by all parties.
 - Two copies of Letter 5202, *Agreed Fast Track Settlement Closing Letter*, one addressed to the taxpayer and the other to TE/GE.
 - A Form 5402, *Appeals Transmittal and Case Memo*, with the following entries:

Form 5402 Item	Entry
Proposed and Revised FTS Adjustment dollars	Enter the proposed and revised adjustment dollar amounts on both: <ul style="list-style-type: none"> Form 5402, <i>Appeals Transmittal and Case Memo</i>; and Form 14000, <i>Fast Track Session Report</i>.
Item 11 remarks	Enter TE/GE Fast Track Settlement Case
Closing code	Enter the applicable closing code: <ul style="list-style-type: none"> 14 - Fully resolved 16 - Partially Resolved

- A brief Appeals Case Memorandum (ACM), if the issues were resolved based on hazards of litigation (whether factual or legal).
- Appropriate agreement documents, including Closing Agreement(s), if applicable.

If the FTS Appeals Official resolves the issues using	Then
Mediation techniques only	TE/GE will secure the appropriate agreement form

If the FTS Appeals Official resolves the issues using	Then
Appeals settlement authority and/or the settlement is based on hazards of litigation	<p>FTS Appeals Official will secure the appropriate agreement documents, such as Form 870-AD, Form 866, or Form 906.</p> <p>Note: On Joint Committee Cases, Appeals does not execute any closing agreement until the settlement is cleared by Joint Committee. In those cases, the FTS Appeals Official will prepare a Form 5402, <i>Appeals Transmittal and Case Memo</i>, which states, "This case may not be closed until Joint Committee approval is received. Upon receipt of the Joint Committee letter, Appeals will execute a closing agreement and the case may then proceed through TE/GE closing procedures."</p>

- (2) The FTS Appeals Official will route the original TE/GE FTS Closing Package to TE/GE through the Appeals Team Manager.
- (3) The Appeals Team Manager will send a copy of the TE/GE FTS Closing Package to APS to close the case on ACDS.
- (4) The FTS Appeals Official will send a copy of the Form 14000, *Fast Track Session Report*, and Form 5402, *Appeals Transmittal and Case Memo*, to the Tax Policy & Procedure TE/GE FTS Program Manager.

8.26.7.9 (03-28-2014) TE/GE FTS Confidentiality

- (1) The TE/GE FTS process is confidential. Confidentiality extends to all parties and all oral and written communications prepared in connection with the TE/GE FTS process.
- (2) IRS employees involved in any way with the TE/GE FTS process are subject to the confidentiality and disclosure provisions of the Internal Revenue Code.
- (3) Pursuant to IRC 6103(c), the taxpayer must consent to the disclosure of the taxpayer's returns and return information pertaining to the issues being considered in the TE/GE FTS process to those persons named as participants on Form 14017, *Application for Fast Track Settlement*. The taxpayer consents by executing Form 14017, *Application for Fast Track Settlement*.

- (4) IRS employees, the taxpayer, and persons invited to participate by the IRS or the taxpayer shall not voluntarily disclose information made available during the FTS session, except as provided under *5 U.S.C. Section 574*.

8.26.7.10
(03-28-2014)

**Ex Parte Rules in TE/GE
FTS**

- (1) The prohibition on *ex parte* communications between Appeals employees and other Internal Revenue Service employees provided by Section 1001 of the Internal Revenue Service Restructuring and Reform Act of 1998 does not apply to the communications arising in the TE/GE FTS process because the FTS Appeals Official is not acting in the traditional settlement role and jurisdiction of the case remains with TE/GE. See Rev. Proc. 2012-18.
- (2) On TE/GE FTS cases returned for traditional Appeals consideration, *ex parte* restrictions **will** apply to communications between Appeals employees and other IRS originating functions, but **will not** apply to intra-Appeals communications. Appeals management will take appropriate measures to ensure that these cases are handled fairly and impartially.

8.26.7.11
(03-28-2014)

**Customer Satisfaction
Survey**

- (1) At the conclusion of the TE/GE FTS session, the FTS Appeals Official will provide a Customer Satisfaction Survey to the taxpayer. The FTS Appeals Official will explain that the survey is voluntary but strongly encourage its completion. Survey data is used to evaluate and improve the overall TE/GE FTS process. Return completed surveys to:

Internal Revenue Service Office of Appeals
Attn: Fabio Ambrosio
915 Second Avenue, M/S W680
Seattle, WA 98174-1081