



Small Business/Self-Employed Division

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

July 16, 2020

Control Number: SBSE-05-0720-0055
Expiration Date: August 31, 2020
Affected IRMs: 5.1.10; 5.1.12; 5.9.5; 5.9.17;
5.12.2; 5.14.1; 5.15.1; 5.16.1.

**MEMORANDUM FOR ALL FIELD COLLECTION AND SPECIALTY COLLECTION-
INSOLVENCY EMPLOYEES**

FROM: Ronald Takakjy, Acting Director, Collection Policy *Ronald Takakjy*
Small Business/Self Employed Division

SUBJECT: Deviation to Field and Insolvency Procedures During the
COVID-19 Pandemic

Background: On March 13, 2020, the President declared a national state of emergency due to the COVID-19 pandemic. The Director, Headquarters Collection issued a memorandum on March 30, 2020, implementing a temporary deviation to suspend certain collection activities during the COVID-19 pandemic (Control Number: [SBSE-05-0320-0030](#)). The suspension period outlined in the memorandum expires on July 15, 2020.

The Deputy Commissioner, SB/SE Collection and Operation Support issued a memorandum on July 6, 2020, *SB/SE Compliance Activities Post People First Initiative*, providing guidance on the resumption of certain collection activities. While the suspension period may be ending, the Service's operations will not immediately return to the "pre-pandemic normal."

The purpose of this memorandum is to provide a deviation and temporary guidance on taxpayer contact and Notices of Federal Tax Lien procedures as Field Collection and Specialty Collection (Insolvency) work resumes.

Taxpayer Contact: Face-to-face public contact/field activities will only occur in exceptional cases, as described below. They will not be routine or regularly occurring activities and will be voluntary on the part of the employee. Revenue Officers (ROs) may conduct face-to-face contacts and other field activities with the taxpayer, the taxpayer's authorized representative or other members of the public on a case-by-case basis and only when authorized. Face-to-face contact requires Territory Manager approval and is subject to the guidelines in the

Deputy Commissioner memo dated July 6, 2020.

Face-to-face field contact should only be authorized where:

- (1) there are no effective alternatives to face-to-face contact, and the failure to act poses a risk of permanent loss to the government, such as the expiration of a statute, assets being placed permanently beyond government reach, or continued pyramiding of employment tax liabilities; or
- (2) the taxpayer or representative has requested face-to-face contact and the RO and manager agree that face to face contact would advance the progress of the case.

Note: *Document all decisions to make face-to-face contact, public/field activities and discussions with management in the ICS history.*

In all instances of public contact, employees are expected to wear masks or other face coverings, practice social distancing, and adhere to CDC guidelines (handwashing, etc.) to guard against possible exposure to or spread of COVID-19. Where possible, consider conducting the meeting with the taxpayer in an IRS facility (such as Taxpayer Assistance Centers) equipped with plexi-glass barriers.

Initial Contact: In most cases, effective initial contact requires the RO to attempt to make actual contact with the taxpayer or taxpayer's representative in the field per [IRM 5.1.10](#), *Field Collecting Procedures, Taxpayer Contacts*. This requirement continues to be waived. However, during the pandemic soft contact procedures, which includes the use of letter 725, *Meeting Scheduled with Taxpayer*, and telephonic interviews will be utilized in lieu of face-to-face interviews except for those cases that have exigent circumstances (i.e. jeopardy, statute issues, egregious employment tax cases etc.) and other priority field work defined in Field Collection Operations, Interim Guidance for COVID-19 Field Work (See Attachment 2 for Soft Contact procedures to be followed during the deviation period).

Note – *Areas may be subject to a Federal, State, or local government quarantine or isolation order related to COVID-19. In this case, no face-to-face contact with taxpayers, POAs, or third parties is permitted.*

Notice of Federal Tax Lien (NFTL) Filings and Filing Determinations: The suspension of NFTL filing determinations and filing new NFTLs (except for exigent circumstances) **will continue through August 31, 2020**, with certain modifications as described in this memorandum.

NFTL Filing Determinations

Generally, employees should extend NFTL determination deadlines beyond August 31, 2020, for their cases.

When closing a case as an installment agreement, currently not collectible or discharged or dismissed in a bankruptcy case, employees are **not required** to make a NFTL filing determination. Employees should document the case history that the NFTL filing determination was not made per the COVID-19 collection suspension guidance.

In very limited circumstances when closing a case, employees may hold the case in their inventory **OR Field Collection employees may** close the case and create an “other investigation” (OI) to file the NFTL after the end of the suspension period. This should only be done if the investigation shows it is critical to protect the government’s interest. **Specialty Collection - Insolvency employees** have the flexibility and discretion to hold the case in their inventory. If the case will remain open in their inventory, the caseworker should create a follow up to file the NFTL after the suspension period. Employees should secure approval from their group manager to hold the case or create an OI and document the approval in the case history.

Requesting and Filing NFTLs

Generally, employees should not request or file new NFTLs during the suspension period unless exigent circumstances exist. An exigent circumstance involves the loss of opportunity for the government to collect taxes due, such as the taxpayer placing assets beyond the reach of the government.

In exigent circumstances, Field Collection employees may request or file new NFTLs after securing Territory Manager approval. Specialty Collection-Insolvency employees may request NFTLs after securing approval from the Director, Specialty Collection- Insolvency.

Employees should follow the guidance attached to this memorandum to file a NFTL. Based on the circumstances and the status of the recording office, Field Collection employees may hand-carry the NFTL or lien document to the recording office following the guidance in [IRM 5.12.7.10.5](#), which includes the employee paying any associated filing fee.

Employees initiating NFTLs during the suspension period are responsible for preparing the appropriate notification for the taxpayer(s) (e.g., Letter 3172, Letter 3171) and for any power of attorney (e.g., Letter 3262, Letter 3271) **and issuing the notice in accordance with IRC §6320 requirements.**

Filing Other Lien Documents

Employees may continue to request **NFTL Refiles** in a similar manner to the NFTL process described in the attachment. Email Form 12636 or a manually prepared Form 668-F to *SBSE CLO FORT (Field Collection) or *SBSE CLO Liens Team 301 (Insolvency) and specify the refile deadline date. Request the refile with sufficient time for the Centralized Lien Operation (CLO) to process the document and for it to be delivered to the recording office before the refile deadline. If there is insufficient time (generally less than 30 days), consider filing the document in another manner.

Employees may request other lien documents, as needed, through the CLO following normal procedures. CLO will print and file NFTL's, Refiles, lien releases and other lien documents on a regular basis.

Contacts: Employees should ask their management chain for guidance as to any issues not specifically addressed in this memo. Management officials may contact the appropriate Collection Policy office.

- Liens: Debbie Harriott, Program Manager; Kyle Romick, Sr. Program Analyst
- Insolvency: Tiffany Lentz, Program Manager; Maria Valerio, Sr. Program Analyst
- Installment Agreements: Eric Slayback, Program Manager
- Currently Not Collectible: Eric Slayback, Program Manager
- Taxpayer Contacts: Diana Estey, Program Manager; Cynthia Cooper, Sr. Program Analyst
- Soft Contact Procedures: Jana McDaniel, Program Manager; Scott Pryde, Sr. Program Analyst.

Attachments (2)

Distribution: IRS.gov (<http://www.irs.gov>)

Director Headquarters Collection – Quality and Technical Support

Attachment 1 SBSE-05-0720-0055

Requesting Notices of Federal Tax Lien during the COVID-19 Suspension Period

New NFTLs should only be requested for EXIGENT CIRCUMSTANCES and MUST BE APPROVED BY THE TERRITORY MANAGER (Field Collection) OR DIRECTOR (Specialty Collection – Insolvency). After securing approval, take the following actions:

1. Complete Form 12636, *Request for Filing or Refiling Notice of Federal Tax Lien*, or manually prepare Form 668(Y), *Notice of Federal Tax Lien*. See [IRM 5.12.7.3.2](#) and [IRM 5.12.7.4](#) for further details.

REMINDER: Do **NOT** request the NFTL electronically through ICS or ACS.

2. Send the Form 12636 or Form 668(Y) to the Centralized Lien Operation (CLO) via secured email with the email or other documentation showing the appropriate management official approved the filing.
 - A. Field Collection requests should be sent to the Field Office Resource Team (FORT) at *SBSE CLO FORT.
 - B. Insolvency requests should be sent to the CLO Team 301 at *SBSE CLO Liens Team 301.

NOTE: CLO may reject requests that do not include documentation of the approval.

3. CLO inputs the information to the Automated Lien System (ALS). CLO will print the NFTL and mail it to the recording office as part of their regular batch processing.
4. One week after submitting the NFTL/request, manually prepare the appropriate letter (Letter 3172 or 3171) to advise the taxpayer(s) of the NFTL filing. Mail Letter 3172 via certified mail or Letter 3171 via regular mail to the taxpayer(s). If there is an authorized POA, manually prepare the appropriate letter (Letter 3262 or 3271) and send via regular mail. See [IRM 5.12.6.3.5](#) for further details.

Exception: For SPECIAL CONDITION NFTLs, take the following actions:

1. Follow [IRM 5.12.7.6](#) procedures for securing Counsel's concurrence with the Special Condition NFTL.
2. After Counsel concurs with the Special Condition NFTL, secure the approval of the Territory Manager (Field Collection) or Director (Specialty Collection – Insolvency) for the exigent filing of the NFTL.

NOTE: If exigent circumstances do not exist or it is not necessary to file the NFTL before the end of the COVID-19 compliance suspension period, hold further processing until after the suspension period ends.

3. Manually prepare the Special Condition NFTL following the procedures in [IRM 5.12.7.6.5.3](#).
4. Send the Special Condition NFTL to the CLO FORT via secure email at *SBSE CLO FORT. With the document, include the email or other documentation showing the approval of the filing.

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5. The FORT reviews the NFTL and inputs the information into ALS. The FORT will print the NFTL and mail it to the recording office as part of CLO's batch processing.
6. Follow the procedures in [IRM 5.12.7.6.6](#) to manually prepare the appropriate letters to advise the taxpayer(s) and the third party of the NFTL filing.

Attachment 2 SBSE-05-0720-0055

| Soft-Contact | | |
|----------------------------------|---|--|
| If an employee is ... | And... | The employee should... |
| Attempting to contact a taxpayer | There has been contact with the taxpayer during the COVID-19 collection suspension period | <ul style="list-style-type: none"> Contact the taxpayer or the taxpayer's authorized representative via telephone to request documents, payments and the filing of tax returns necessary to continue the collection investigation consistent with current IRM procedures. |
| Attempting to contact a taxpayer | There has been contact with the taxpayer during the COVID-19 deviation period, but the taxpayer is now unresponsive | <ul style="list-style-type: none"> Issue Letter 725, Meeting Scheduled with Taxpayer, to schedule a telephonic appointment to determine the impact to the taxpayer to support a determination to continue the collection investigation or temporarily suspend the investigation at the group level. |
| Attempting to contact a taxpayer | There has been no prior taxpayer contact with the taxpayer or the taxpayer's authorized representative during the COVID-19 collection suspension period | <ul style="list-style-type: none"> Issue Letter 725, Meeting Scheduled with Taxpayer, to schedule a telephonic appointment to determine the impact to the taxpayer to support a determination to continue the collection investigation or temporarily suspend the investigation at the group level. |

| Face-to-Face Contact | | |
|--|---|---|
| If an employee is ... | And... | The employee must... |
| Conducting a face-to-face field visit | The taxpayer has agreed to meet with the employee at their residence, business, POA's office or other appropriate location | <ul style="list-style-type: none"> Get GM approval and concurrence prior to forwarding for TM approval. Document the ICS history to indicate approval given prior to field visit. Coordinate with GM prior to field visit to secure necessary PPE supplies. (i.e. masks/gloves, hand sanitizers and antibacterial wipes.) |
| Conducting face-to-face interview in employee's POD | The taxpayer has agreed to meet with the employee at their POD location | <ul style="list-style-type: none"> Get GM approval and concurrence prior to forwarding for TM approval. Document the ICS history to indicate approval given prior to meeting with the taxpayer. Meet with GM prior to the approved taxpayer contact to secure necessary PPE supplies. (i.e. masks/gloves, hand sanitizers and antibacterial wipes.) |
| Under a federal, state or local quarantine or an isolation order is in place due to the COVID-19 | The taxpayer or the taxpayer's authorized representative feels a field visitation is unnecessary and the taxpayer refuses to participate in telephonic interviews | <ul style="list-style-type: none"> Advise the taxpayer, or the taxpayer's authorized representative the required interviews will be conducted telephonically and schedule the appropriate interview(s). Discuss the case with the GM to determine if the collection investigation should be suspended or proceed with enforcement actions. |

Note – In exigent circumstances, when there are no effective alternatives to face-to-face contact, and the failure to act poses a risk of permanent loss to the government (such as the expiration of a statute, assets being placed permanently beyond government reach, or continued pyramiding of employment tax liabilities), taxpayer agreement for face to face contact is not required. Such contact will be voluntary on the part of the employee and Territory Manager approval must be secured and documented in the case history prior to making the face to face conduct.

Attachment 2 SBSE-05-0720-0055 (continued)

| Asset Evaluation | | |
|--|---|---|
| If an employee is ... | And... | The employee should... |
| Conducting a drive-by asset evaluation (only) | TM approval has been granted and documented in the ICS history. | <ul style="list-style-type: none"> Make field visit to conduct drive by asset evaluation <p>Note – <u>Do Not</u> interact or attempt to interact with taxpayer. This is a drive-by field visit for asset evaluation only.</p> |
| Conducting a (Real/ Personal) Courthouse Property Search | TM approval has been granted and documented in the ICS history. | <ul style="list-style-type: none"> Make field visit to conduct asset evaluation at the courthouse. |

Note- If the case does not meet exception criteria, continue to use online and internal resources to the extent possible to complete required case research actions and asset evaluation when in-person options are unavailable. Document the case history about decisions to proceed with case closings when any research is impossible due to the COVID-19 pandemic and there is no indication through other research that in-person research is essential to protect the government's interest.