

DOWNLOADED FROM:

*Family Guardian Website*

<http://famguardian.org>

Download our free book:

*The Great IRS Hoax: Why We Don't Owe Income Tax*

# MANUAL TRANSMITTAL

Department  
of the  
Treasury

Internal  
Revenue  
Service

114.1 CH. 4

FEBRUARY 23, 2000

---

## PURPOSE

This transmits a revised Chapter 4, Collection Managers, for IRM 114.1 Compliance and Customer Service Manager's Handbook.

## BACKGROUND

Section 3466 of the Restructuring and Reform Act of 1998 applied certain provisions of the Fair Debt Collection Practices Act to the Internal Revenue Service. These provisions are reflected in section 6304 of the Internal Revenue Code.

## NATURE OF MATERIAL

Text is added to the handbook to provide managers direction on reporting alleged violations of the Fair Debt Collection Practices Act.

Harry T. Manaka  
National Director  
Collection Field Operations



## Table of Contents

---

### Chapter 4

#### Collection Managers

4.1	Chapter Overview
4.2	The Service's New Focus
4.2.1	Protecting Taxpayer Rights
4.3	Use of Statistical Data
4.4	Role of the Collection Field function (CFf) Manager
4.4.1	Walk-in Program
4.4.2	Workload Management
4.4.2.1	Case Grade
4.4.2.2	Assigning Work
4.4.2.3	Maintaining Targeted Inventories
4.4.2.4	Queue
4.4.2.5	Caseload Rotation
4.4.3	Workload Management Using Entity
4.4.3.1	Inventory Match
4.4.3.2	Quality and Controls
4.4.3.2.1	CSED Accounts
4.4.3.2.2	ASED Accounts
4.4.4	Reviews
4.4.4.1	Field and Office Observations
4.4.4.2	Work Submitted for Approval or Closure
4.4.4.3	Inventory Reviews
4.4.4.4	Follow-up Reviews
4.4.4.5	Case Difficulty
4.4.5	Documentation
4.5	Role of the Special Procedures Function Manager
4.5.1	Management of Automated Lien System (ALS)
4.5.2	Management of the Bankruptcy Program
4.5.3	SPf Workload Management
4.5.4	SPf Review Process
4.5.5	Quality Control in SPf
4.6	Managing the Collection Support Function
4.6.1	Processing Timeliness
4.6.2	Security
4.6.3	Management Information
4.6.4	First Line Manager's Responsibilities
4.6.5	Quality Control
4.6.5.1	Random Reviews
4.6.5.2	Employee Evaluative Reviews
4.6.5.3	Program Reviews
4.6.6	Remittance Processing
4.6.6.1	Remittance Workload Management
4.6.6.2	Quality Control
4.6.7	Coordination with Financial Management Service (FMS)

## Table of Contents

---

4.6.8	Accounting for Losses and Shortages of Funds
4.6.8.1	Restitution and Relief
4.6.8.2	Safeguards and Controls (Remittance Area)
4.7	General Managerial Responsibilities
4.7.1	IDRS Security
4.7.2	Customer Satisfaction
4.7.3	Fair Debt Collection Practices Act

### Exhibits

4-1	Revenue Officer Case Assignment Guide
4-2	RWMS Command Codes
4-3	Questions/Answers Concerning RWMS and the Queue
4-4	Criteria for Review of Completed Work
4-5	Review of Administrative Transferee
4-6	Review of Advisory Opinions
4-7	Review of Bankruptcy (IRM 5.9)
4-8	Reviews of Collateral Security (IRM 5.6)
4-9	Review of Decedent Estates
4-10	Review of Federal Tax Liens (IRM 5.12)
4-11	Review of Lien Certificates (IRM 5.12)
4-12	Review of Judgement Follow-up
4-13	Review of Judicial Foreclosures
4-14	Review of Non-Judicial Foreclosures
4-15	Review of Seizures and Sales
4-16	Review of Suits
4-17	Review of Summons Enforcement
4-18	Review of Writs
4-19	Review of Rejected Installment Agreement and Offer in Compromise (RRA 98)
4-20	Review of Trust Fund Recovery Penalty Cases Going to Appeals
4-21	Review of 914/910 Cases

4.1 (05-28-1999)

**Chapter  
Overview**

- (1) This chapter discusses responsibilities of managers in the Collection Field function (CFf), Special Procedures function (SPf), and the Collection Support function (CSf), in light of the Service's increased emphasis on taxpayer rights and customer service.

4.2 (05-28-1999)

**The Service's  
New Focus**

- (1) The IRS Restructuring and Reform Act of 1998 (RRA '98), which was signed into law on July 22, 1998, made it clear that the Service must do a better job in meeting the needs of taxpayers. Our focus must shift to seeing our job from the taxpayer's point of view. The new IRS will better meet the needs of different taxpayer groups and provide service that is as consistently good as can be found in the private sector. This new direction is expressed in the IRS mission statement, "*Provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all.*"
- (2) The modernized IRS will be guided by five principles. They are:
  - Understand and solve problems from the taxpayer's point of view
  - Expect managers to be accountable
  - Use balanced measures of performance
  - Foster open, honest communications
  - Insist on total integrity

4.2.1 (05-28-1999)

**Protecting  
Taxpayer Rights**

- (1) RRA '98 also places major emphasis on the observance of taxpayer rights. Simply stated, taxpayer rights must never be sacrificed. A primary responsibility of managers must be to monitor employee practices and actions to ensure that taxpayer rights are always observed.
- (2) Taxpayer rights include; but are not limited to the following:
  - a. Right to privacy
  - b. Right to due process
  - c. Fair and courteous treatment
  - d. Proper notification of third party contacts
  - e. Protection from unauthorized disclosure
- (3) In Section 1203 of RRA '98, Congress seeks to ensure that the Service has the ability to deal effectively with the kind of problems that were publicized during the Senate Finance Committee hearings on taxpayer abuse. Section 1203 of RRA '98 calls for the termination of any employee of the Internal Revenue Service if there is a final administrative or judicial determination that the employee committed any act or omission described below:
  - a. Willfully failing to obtain required approval signatures when making a seizure,
  - b. Providing a sworn false statement in a "material matter" concerning a taxpayer,

- c. Violating the constitutional rights of or discriminating against taxpayers or employees,
  - d. Falsifying or destroying documents to cover a mistake concerning a taxpayer,
  - e. Receiving a criminal conviction or civil judgement for assault or battery on a taxpayer or employee,
  - f. Violating the Internal Revenue Code, IRS regulations or policies to retaliate or harass taxpayers or employees,
  - g. Willfully misusing Internal Revenue Code section 6103 to conceal information from Congressional inquiry,
  - h. Willfully failing to file a tax return on or before its due date, unless it is due to reasonable cause,
  - i. Willfully understating federal tax liability, unless it is due to reasonable cause,
  - j. Threatening an audit for personal gain.
- (4) As a manager, it is vital that you be familiar with the provisions of RRA '98. Collection managers play a very important role in emphasizing and reinforcing the Service's new priorities. Specific guidance is provided for managers in CFf, SPf, and CSf in the individual sections of this chapter.

---

4.3 (05-28-1999)

**Use of  
Statistical Data**

- (1) During 1998, the Service revised the use of statistics for all levels of management. The new guidelines are a significant change from prior policy. Section 1204 of RRA '98 states, "The Internal Revenue Service shall not use records of tax enforcement results"—
  - a. to evaluate employees; or
  - b. to impose or suggest production quotas or goals with respect to such employees.
- (2) You are prohibited from using records of tax enforcement results (ROTERTs) to evaluate any employee who exercises judgement with regard to determining tax liability or the ability to pay. ROTERTs are defined as a figure resulting from the recordation, accumulation, tabulation, or mathematical analysis that is directly related to producing a tax enforcement result. This prohibition includes:
  - Self-assessments,
  - Awards narratives,
  - Case/workload reviews,
  - Performance plans, or
  - Narrative feedback to evaluations.
- (3) You are also prohibited from establishing numeric production goals or quotas for employees or groups of employees that are based upon potential case outcomes, payment, returns or expended hours (e.g., installment agreements, dollars collected per staff year, hours per case resolution, Currently Not Collectible, OIC hours per disposition, percentage of OICs accepted, full payment, etc.).

- (4) Refer to IRM 105.4, Managing Statistics Handbook, to ensure your management practices are in accordance with the provisions of IRC 1204, Basis for Evaluation of IRS Employees.

4.4 (05-28-1999)  
**Role of the  
Collection Field  
function (CFf)  
Manager**

- (1) The Service's new direction clearly identifies a renewed commitment and dedication towards providing customer service. Your responsibilities as a CFf manager include providing the highest possible level of customer service to taxpayers who have accounts assigned to you, taxpayers who are encountered in your support of the customer service walk-in area, or other members of the public who seek the assistance of the Internal Revenue Service.
- (2) As a CFf manager, you must provide oversight and direction in a number of areas, which will result in accomplishing the mission of the Internal Revenue Service. Your oversight responsibilities include, but are not limited to:
  - a. Ensuring that employees observe taxpayer rights and make case decisions which take into consideration a taxpayer's interests and point of view;
  - b. Ensuring all case actions are timely and in accordance with current law, policies, and procedures;
  - c. Ensuring that employees maintain high standards of professionalism in all their contacts with the public. This same level of professionalism should be exhibited in dealing with internal customers and co-workers;
  - d. Ensuring that employees are aware of ongoing changes to the laws, policies, and procedures which relate to their responsibilities;
  - e. Addressing systems issues which impact either internal or external customer needs;
  - f. Ensuring employee workload is reflective of experience, consistent with skills, addresses public objectives, and at a level which allows for effective case processing;
  - g. Ensuring employees are accountable for the appropriateness of their actions;
  - h. Providing on-going employee feedback that is candid and meaningful and will establish a basis for determining an accurate assessment of performance and developmental needs;
  - i. Creating and maintaining a work environment that will promote team work, positive working relationships, and increased employee satisfaction; and
  - j. Ensuring employees have necessary equipment and supplies.

4.4.1 (05-28-1999)  
**Walk-in Program**

- (1) The Collection function assumed program responsibility for the Walk-In Program from Customer Service during FY 97. The Walk-In Program, which provides face-to-face customer service for taxpayers, has significantly increased the level of available services and hours of operation. The Walk-In Program has specific objectives regarding taxpayer wait time. As a result, CFf employees, while providing the core



staffing for the Walk-in Program, must ensure that they provide timely and accurate assistance. Providing support for Walk-In is not new to the Collection function, however, the increased emphasis placed upon Walk-In has made a dramatic change within CFf.

- (2) The policy for Walk-In coverage is normally established by upper management. The role of the CFf manager is to ensure your employees are available to provide timely Walk-In assistance. This can be accomplished by developing a workable schedule which includes input from your employees.

4.4.2 (05-28-1999)

### **Workload Management**

- (1) For a manager to effectively manage a workload you must:
  - a. Assign cases based on grade level
  - b. Maintain targeted inventory levels
  - c. Balance inventories within your group
  - d. Ensure priority cases are worked

4.4.2.1 (05-28-1999)

### **Case Grade**

- (1) Balance Due and Delinquent Return Investigations are issued an assigned computer case grade of GS-09, GS-11, or GS-12. These case grade levels reflect the probable level of difficulty of the entity. Exhibit 114.1.4-1 shows the criteria used to determine the case difficulty level.
- (2) You are responsible for reviewing and maintaining the correct case grade. Cases should be spot reviewed upon receipt and when doing case reviews. Revenue officers should be encouraged to bring to your attention cases that may be misgraded.
- (3) You should change the grade of a case if receipt of additional work or case circumstances warrants. All work units (Bal Due/Del Ret) should be changed to reflect the changed grade level. Exhibit 114.1.4-1 can be used to manually determine a case grade.
- (4) Case grade level changes should be input to IDRS or ICS when the case difficulty is altered. Case grade level changes can be either an increase or decrease.
- (5) Changes to IDRS are input using command code TSIGNF as follows:

"G1"	=	GS-12
"G2"	=	GS-11
"G3"	=	GS-09
"G0"	=	Return to original computer code. This input will cause the new grade to appear with an asterisk on any subsequent cases.

- (6) You may need to consider a reassignment of the case if a grade level change is made.

4.4.2.2 (05-28-1999)  
**Assigning Work**

- (1) You are responsible for ensuring that cases are assigned at the proper grade based on all indicators of case difficulty. Whenever possible, review all incoming work to ensure that:
  - a. it is correctly graded
  - b. statute problems are identified
  - c. priority work is assigned and actively worked
  - d. new work is assigned promptly
- (2) Periodically review your revenue officers' Entity or ICS inventory reports to ensure assigned cases match the revenue officer's grade. You may retain cases in revenue officers' inventories which don't match their grades when:
  - a. There would be an unacceptable delay in working the cases if you reassigned them to other revenue officers.
  - b. There is a need to maintain continuity of contact with the taxpayer.
  - c. The revenue officer is in a one-person post of duty.
  - d. Transfer of the case would cause unreasonable travel.
  - e. The revenue officer needs a higher-level case for developmental purposes.
- (3) Per NORD V, Article 16, a revenue officer may spend up to 25 percent of his/her direct time during any four month period, working higher graded cases for developmental purposes.

**Note:** If you allow revenue officers to work higher graded cases it is essential that you track the percentage of time spent on higher graded work to ensure the 25 percent threshold is not being exceeded. *Employees who exceed the 25 percent level for any four month period are entitled to a temporary promotion.*

4.4.2.3 (05-28-1999)  
**Maintaining Targeted Inventories**

- (1) Standard ranges of inventories of taxpayer cases have been negotiated with the National Treasury Employees Union (NTEU) for revenue officers at each grade level. These ranges were established to:
  - a. Provide inventory levels which can be worked effectively
  - b. Maximize efficiency
  - c. Achieve a guide for unity
  - d. Allow for differences in circumstances (e.g., collateral assignments, geographical territories, etc.)
- (2) Revenue officers have case inventories of Bal Due, Del Ret, Ols, FTD Alerts and RCP leads. They may have multiple tax periods for a taxpayer, as well as more than one type of case. The negotiated ranges of taxpayer cases (taxpayer case=all accounts/investigations on a single entity) for revenue officers are:

Grade 12:	34–50
Grade 11:	53–79
Grade 09:	70–107
Grade 5/7;	59–89

- (3) The standard inventory ranges are intended to allow for a variety of circumstances. Every effort to monitor and maintain inventory levels that do not exceed the maximum range should be made. When determining an individual employee's inventory the following should be considered:
  - a. collateral assignments (e.g., union, EEO, details, instructing assignments, etc.)
  - b. geographical territory
  - c. customer service objectives
  - d. experience level and performance
  - e. developmental and performance issues
- (4) There may be situations where you determine that even within these ranges, inventory is excessive. When this happens, you should reduce the inventory assignments. If a revenue officer states that his/her inventory is unmanageable, review the circumstances and inform the revenue officer of your decision within 30 days.
- (5) If you are unable to bring a revenue officer's inventory within the targeted range, or lower range as determined in (4) above, within 10 workdays of identifying the problem, you must relieve the revenue officer, in writing, of the responsibility for complying with IRM time frames for initial and follow-up contacts.
- (6) If a revenue officer's inventory is below the upper level of the appropriate range, and additional cases can be effectively worked, you should look to the following sources for additional work:
  - a. group hold file
  - b. shift work from other revenue officers
  - c. shift work from other groups
  - d. the Queue
- (7) If inventories in the group are above the targeted range, the following options should be considered:
  - a. on a temporary basis, reassigning cases to the group hold file
  - b. reassigning work within the group
  - c. detailing in additional revenue officers
  - d. adjusting territorial boundaries (zip codes)
  - e. soliciting workload needs of other groups
  - f. soliciting recommendations from your branch chief
  - g. temporary provisions if the imbalance is within specific grade levels
- (8) If revenue officers are still above their targeted inventory level after trying the above measures, you may return work to the Queue if it:

- a. is below the Queue cutoff score
- b. has a lien determination
- c. has more than 6.5 months before the CSED expires
- d. has no pending enforcement action
- e. is not an NMF (non-master file) account
- f. is not an in-business trust fund case
- g. is not a Federal Employee/Retiree (FERDI) account
- h. has the approval of the Chief, Collection or designee

4.4.2.4 (05-28-1999)

**Queue**

- (1) The Queue is an electronic holding bin for work which would be assigned to CFf if revenue officers' inventories were lower. Work goes into the Queue when it is below the Queue cut-off score.
- (2) Each district sets a cut-off score, below which cases flow into the Queue, and above which they issue out to revenue officers. The score is set at a level which the district believes will result in revenue officer inventories within targeted levels.
- (3) Work can go into the Queue from both ACS and CFf.
- (4) CFf can remove work from the Queue when revenue officer inventories are below the targeted range, and send work to the Queue when inventories are above the range.
- (5) The cut-off score is based on a case scoring system called the Resources and Workload Management System (RWMS). This score is intended to predict which cases can be most effectively worked in the CFf.
  - a. The predicted case level of a taxpayer entity is also based on the sum of the taxpayer's TDA and TDI RWMS scores.
  - b. The RWMS score is computer-assigned at the time of case issuance and changes only if there is an additional assessment. Payments don't change the score.
  - c. IDRS assignment number DOAO7000 is used for cases in the Queue.
  - d. You may request a printout of the Queue (see below); or request Queue DIAL tapes (use Form 6759, Request for Taxpayer Data) for loading to local PCs.
- (6) IDRS command codes used for RWMS research/input are:

Code	Description
RWMSL	Zip Code Listing. This list generates two types of lists: Queue cases by Zip Code, score, case type, grade level, and CSED; or total cases by score for each Zip Code. You would use this listing to help balance inventories by grade level (see below).

Code	Description
RWMSR	RWMS Queue Cutoff Report. This report shows the last cut-off score and the number of cases in the Queue last week. Upper management uses this report and the weekly terminal report to determine what the cut-off score should be.
RWMSQ	Used by the Collection division chief or designee to set the cut-off score.
RWMSQC	Shows who input the last cut-off score, when, and the score.

(7) See Exhibit 114.1.4–2 for screen displays of the output of the RWMS command codes, and Exhibit 114.1.4–3 for questions and answers about the Queue.

4.4.2.5 (05-28-1999)

#### **Caseload Rotation**

- (1) Where feasible, you should rotate revenue officer territories and/or caseloads about every three years. This will give revenue officers additional experience and avoid their getting too familiar with taxpayers in a particular territory. Rotate between revenue officers of the same grade at the same post of duty. Do not change revenue officers' posts of duty to meet this objective.

4.4.3 (05-28-1999)

#### **Workload Management Using Entity**

- (1) "Entity" is an automated workload management system that combines case management, time reporting by taxpayer, and management information. The Entity system includes:
- Group level information
  - Queue information
  - Access to information for revenue officers
- (2) In districts having Entity, the system is used to:
- a. Record time on cases by taxpayer entity
  - b. Reduce revenue officer clerical time by having the group secretary prepare a daily report of group activity.
  - c. Assist revenue officers in managing their inventories.
  - d. Assist managers in identifying cases or types of cases where it appears the revenue officer needs assistance.
- (3) You can use the automation features of Entity to select categories of cases for review, such as trust fund repeaters, statute, no activity, morning after reviews, etc. Usually you will do this to assist revenue officers resolve their cases. You can also generate Form 5188–A and complete it on screen when you are doing formal inventory reviews.
- (4) You can also use Entity to:
- a. Review the Queue using various sort options to select cases for assignment to revenue officers.
  - b. Study workloads in particular Zip Codes.

- c. Determine impact on inventory by change in Queue cut-off score.
- d. Examine historical inventory levels to support a request for additional staffing or grade structure change.
- e. Quickly identify inventories which deviate from targeted inventory or case difficulty levels.
- f. Chart the success ratio of a revenue officer based on each standard of the critical elements, for all cases reviewed on screen.

- (5) For more information about using Entity for workload management, see Entity Case Management System Student Handbook.

4.4.3.1 (05-28-1999)  
**Inventory Match**

- (1) For districts not on ICS, each revenue officer's physical inventory should be regularly matched with the Entity mismatch report.

4.4.3.2 (05-28-1999)  
**Quality and Controls**

- (1) In the past, quality was defined or measured for the most part by quantitative results. Emphasis was placed upon results or volume of closed work rather than on the case actions and their impact on the taxpayer. The prior quality measures were often emphasized by managers and employees to the degree that observing taxpayer rights and providing customer service became secondary concerns.
- (2) The Service has now developed a new vision and mission. The vision focuses on three high level goals--service to each taxpayer, service to all taxpayers and productivity through a quality work environment. As a result, the IRS has developed a set of Balanced Measures in three major areas: Customer Satisfaction, Employee Satisfaction and Business Results, with Business Results comprised of measures of quality and quantity. Our goal is not numbers or dollars but a balance between our customers, our employees, and the quality of our work.
- (3) You are responsible for the quality of all work assigned to your group and for all work which leaves your group. This is true regardless of the measures you use. Therefore, you must devise a system of quality control which works for you. Consider:
  - a. Revenue officers are in the best position to control the quality of their own work. Get them to work for you in this effort.
  - b. Devise a plan, using the following guidelines, to ensure a high level of quality in your group.
- (4) In planning your program, keep in mind that the best use of your time is coaching revenue officers and assisting them in successful resolution of difficult cases.
- (5) An important area of workload management and quality control for Collection managers is the establishment of group controls and reviews.
- (6) Reviews can help you determine your revenue officers' needs for training and development. This in turn will help you decide how much time to devote to each revenue officer.

- (7) You may choose from the following reviews and controls in designing your plan.
  - a. Field visitations
  - b. Office observations
  - c. Spot reviews of open and closed cases
  - d. Formal inventory analysis
  - e. Day after reviews
  - f. Reviews of work submitted for approval
  - g. Regular reviews of high priority cases:
    - 1. CSED accounts
    - 2. ASED accounts
    - 3. Large dollar accounts
    - 4. In-Business accounts
- (8) The ICS or Entity systems can be used to prepare reports and establish controls in areas such as: CSED, ASED, Large Dollar and In-Business Trust Fund Account Cases.
- (9) Once established, these control reports can be utilized to identify accounts needing regular review and follow-up by the manager. Reviews should address the following issues:
  - a. Is the revenue officer providing good customer service?
  - b. Are all applicable taxpayer rights being afforded?
  - c. Verification of the accuracy of high priority cases (CSED, ASED)
  - d. Are timely and effective actions being taken to appropriately resolve the case?

4.4.3.2.1 (05-28-1999)  
**CSED Accounts**

- (1) Use ICS or Entity to identify accounts on which the Collection Statute Expiration Date is within 60 weeks. Review those TDAs to:
  - a. Verify the accuracy of the CSED, and take corrective action if needed (see below).
  - b. Ensure that timely action is taken to resolve them.
- (2) The CSED may be invalid. The CSED shown is always for the earliest assessment on the module. If that assessment is paid, the true CSED is for a later assessment (for example, an adjustment or deficiency assessment). If that is the case, use command code CSEDR to flag the case on CSED reports so you don't have to review it every month. In ICS districts, update the CSED date on ICS.

**Exception:** Review CSEDs with an asterisk if the CSED date is within 60 days, to validate the original CSEDR input. Use CSEDR again to reverse any erroneous input.

- (3) If a statute expires, follow current IRM reporting procedures. Reports are not required for statutes which expire while cases are in the Queue.

**4.4.3.2.2 (05-28-1999)**  
**ASED Accounts**

- (1) Use ICS or Entity to identify accounts on which an ASED notice (CP527) was issued alerting that the Assessment Statute Expiration Date (for assessment of the Trust Fund Recovery Penalty) is within 46 to 58 weeks. CP 527 issues if the aggregate balance of all modules on the taxpayer exceeds the tolerance level in 632 of LEM V.
- (2) Review potential ASED modules where no penalty determination appears to have been made. Your review will result in:
  - a. Instructions to revenue officers to:
    1. make a determination
    2. request approval to delay the determination (via Form 8213)
  - b. An awareness that a determination has been made.
- (3) If a determination has been made, the revenue officer should input an ASED indicator to IDRS. Input one of the following:
  - “1” — Penalty assessed
  - “2” — Unable to locate responsible persons
  - “3” — No collection potential for any responsible person
  - “4” — All trust fund amounts paid
  - “5” — Penalty not applicable
- (4) Report the expiration of any ASED per current IRM instructions. No report is necessary if the ASED expired prior to the module issuing to the field or if the account was in the Queue.

**4.4.4 (05-28-1999)**  
**Reviews**

- (1) Work reviews are an integral part of the group manager's responsibilities. At the beginning of an employee's annual rating period, the manager should develop and implement a review plan. This should be done for each employee. The review plan should provide for a fair and accurate assessment of the employee's overall performance throughout the rating period. The system of review should seek to:
  - a. Assess the employee's effectiveness in carrying out the Mission of the Service.
  - b. Assess the employee's ability to meet and satisfy the needs of our internal/external customers.
  - c. Assess the employee's efficiency in carrying out the laws, procedures, and policies of the Service, both in spirit and intent.
  - d. Identify and address performance problems.
- (2) There are many types of reviews that can achieve these stated goals; Field Visitations, Office Observations, CSED/ASED, Activity Lapse, Closed Cases, morning after, and Work-In-Progress. No matter what reviews you use, you should:
  - a. Determine that correct procedures and policies were followed;
  - b. Ensure that appropriate case actions were taken;



- c. Help employees develop better techniques and work habits;
- d. Identify training needs; and
- e. Determine if case difficulty level is accurate.

4.4.4.1 (05-28-1999)  
**Field and Office  
Observations**

- (1) Observing the revenue officer during face-to-face contacts, either in the field or office, provides a tremendous opportunity for you to assess his/her:

- a. ability to conduct effective interviews,
- b. ability to communicate and interact effectively with taxpayers,
- c. knowledge of policies and procedures, and
- d. ability to deliver fair and courteous treatment to all taxpayers.

These observations also provide you with an opportunity to mentor and information share with revenue officers as needed.

- (2) During your observations, you should be mindful of the following:

- a. the revenue officer's ability to secure material information necessary to determine appropriate case direction,

**Note:** Use the Collecting Contact Handbook as the standard for necessary information gathering.

- b. the revenue officer's delivery of fair and courteous treatment of taxpayers,
- c. the revenue officer's ability to address the various rights of the taxpayer (Pub. 1, Pub. 594, IRC 3401, Collection Appeals Program),
- d. the revenue officer's use of Interest Based Negotiating techniques,
- e. the revenue officer's ability to recognize and respond to taxpayer concerns, issues and interests,
- f. pre-contact preparation,
- g. itinerary planning,
- h. effective use of time, and
- i. the revenue officer's ability to manage difficult, unexpected, complex or unusual circumstances.

4.4.4.2 (05-28-1999)  
**Work Submitted  
for Approval or  
Closure**

- (1) When work is submitted to you for approval, you have an excellent opportunity to evaluate your employees' performance as well as the quality of their work. This also enables you to prevent deficiencies from occurring. Check for accuracy and level of quality before approving reports of currently not collectible taxes, installment agreements, requests for adjustment, seizure and sale documents, TFRP investigations and recommendations, and any other document prior to submission to another function. The quality of the work that leaves your group is a reflection on you as a group manager.

- (2) Closed cases also provide an excellent opportunity to evaluate individual performance as well as the overall quality of your group's product. When reviewing cases submitted for approval or closure, look for performance

that reflects an employee's adherence to, and delivery of, the IRS Mission, Collecting Principles, and applicable Collection Quality Measurement System (CQMS) standards.

- (3) Document your review on the appropriate form or memorandum (5188–A, 6067, etc.) to record performance evaluation.
- (4) Refer to Exhibit 114.1.4–4 for specific items to check while conducting work-in-progress or closed case reviews.

#### 4.4.4.3 (05-28-1999)

### **Inventory Reviews**

- (1) Choose a sufficient number of cases to review to ensure proper evaluation of each employee's performance. Scheduling of the analysis may be announced or unannounced at the option of local management.
- (2) Ensure case selection is consistent with local priorities. Consider trust fund, CSED/ASED, large dollar, overage and no activity cases. Emphasize cases on which there have been six or more contacts with the taxpayer and cases that have been assigned for more than 150 days.
- (3) You may use Form 5188–A when conducting reviews of revenue officer inventories. The review items on Form 5188–A correspond with the job standards of a revenue officer's critical elements. In general, deficiencies relating to a critical element should be noted as an area of special concern if found in 25 percent or more of the cases reviewed. There may be instances where a single deficiency (i.e., expired statute) is critical. The narrative should summarize the revenue officer's performance in each of the categories reviewed on Form 5188–A. Narrative summaries should be concise, normally under one and a half pages, unless serious performance deficiencies are noted.
- (4) Prepare Form 5188–A, as follows:

Step	Action
1	Prepare form in duplicate, including all applicable case data.
2	Give the original Form 5188–A to the R/O for follow-up on case recommendations.
3	Retain the duplicate for follow-up and control purposes.
4	Discuss all recommendations entered on Form 5188–A with R/O to ensure he/she understands necessary case actions.

- (5) Following are guidelines for completing items, except those which are self-explanatory.
  - a. Date Assigned — date case assigned to employee being reviewed.
  - b. Date of First Contact — date employee being reviewed first contacted taxpayer.
  - c. Standards 1A through 5C — Based on your review of documented case action, enter "Y" if the revenue officer met the standard, "N" if

the revenue officer did not meet the standard, and "X" if the standard did not apply to the case reviewed.

- d. Comments — enter clear and concise feedback (positive and/or negative) as well as direction to the employee.
- (6) Prepare a narrative summary of the review findings. Narrative summaries need to address the revenue officer's performance as it relates to the critical elements. Performance feedback should address positive as well as unsatisfactory aspects of an employee's performance. Narrative should generally be kept under one and half pages. However, longer narratives may be warranted in some situations, e.g., serious performance deficiencies.
- (7) Note "case reviewed" and the date of the review in the case history and initial the entry. Although you may suggest specific actions in the history sheet, you should avoid making numerous case decisions for the revenue officer. Documentation of an evaluative nature should not be entered in the case history.
- (8) A suggested list of factors, which can be considered in conducting the inventory analysis, is shown in Exhibit 114.1.4–4. The list is provided as a guide and should not be considered all-inclusive or binding.

4.4.4.4 (05-28-1999)

#### **Follow-up Reviews**

- (1) Anytime you have conducted a review and have directed a revenue officer to take specific actions, you should conduct a follow-up review to determine the results of the actions you and the revenue officer have agreed upon. The follow-up reviews should be scheduled at intervals which will give revenue officers sufficient time to accomplish the directed actions. Just as you would expect a revenue officer to follow-up with a taxpayer when a specific deadline is established for compliance, you should follow-up with a revenue officer to see that actions are taken timely on cases that have been identified during a prior review.

4.4.4.5 (05-28-1999)

#### **Case Difficulty**

- (1) As part of any case review, the manager needs to determine if the assigned grade level is still accurate.
- (2) When the difficulty level of a case is found to have changed:
  - a. change the grade on the case to show the proper determined grade level;
  - b. make a dated entry on the case history sheet briefly stating the reason for the change;
  - c. adjust the IDAS predicted difficulty level (PDL) with input to IDRS of a determined grade level (DLG).

4.4.5 (05-28-1999)

#### **Documentation**

- (1) Specific guidance for casework documentation is provided in detail, in the Revenue Officer Collection Quality Measurement System Guide, revised January 19, 1999. In addition to the CQMS standards for revenue officer

documentation requirements, managers must now be able to determine from case documentation, whether or not an employee is fulfilling his/her obligations to the overall mission of the service in a multitude of areas. The following list will provide common areas of attention, but is not intended to be an all inclusive list.

Review Area	Documentation
Taxpayer Rights	<p>Does the R/O documentation reflect a sincere attempt to inform and assist the taxpayer in understanding his/her various rights?</p> <p>Or, is the reference to taxpayer rights brief (largely without detail of taxpayer's response and a true sense of their understanding of their rights)?</p>
Financial Information	<p>Does the documentation accurately summarize the contents of the information secured?</p> <p>Does it identify source, age, and reliability of the information?</p> <p>Does the documentation address the overall value of the data in determining appropriate case direction?</p> <p>Are problematic situations relative to the financial data addressed/explained? (e.g., Encumbrances, title/ownership issues, administrative barriers, potential taxpayer hardship situations, etc.)</p>
Compliance	<p>Can the reader ascertain the full extent of the taxpayer's compliance with all filing and paying requirements?</p> <p>Is the root cause/reason for non-compliance identified?</p> <p>Is there a plan to resolve the compliance issues? Is it documented?</p> <p>Does the documentation reflect an attempt by the revenue officer to assist the taxpayer in understanding his/her tax obligations?</p> <p>Does the documentation identify possible obstacles encountered by the taxpayer in meeting his/her obligations (potential need for reasonable cause considerations)?</p>
IRS Mission	<p>Does case documentation generally reflect an overall attempt by the revenue officer to deliver the essential elements of the IRS Mission (quality service, fair application of the law, and helping taxpayers to both understand and meet their tax responsibilities)?</p>
Interest Based Negotiating Techniques	<p>Does the case file documentation reflect an attempt by the revenue officer to employ Interest Based negotiating techniques?</p>

Review Area	Documentation
Alternative Methods of Collection	Is the revenue officer documenting attempts to achieve taxpayer "buy-in"?
	Are the documentation entries largely indicative of position-based negotiating? (It's my way or else!)
	Is the revenue officer considering alternative methods of collection when the opportunities are present?
Recognition of Taxpayer Hardship	Are options developed, discussed and documented?
	Are the reasons for and against various options self-evident from the documentation alone?
	Does the case file documentation reflect an awareness by the revenue officer, of potential taxpayer hardships?
	Are the circumstances documented with sufficient detail so as to alert a subsequent revenue officer?
	Are remedies or relief proposed?

- (2) As the Internal Revenue Service strives to be more responsive to the nation's taxpayers, the need for accurate, complete, and high-quality documentation has never been more important. Most cases will in some way be affected by a revenue officer's ability to effectively document the totality of case development.

---

4.5 (05-28-1999)

**Role of the  
Special  
Procedures  
Function  
Manager**

- (1) The Service's new direction clearly identifies a renewed commitment and dedication towards providing customer service. Your responsibilities as an SPf manager include providing the highest possible level of customer service to taxpayers who have accounts assigned to you, taxpayers who are encountered in your support of the customer service walk-in area, or other members of the public who seek the assistance of the Internal Revenue Service.
- (2) The Special Procedures function manager is responsible for the following programs:
- a. Insolvencies and Decedent Estates — protecting the Government's interest and taxpayer's rights in taxes claimed in bankruptcies, receiverships, assignments for the benefit of creditors, corporate dissolutions, liquidations, and bulk sales.
  - b. Appealed Trust Fund Recovery Penalty Cases — review and coordinate with Counsel, U.S. Attorney and Appeals.
  - c. Seizure and Sale — review reports and: Control and report on seized assets. Prepare deeds, Records 21 (Record of Seizure and Sale of

- Real Estate). Notify taxpayers and claimants of surplus sale proceeds. Coordinate writs of entry with Counsel and U.S. Attorney.
  - d. Civil Suits — evaluate, perfect, process, and coordinate with Counsel suits to enforce collection and suits against the Government.
  - e. Summons Referrals — review and forward to Counsel.
  - f. Criminal Investigations — control open cases with Collection involvement and balance civil and criminal aspects of enforcement.
  - g. Advisory Opinions — render opinions, in coordination with Counsel if necessary.
  - h. Liens — maintain the Automated Lien System (ALS) data base of all recorded liens, file liens, issue lien releases, and process all Letter 3172 notices. Do lien withdrawals, subordinations, discharges, and non-attachments if criteria has been met.
  - i. Waivers — maintain Forms 900, Tax Collection Waiver.
  - j. Jeopardy and Termination Assessment Recommendations — review and coordinate with Appeals recommendations from Collection, Examination, Criminal Investigation, and District Counsel.
  - k. Relocated Witness Cases — support National Office.
  - l. Requests for Extensions to Pay Estate or Gift Tax — grant or deny certain requests.
  - m. Judgements — issue follow-up investigations on cases the U.S. Marshal couldn't collect.
  - n. Collateral — review bonds, collateral security and mortgages; participate in annual inventory of collateral deposits.
  - o. Judicial and non-judicial foreclosures
  - p. Other — handle other areas including: Tax Court cases, Withhold collection cases, Right of redemption cases, Trustee sales, Public works contracts, and Offsets.
- (3) As an SPf manager, you must provide oversight and direction in a number of areas which will result in accomplishing the mission of the Internal Revenue Service. Your oversight responsibilities include, but are not limited to:
- a. Ensuring that employees observe taxpayer rights and make case decisions which take into consideration a taxpayer's interests and point of view;
  - b. Ensuring all case actions are timely and in accordance with current law, policies, and procedures;
  - c. Ensuring that employees maintain high standards of professionalism in all their contacts with the public. This same level of professionalism should be exhibited in dealing with internal customers and co-workers;
  - d. Ensuring that employees are aware of ongoing changes to the laws, policies, and procedures which relate to their responsibilities;
  - e. Addressing systems issues which impact either internal or external customer needs;
  - f. Ensuring employee workload is reflective of experience, consistent with skills, addresses public objectives, and at a level which allows for effective case processing;

- g. Ensuring employees are accountable for the appropriateness of their actions;
- h. Providing on-going employee feedback that is candid and meaningful and will establish a basis for determining an accurate assessment of performance and developmental needs;
- i. Creating and maintaining a work environment that will promote team work, positive working relationships, and increased employee satisfaction; and
- j. Ensuring employees have necessary equipment and supplies.

4.5.1 (05-28-1999)  
**Management of Automated Lien System (ALS)**

- (1) Careful management and oversight of ALS is needed to ensure that all Notices of Federal Tax Lien, Letter 3172 Notices, extensions, requests for lien withdrawal and releases are processed accurately and timely. It is particularly important to review at least monthly, taking corrective action if necessary, the logs and ALS Reports that upload and download programs associated with ALS.
- (2) Refer to the ALS Manager's Guide and User's Guide for a description of the system and answers to technical questions. Ensure that your employees use the guide.
- (3) Review security of access to the system and permissions with the ALS System Analyst/Administrator at least semi-annually, or when employee assigned duties change.
- (4) To ensure timely and accurate processing:
  - a. Maintain a control of requests received, to whom assigned, and when completed.
  - b. Print ALS reports and reject listings timely and resolve all items
  - c. Release all liens (including NMF) within 30 days of satisfaction
  - d. Ensure unpostables are resolved within 5 workdays
  - e. Ensure manual liens are minimized and added to ALS
  - f. Ensure ALS tables (zip codes, employees, courts and fees, forms) are current
  - g. Periodically review a sample of the work produced by ALS
  - h. Do correspondence review
- (5) Establish a schedule for printing reports and a control over their assignment, review and resolution. Reports are:

Report	Purpose
Billing Support Voucher Report	sent to each court with liens for filing or release.
NMF 360 Manual Input Listing	lists NMF fees which must be input to IDRS.
Potentially Lost Lien Report	lists liens for which no court recording data was input. Ensure all recording data is input before running the report. Contact affected courts to resolve.

Report	Purpose
District Activity Report	shows total liens prepared and released for the period, for entry on Form 4872, Collection Daily Time Utilization Report.
ACS Rejects Report	liens on the ACS tape not loaded to ALS due to an error such as unknown zip code; research for correct data and enter to ALS.
Manager's Queue Report	lists lien releases awaiting approval
Satisfied Module Rejection Report	shows modules from the weekly download which can't be processed because of form/period mismatch, restricted interest or penalty, or bad check; must be resolved weekly.
NMF Satisfied Module Rejection Report	shows modules from the weekly download which can't be processed because of form/period mismatch, restricted interest or penalty, or bad check; must be resolved weekly.

- (6) ALS generates logs of system activity. Control timely review of logs to maintain accuracy of ALS and IDRS data. The logs are:

Log	Description
LOG.ACS	records results of processing the ACS download and counts number of rejects and duplicates not processed; review weekly for missing dates and for an unusually large number of rejects which must be investigated.
LOG.Release/ReISCAN	records results of running the module satisfied tape against ALS; review weekly to ensure the tape was run; if not, contact Information Systems for recovery. ReISCAN systemically produces a file Pot_refiles.mmddto a print queue each week. Although the report is produced and printed weekly, local policy will determine the frequency in which this report produces a listing of all liens where the statute has been extended or suspended and are within the last 90 days of the refile period.
LOG.LOST	records when lost lien report was run; review monthly.
LOG.Voucher	shows when court transmittals were run
LOG.Security	record of unauthorized attempts to approve lien release; review monthly.
LOG.FEES	records when systemic upload of TC 360 was sent to the service center; review bi-weekly to ensure no week was missed.



<b>Log</b>	<b>Description</b>
LOG.Upload	same as LOG.UPFEES but for TCs 582 and 583.
LOG.AUDIT	records when the last DIAL was downloaded; review to ensure downloads are made every two weeks.
LOG.PURGE	records the last purge of expired and released liens over one year old; purge the database annually.
LOG.REMOVAL	lists liens removed from the system.

- (7) Corrections to new liens must be made prior to generating and mailing the lien to the recording office and Letter 3172, Taxpayer Notice, to the taxpayer. Other corrections or amendments to filed liens must be accomplished by means of creating and filing a corrected lien.

4.5.2 (05-28-1999)  
**Management of  
the Bankruptcy  
Program**

- (1) Ensure that SPf is in compliance with the requirements of the Bankruptcy Code Compliance Program.
- (2) Complete new case processing within 5 workdays of receiving notification of a new bankruptcy.
- a. Load case information into the Automated Insolvency System as soon as possible.
  - b. Run Insolvency Interface Program Processes C and D daily. Work Potentially Invalid TIN (PIT) and Cross-Referenced TIN Reports, daily.
  - c. Contact Automated Collection System, CFf, or SCCB on cases in status 22, 26, 60, and 71. (Listing generated during the IIP process.)
- (3) Resolve Bankruptcy Code violations as soon as possible but not later than 2 workdays after notification from outside SPf or identification within SPf.
- a. Document Automated Insolvency System history with action(s) taken.
- (4) Initiate discharge processing as soon as possible, but no later than 30 calendar days after receipt of the discharge notice.
- a. Document Automated Insolvency System history.
  - b. Consider exempt or abandoned property issues.
  - c. Utilize closing codes 83 or 89, as appropriate.
- (5) Ensure that the interests of the Government are protected during bankruptcy proceedings.
- a. Timely file proofs of claim.
  - b. Pursue adequate protection when appropriate.
  - c. Timely review bankruptcy plans.
  - d. Coordinate action(s) with District Counsel, Assistant United States Attorneys, etc., when necessary to protect the interests of the

Government. Some examples include motions to convert or dismiss, motions to lift the automatic stay, objections to plan confirmation, answering objections to IRS claims, etc.

- e. Monitor current compliance by the debtor.
  - f. Be alert for indications of bankruptcy fraud, referring cases to the Bankruptcy Tax Crime Coordinator when warranted.
  - g. Assess the Trust Fund Recovery Penalty or, alternatively, monitor the assessment statute expiration date (ASED).
  - h. Monitor collection statute expiration dates (CSEDs).
- (6) Maximize service to SPf customers.
- a. Phone calls and correspondence
  - b. Manual refunds (Form 5792)
  - c. Problem Resolution Program casework
  - d. Maintain effective dialogue with District Counsel, U.S/Department of Justice attorneys, United States Trustees, Chapter 7 and 13 Trustee, etc.
  - e. Timely release liens on discharged liabilities
  - f. Customer feedback (Form 10004)
- (7) Use the wide variety of reports currently available to monitor the quality and timeliness of bankruptcy case processing.

Automated Insolvency System Reports:

- Proof of Claim Follow-up
- Bar Date
- Large Dollar Cases
- Unfiled Plans
- Court Closure Follow-up
- Confirmed Plan Delinquent Report
- Satisfied Plan Report
- Courtesy Investigation Report
- ASED/CSED Report
- Follow-up and No Follow-up
- Bankruptcy Code Compliance Reports

Litigation Account Management System (LAMS):

- Post-Petition Case Listing
- Insolvency Match Listing
- Closed Case Listing
- Not found on Automated Insolvency System Case Listing

- Unfiled Returns Case Listing
- Potentially Erroneous Records Listing
- Non Insolvency Case Listing (for your Advisory Manager)

BMF Bankruptcy Post-Petition Non-Compliance Report

4.5.3 (05-28-1999)  
**SPf Workload  
Management**

- (1) SPf offices are noted for large volumes of work and a work force constantly in transition. These factors require continuous attention to workload management issues.
  - a. Analyze processing steps within SPf.
  - b. Eliminate unnecessary or low value tasks to streamline processing.
  - c. Identify potential bottle-necks or "trouble spots."
  - d. Develop contingency plans to divert other SPf resources during peak periods.
  - e. Whenever possible, bulk-processed work items should be stored where they are easily observable and should be worked first in—first out.
- (2) Managerial involvement is critical to success in managing the SPf workload.
  - a. Use available reports to identify problem areas and/or areas for review.
  - b. Periodically spot check areas previously identified as at risk for back-logging or lack of timeliness.
  - c. Promptly address identified problem areas.
- (3) Monitor service to customers. Ensure that:
  - quality and tone of written correspondence is appropriate.
  - correspondence is answered within prescribed time frames.
  - correspondence contains SPf employee badge number, return address, and telephone number.
  - time required to return telephone calls is appropriate.
  - processing and case actions are in compliance with the Internal Revenue Manual.
  - case file histories are completely documented with action(s) taken.
  - commitments made to customers are honored timely.
  - follow-up is timely on issues important to customers (refunds, for example).

4.5.4 (05-28-1999)  
**SPf Review  
Process**

- (1) SPf first-line managers should conduct a minimum of one review (usually at mid-year) with each employee during the annual appraisal period.
  - a. Review time can be maximized if employee reviews are conducted simultaneously with reviews of SPf processes, operational reviews, or program reviews.

- b. Concentrate review efforts on employees requiring more attention.
  - c. Review results should be thoroughly documented and highlight good performance as well as work needing improvement.
  - d. Follow-up reviews of employees, operations, or programs should be scheduled and conducted as needed.
  - e. Expand performance appraisal (Form 6850) discussions with employees to include performance plans for the upcoming year, career counseling, and individual development.
  - f. Throughout the review process, be alert to individual or group training needs.
  - g. Look for procedural or systemic problems warranting attention.
  - h. Problems impacting service to unit or SPf customers must be given the highest priority.
- (2) SPf second-level managers must perform an operational review of each subordinate manager at least once each year. Document the review by memorandum and include significant accomplishments and areas which can be improved. Give directions for improvement and follow up after a reasonable time to see if your directions have been carried out. This review provides a major portion of the manager's annual performance evaluation.
- a. Because of their importance, give full coverage to the bankruptcy and lien functions.
  - b. Review activity should concentrate in three key areas: business results, customer satisfaction, and employee satisfaction.
  - c. Review employee performance folders concentrating on the depth and scope of employee reviews, evaluations, and development.
  - d. Be alert for any P-1-20 violations. (See IRM 105.4)
  - e. Analyze workload management skills and quality control.
  - f. Check for accomplishment of organizational and Personnel Management Recognition System objectives.
  - g. Comment on communications within the unit and between the employees and the manager.
  - h. Analyze Survey/Feedback/Action results to target areas for emphasis.
  - i. Accomplishment of objectives.
  - j. Sample reviews of work in major program areas.

4.5.5 (05-28-1999)  
**Quality Control  
in SPf**

- (1) There are several ways to monitor and improve quality of work performed:
- spot checks of work at random
  - employee evaluative reviews
  - operational reviews
  - program reviews
- (2) Check work at random as you move about the office or reports indicate that inspection of the work may be warranted. Random checks keep you

apprised of the quality and timeliness of work and help indicate when more in-depth review is needed. Look for:

- compliance with the IRM
  - quality of communication with taxpayers and representatives
  - documentation of actions taken
  - quality of judgements
  - timeliness
- (3) Evaluate the performance of all employees under your supervision, annually. To do this, review a comprehensive sample of the employee's work once, or review samples of portions of assigned work at different times during the year. Review employees who need improvement more often.
- a. Inventory reports with case age and follow-up data may help you decide which cases to review.
  - b. Observations of interviews with taxpayers and representatives is a useful technique in evaluation.
  - c. Document your reviews by memorandum or on Form 6067, Employee Performance Folder Record.
  - d. Give the employee both positive oral and written feedback and needs for improvement. Your main objective is to help employees improve.
- (4) Second level managers should review each major SPf program at least annually. You may delegate this to a qualified subordinate or do it yourself. Programs may cover the work of one or many employees and may cross organizational lines. Look for procedural or systemic problems and means of improvement. When major changes are warranted, make action plans and follow up to ensure they are completed.
- (5) Exhibits 114.1.4–5 through 114.1.4–19 suggest things to cover when reviewing SPf work and programs for both first and second level managers.

---

4.6 (05-28-1999)  
**Managing the  
Collection  
Support  
Function**

- (1) The Collection Support function (CSf) is normally operated as a separate organizational area providing paraprofessional and clerical support activities for the Collection Division. In some districts, though, the CSf operates as part of the Special Procedures function. Districts are allowed a high degree of flexibility in determining the organizational configuration of their operation and the types of work that are absorbed into the function.
- (2) As a manager in the CSf, you are responsible for:
- receipt and processing of remittances
  - analysis and perfection
  - input of data to and extraction from IDRS
  - research of IDRS, CFOL and other data files
  - coordination when ASEDs and CSEDs are in jeopardy

- maintenance of the closed files
  - specialized clerical support services
- (3) Based on the organizational configuration of your division, there are several additional miscellaneous duties that may also be assigned to and performed in CSf. Some of these are:
- Automated Lien System
  - Courtesy Investigations
  - Currently Not Collectible Investigations
  - DACCS (District Automated Correspondence Control)
  - DIAL
  - Escrow Demands (lien payoffs)
  - Exam Referrals
  - Locator services

4.6.1 (05-28-1999)

### **Processing Timeliness**

- (1) Your objective should be to process all CSf work first in—first out, with no backlogs. A backlog is defined as more than one week's work of any type.
- (2) If there is insufficient staff to meet this objective, prioritize work as outlined in items (3), (4), and (5) below.
- (3) CSf priorities:
1. TC 971 ACXX input
  2. Remittance Processing
  3. Remittance/return Form 795 stripping and processing
  4. Terminal input and research (TDI, IA, 53, etc.)
  5. Adjustment processing (Form 3870, Request for Adjustment; Form 4159 Payment Tracer Request; Credit Transfers)
  6. No remittance/no return Form 795 stripping and processing
  7. Mail
  8. Manually monitored installment agreements, including inbusiness IAs, continuous wage levies, preassessed agreements
  9. Preassessed Form 53 processing
  10. Mandatory follow-up Form 53s
  11. CQR sample selection
  12. Closed and suspense file maintenance
- (4) Field Support Unit (FSU)/Contact priorities:
1. Lien filing/releases/pay-offs; Letter 3172 (ALS) Notices, reports (ALS))
  2. Taxpayer contact (walk-in)
  3. Forms 941–M, Employer's Monthly Federal Tax Return, monitoring
  4. Levy preparation
  5. Trust Fund Recovery Penalty preparation
  6. Seizure and sale preparation
  7. Skip-tracing/locator services
  8. IRC 6020(b) return preparation

9. Examination referral preparation
  10. FTD Alerts; Compliance Projects
  11. Substitute for Return processing
- (5) Taxpayer Account Representative (TAR) priorities:
1. Problem Resolution Program (PRP) Cases
  2. Other taxpayer correspondence
- (6) Deposit remittances within 24 hours of receipt or the following business morning. Deposit remittances over \$100,000 on the day of receipt. Research unidentified remittances within 24 hours (48 hours if less than \$1,000).
- (7) Answer or acknowledge taxpayer correspondence within 14 days.
- (8) Select cases for quality review daily, and forward to the review site weekly.
- (9) Open, date stamp, and deliver mail on the day of receipt.
- (10) Other timeliness instructions are given in IRM 5.4, Collection Support Function Handbook; IRM 57(15)0, Special Procedures Function Handbook, and IRM 5700 as applicable.

4.6.2 (05-28-1999)  
**Security**

- (1) You must maintain security over:
- a. IDRS
  - b. the work area, especially the remittance processing area
  - c. Local Network Systems
- (2) Since availability of IDRS is essential for continued operations, make a contingency plan for IDRS downtime, both short and long term.
- a. Identify alternate terminals for short term or localized downtime.
  - b. Provide manual processing procedures for long term downtime (more than 48 hours), usually involving shipping remittance work to the Service Center.
  - c. Process payments manually if downtime exceeds two days.
- (3) Each unit manager using IDRS is an IDRS Security Supervisor and should complete Training 9873-22, Data Security for Security Supervisors, and maintain LEM 1, section (16)81 and LEM III, section 3(26)(33)0.
- (4) You perform all IDRS security duties for the unit or appoint a Unit Security Representative (USR) to perform the duties. Security duties include:
- a. requesting employees be added or deleted from the security data base
  - b. requesting password changes or changes to the status code (active or inactive) for unit employees

- c. reactivating terminals after security logout
  - d. reviewing IDRS security reports and reporting security problems to the IDRS security officer and/or Inspection
  - e. revising IDRS user profiles to ensure authorized command codes are consistent with employees' duties
  - f. maintaining current Forms 5081, IDRS Security Files Change Notification
  - g. promoting security awareness in the work area, distributing IDRS updates (written and those from cc MESSG), and training employees on system changes
  - h. UNAX training (only if USR is non-Bargaining Unit)
- (5) Unit managers and USRs have access to all command codes in the unit's Masters Profile Authorization File. Periodically review the command codes authorized each employee to ensure they have only those needed to perform their jobs. Be especially careful in authorizing "sensitive" command codes (codes which can adjust account balance, status or tax liability; these are defined in LEM I, section (16)81).

**Example:** Do not assign ADJ54, ADD24, ADC24 along with PAYMT; or ADJ54 with credit transfer command codes.

- (6) You must also maintain physical security of the work area. Follow IRM 1(16)41, Physical Security Handbook. Remittance and terminal processing areas are "controlled" areas described in this handbook where access is restricted. Once a quarter, make an unannounced security inspection of the remittance processing area.

4.6.3 (05-28-1999)  
**Management  
Information**

- (1) Refer to the following reports and control files to assist you in doing your job:
- a. Area Office Remittance Register — daily list of all payments input into IDRS; used to monitor processing timeliness and locate specific payments.
  - b. Form 8672, Trends and Patterns Report — categorizes by customer function errors reported on Forms 5919, Teller Error Advice.
  - c. Form 809, Receipt for Payment of Taxes, inventory records of assigned, unassigned, and closed receipt books.
  - d. Accounting Packages — contain posting documents, adding machine tapes of remittances, deposit tickets, remittance register and Form 784, Recapitulation of Remittances.
  - e. IDRS review files accessed by command codes QRIND, QRADD, RVIEW — used to review transactions input by an employee on a specific date.
  - f. IDRS Security Profiles Report — lists command code profiles of each employee.
  - g. Overage IDRS Case Control Reports — lists cases with overage open control bases on IDRS, used to follow-up resolution of cases.
  - h. Local inventory controls.
  - i. ALS Logs and Reports (IRM 57(15)0, 226)



- j. IRM 5800 Exhibit 4 and Exhibit \_\_\_\_ of the CSf Handbook for time reporting requirements on the 4872B.
- (2) Use reports to monitor progress toward objectives, identify problems, and make changes where needed. Remember that statistical data are only indicators of potential conditions which must be verified by examination of the actual work.
- (3) Time is reported on either Form 795 or Form 48720B, Collection Daily Time Utilization Report. Review time reports weekly to ensure proper time charging.

4.6.4 (05-28-1999)

**First Line  
Manager's  
Responsibilities**

- (1) As a first-line manager, your principal duties fall into these categories:
  - Ensuring RRA procedures, Due Process procedures, are met
  - Workload management
  - Quality control
  - Employee Development/Satisfaction
  - Customer Service
- (2) To plan for workload peaks:
  - a. Review current work schedules and past workload patterns
  - b. Cross-train employees in as many tasks as possible
  - c. Shift employees from low-priority to high-priority tasks
  - d. Increase available hours by hiring temporaries or using overtime, if available
  - e. Increase available terminal time by establishing night shifts
  - f. Detail in employees and borrow terminals
- (3) Work in sufficient volume to require batching is controlled with Form 8564, Non-Remittance Batch Transmittal. Make sure that once work is batched it remains in the batch until completed. The Collection Data System option in ALS can also be used as batch control.

4.6.5 (05-28-1999)

**Quality Control**

- (1) To maintain and improve the level of quality of work performed:
  - a. Make random reviews of samples of completed or in process work
  - b. Make employee evaluative reviews
  - c. Review programs
  - d. Review ALS logs and report for timeliness of processing

4.6.5.1 (05-28-1999)

**Random  
Reviews**

- (1) Random reviews are made to assess the quality of work and determine if there is a need for improvement, not to evaluate the work of individual employees. The procedures in the Collection Support Handbook set the standards for quality.

- (2) Too many tasks are performed in CSf to review all of them. Therefore, review primarily the critical tasks listed in Section 4.6.1. For other types of work, make periodic, less intensive, reviews.

**Note:** Remittance processing must be reviewed monthly.

- (3) For critical tasks, select a sample of work for review. You can do this by selecting every Nth document (for example, every fourth or every seventh document) from the work items available. You may expand the size of the sample if you find widespread problems. You may also select work from the 68XX DIAL; this allows selection of aged work and cases with statute problems.
- (4) Managers of clerical operations should review, in addition to work listed in Section 4.6.1:
  - a. The AORR to ensure payments aren't being inappropriately forced into the system (@ or A in NI column)
  - b. IDRS Overage Case Control Reports for closure of unneeded control bases.
  - c. Form 53 mandatory follow-ups, to ensure a CFf manager or branch chief has reviewed the file quarterly to ensure appropriateness of request.
- (5) Document your reviews and indicate what actions to take to improve the quality of the work; share these reports with the affected employees.

#### 4.6.5.2 (05-28-1999)

### **Employee Evaluative Reviews**

- (1) You must make at least one formal evaluative review of each employee each year, the purposes of which are to:
  - a. Provide input to the employee's annual performance evaluation
  - b. Identify training needs
  - c. Establish the basis for providing feedback and coaching to the employee
  - d. Praise good work as well as showing the employee how to improve
- (2) It is better to obtain this evaluative input via "mini-reviews" throughout the year than from one comprehensive review during the year. This "mini-review" approach gives you the opportunity to provide on-going coaching leading to performance improvement during the year.
- (3) Review an employee more intensely and more frequently if:
  - a. The employee is new, inexperienced, or appears unsure of how to do the work
  - b. Prior reviews have indicated need for improvement
  - c. Your review identifies a need for follow-up review
  - d. Procedures for the employee's job have changed significantly
- (4) Prepare a review schedule to ensure that all employees in your unit are reviewed timely. Don't announce reviews.

- (5) The following IDRS command codes help you review IDRS inputs:
  - a. QRIND — requests summary of employee's transactions for review for a specific day
  - b. QRADD — to input employee numbers of employees whose transactions are to be reviewed the next day
  - c. RVIEW - review one of all transactions by an employee for a specific day.
- (6) Document your reviews on Form 6067, Employee Performance File Record. Discuss the review with the employee within the time specified in the Union agreement, and have the employee sign a copy of Form 6067 to acknowledge receipt.

4.6.5.3 (05-28-1999)

### **Program Reviews**

- (1) Program reviews cover a specific work process which may not be limited to one employee or unit. The purpose is to find flaws in procedures, computer programs, or employee training; and to determine methods for improvement.
- (2) Conduct program reviews:
  - a. You want to determine the effectiveness of a new program
  - b. Reports, an operational review, or external reviews indicate possible deficiencies in a program
  - c. There are backlogs, suggesting possible processing problems
  - d. The program covers a high-risk process such as remittance processing, 809 receipt controls, adjustment input, or installment agreement monitoring
  - e. You want to ensure Section 3401 and 3417 requirements are met
- (3) When reviewing programs, look for:
  - Adequacy of desk or IRM procedures, automation support
  - Timeliness
  - Compliance with computer, physical and document security requirements
  - RRA compliance
  - Quality of work
  - Customer service
- (4) Document your findings and recommendations, and discuss the results with your manager. Implement corrective actions within your capability, and ask your manager to request help from higher authorities when needed.

4.6.6 (05-28-1999)

### **Remittance Processing**

- (1) Remittance processing is the most critical and sensitive work performed in CSf. All remittances must be posted and deposited within 24 hours of receipt in CSf. The reasons for this are:
  - a. Rapid deposit minimizes interest paid by the Government

b. Rapid posting to taxpayer's accounts prevents errors

**Exception:** Remittances over \$100,000 must be deposited on the day of receipt. Also, the Collection Division Chief can expand the 24 hour limit to 48 hours for remittances received on the due date of Form 1040.

- (2) Procedures for processing remittances and other work are in the Collection Support Handbook. Ensure that you are completely familiar with them.
- (3) Remittances are received from Collection (primarily from revenue officers' Forms 795, Daily Report of Collection Activity), Examination, Taxpayer Service, Appeals, Facilities' mail room, and Problem Resolution Office.
- (4) Submit the Trends and Patterns Report (Form 8672) monthly, covering failures to follow remittance and return submission procedures, to the Chief, Collection Division and chiefs of functions whose personnel submitted returns or remittances late or on faulty posting documents.
- (5) Duties of your operation other than return and remittance processing are control, processing and review of:
  - Form 809 receipts and inventories of receipt books
  - Forms 5919, Teller Error Advice
  - Collateral deposits and seized money
  - The Area Office Remittance Register
  - Depository or service center processing of district remittances

4.6.6.1 (05-28-1999)

### Remittance Workload Management

- (1) To meet your processing timeliness requirement, ensure that all remittances and posting documents are transmitted directly to the terminal area immediately upon receipt, and are assigned for input.
- (2) Maintain a control over each day's receipts to ensure that remittances are not held beyond the 24 hour deadline.
- (3) After posting remittances to taxpayers' accounts on IDRS and preparation of the day's deposit, posting vouchers go to the Service Center Accounting function with the deposit package, and remittances (checks, cash, money orders) go to the depository (bank).

**Exception:** Districts located in the same city as a service center (co-located districts) send both remittances and posting vouchers to the service center. Remittances go to the Clearing and Deposit function.

- (4) The deposit package sent to Service Center Accounting function contains:
  - Posting documents
  - Form 3210 and returns
  - Forms 783 and 784
  - Copy of Form 215-A
  - IDRS TXCTL print

- Remittances for manual deposits

4.6.6.2 (05-28-1999)  
**Quality Control**

- (1) Review for quality per instructions for first-line managers above.
- (2) At least once a year, make a formal program review of remittance processing. As part of this review:
  - a. Review processing timeliness; at least 90% of remittances must be deposited on time.
  - b. Review the Annual Listing of Form 809 Receipt Book Report to verify all 809 receipts have been accounted for.
- (3) Once a quarter, conduct an inventory of all unassigned Form 809 books.
- (4) Semi-annually, review SPf collateral inventory to ensure all items are accounted for. Make review in conjunction with SPf Advisory Unit.
- (5) When making spot checks of work, look at:
  - Timeliness of remittance and Forms 795 processing
  - Security of the remittance area
  - Courier service reliability
  - Service by depository
  - Discovered remittance and unidentified payments processing
  - Determinations of remittance negotiability
  - Maintenance of Form 795 and 5919 Files (manual or automated)
  - Currency of collateral and seized property reviews
- (6) When there is an imbalance between state income tax levy proceeds and the transmittal listing, contact the state representative through your district coordinator.

4.6.7 (05-28-1999)  
**Coordination with Financial Management Service (FMS)**

- (1) Coordinate the following actions with FMS using this channel: District Director to Regional Chief Compliance Officer to National Office Collection (OP:CO:C:SP) to National Office Submission Processing Division (OP:FS:S) to FMS (which has final decision and procurement authority):
  - a. Establishing a new depository or discontinuing an old one
  - b. Establishing or discontinuing a remittance processing function due to depository contractual requirements.
  - c. Approval for encoding remittances
- (2) Your district may wish to change depositories, select a new one, or discontinue an old one because:
  - a. You are dissatisfied with the current depository
  - b. FMS directs you to change
- (3) To select a new depository, the District Director invites local Financial institutions, including minority institutions, to submit a letter of interest.

This letter should include any special services the depository offers and the latest daily deposit cut-off time. After reviewing the letters, the Director selects a first and second choice and forwards recommendations with:

- a. Justification for the recommendations
  - b. Name and location of recommended depositories
  - c. Time and manner when deposits will be made with the depository
  - d. Total amount deposited monthly
  - e. Total number of checks deposited monthly
  - f. Number and dollar amount of Treasury checks deposited monthly
  - g. Amount of cash deposited monthly
  - h. A list of all checks for the last two weeks showing the routing and transmit numbers of the bank on which each check is drawn and the dollar amount of each check
  - i. All letters of interest received
- (4) When recommending a change in depository (including a change based on an unsolicited letter of interest), submit in addition to the information above the name and location of the current depository and the time and manner in which the deposit is made. Depository changes in districts depositing over \$25 million monthly are awarded by competitive bid.
- (5) FMS requires at least 90 days from receipt of a recommendation before issuing a decision. However, requests to expedite a decision can be made.
- (6) Keep FMS informed through channels of problems with your depository. Also, give FMS at least 90 days notice before making any change to the agreement with your depository.
- (7) Monitor armored car or courier contracts to determine a need for change by examining:
- a. Timely pick-up and delivery of deposits; pick-up at latest time possible for same-day credit.
  - b. Personnel picking up deposits adequately identify themselves
  - c. Cost of armored car versus courier service

4.6.8 (05-28-1999)  
**Accounting for  
Losses and  
Shortages of  
Funds**

- (1) The employee who discovers a loss (shortage) must immediately notify his/her manager who should:
1. Immediately notify higher management and the local Security office of the loss, the amount involved, and any information available including whether there is suspicion of theft or embezzlement.
  2. Record differences, overages and shortages of each employee handling currency, coins and revenue stamps.
  3. Report the amount of the loss and type of account in which it appears to have occurred to the Service Center Accounting Branch by memorandum with the deposit for the day in which the loss occurred.

4. Require the employee responsible for the loss to write a detailed report within five days showing: (a) The IRS organization where the loss occurred; (b) The date the loss occurred or was discovered; (c) The name and position of the responsible employee(s) or the employee(s) who discovered the loss; (d) The amount of the loss; (e) The kind of tax or fund involved; and (f) A narrative statement of the circumstances surrounding the loss.
  5. Send this report to the District Director with your statement of attempts to reconcile the difference would be productive. State an opinion whether the loss was caused by negligence. Recommend relief if warranted.
- (2) Forward the report to the regional Chief Customer Services and Chief Compliance Officer, and to the local Security function.
- (3) The CSf chief is responsible for:
- a. Notifying the Secret Service if the loss involves acceptance of counterfeit money which is still in possession of IRS.
  - b. Notifying the local police and Federal Bureau of Investigation if the loss was caused by robbery or burglary.
  - c. Notifying the Drug Enforcement Agency if the loss includes narcotics.
  - d. Telephoning the Regional Inspector if the loss was caused by apparent embezzlement, robbery, negligence, or casualty such as fire or flood.
  - e. Preparing a preliminary report to be transmitted through channels to the District Director, Regional Chief, Customer Service, Regional Chief Compliance Officer, and Service Center Director; for losses over \$1000 also forward to the Regional Commissioner, National Office Submission Processing Division (OP:FS:S) and Assistant Commissioner (Collection) (OP:CO), and the General Accounting Office (GAO) if the loss was caused by apparent embezzlement, negligence, robbery, or discrepancies of an unusual nature.
  - f. Preparing a memorandum reporting each loss of more than \$25 to the Regional Inspector for information purposes with copies of the responsible employee's and his/her manager's report;
  - g. Preparing a memorandum to GAO, for an embezzlement, robbery, or unusual loss. This report must show the resolution of these losses unless relief is recommended, because they cannot be administratively resolved under Delegation Order 125.
- (4) If the loss involves negotiable securities or instruments, stop payment on the securities and ask taxpayers to stop payment on their checks. Request replacement of securities or instruments without an indemnity agreement. If an indemnity agreement is required, request one through the National Office Submission Processing Division (OP:FS:S) (copy to Assistant Commissioner (Collection) (OP:CO), to the Financial Management Service. Attach:
- Copy of the loss report
  - Description of the securities or negotiable instruments
  - A report of efforts to get replacement

- Written request from the bank for an indemnity agreement
- (5) If a shipment was lost, report it to National Office Submission Processing Division (OP:FS:S) (copy to Assistant Commissioner (Collection) OP:CO:C:IE) and Office of Disclosure (OP:EX:GLD). If the lost valuables are negotiable securities that can be recovered with an indemnity agreement, report to OP:EX:GLD:
- a. Date of shipment
  - b. Kind of valuables lost, destroyed, or damaged and value if known
  - c. Name and address of the consignee
  - d. Method of transport
  - e. Name of the carrier and location of the office from which shipped
  - f. Number of receipt, registry or bill of lading
  - g. Cause of loss, if known

## 4.6.8.1 (05-28-1999)

**Restitution and Relief**

- (1) Service Center Directors are held accountable for losses within their accounting jurisdictions until restitution is made or relief is granted. They in turn may hold employees accountable for losses caused by negligence or misappropriation.
- (2) You make the initial determination whether fraud or negligence contributed to the loss, and whether the employee should make restitution. Negligence is intentional disregard of procedures or an error not expected of an average, reasonable employee:
- a. If restitution is required, deposit the reimbursed amounts by appropriate tax class in the day's business in which the loss occurred.
  - b. If you determine the employee used reasonable care, or are unsure whether restitution should be made, report the shortage to Service Center Accounting by memorandum with the deposit of the day's business in which the loss occurred. Cite the amount of loss and the tax collected, or the account in which the loss appears to have occurred, by the following categories:
    - Revenue receipts
    - Deposit fund collections
    - Repayment of refunds or general fund receipts
    - Seized property
- (3) To simplify record keeping, consider the amount of loss from cash shortages and counterfeit bills to have occurred in the "Individual Income Tax — Other" classification. Classify amounts lost through robbery or embezzlement according to the class(es) of tax of the payment documents involved.
- (4) If you believe no fraud or negligence was involved and the loss is over \$500, request relief through the Regional Commissioner to the General Accounting Office (GAO), which is authorized to relieve the accountable officer for loss of government funds if the loss occurs in the discharge of official duties and without negligence. When GAO finds the accountable



officer not negligent, but holds his subordinate negligent, the accountable officer is relieved but the subordinate is not.

- (5) If you believe no fraud or negligence was involved and the loss is under \$500, request relief from the Regional Commissioner.
- (6) When requesting relief, submit the following:
  - a. Detailed facts surrounding the loss
  - b. Precautions taken to prevent occurrence of losses
  - c. Internal controls, supervisory responsibilities, and management policies, procedures, and practices in effect
  - d. Any weaknesses noted in controls and procedures, and deviations from policies and procedures
  - e. Corrective actions taken
  - f. Reports of any investigations made by independent organizations (Inspection, FBI, Secret Service, local police)
- (7) Each reviewer, before recommending that relief be granted, should determine that the employee used the degree of care expected, and that controls and procedures were adequate and were adequately enforced. If losses were small, consider the employee's experience and frequency of error in relation to the number of items processed.
- (8) If the loss was due to negligence or fraud, the responsible employee must restore it. Give the employee a receipt for the payment. Use a copy of the receipt as a posting voucher to deposit the collection. Deposit it to the class of tax or other fund previously reported short. Send the copy of the receipt to Accounting with the day's business in which the reimbursed amount is deposited.
- (9) If the employee fails to restore the amount, the Service Center Director will assess it under Section 7803 of the Internal Revenue Code, and collection will be made as in the case of delinquent tax accounts. If it is uncollectible, request relief and reimbursement to the employee.
- (10) If an employee restored the amount of a loss and it is later determined that the loss was not due to negligence or fraud, request relief and reimbursement to the employee.

4.6.8.2 (05-28-1999)  
**Safeguards and  
Controls  
(Remittance  
Area)**

- (1) Equipment and facilities must meet requirements in IRM 1(16)12, Manager's Security Handbook, and the following specific requirements:
  - a. Money chests, vaults or cabinets affording adequate security must be available in the controlled area provided for deposit activities.
  - b. Each remittance processor should have a separate locked container opened by a separate key or combination.
  - c. If it is necessary to open the locked container in the absence of the assigned processor, have two responsible employees use the

duplicate key or combination. They must prepare and sign a statement showing the reason for opening, and an account for the contents.

- (2) One person may not be responsible for all payment processing steps for any single payment (i.e., the remittance processor preparing the deposit must not input the payments to IDRS).
- (3) Custody and use of each date stamp should be assigned to one specific individual. Keep a record by serial number of each assigned stamp on Form 1930, Custody Receipt for Government Property.
- (4) Change combinations to safes and vaults periodically and limit access to designated employees. Change combinations also if an employee having access to the combinations is reassigned or leaves.
- (5) Safeguard Form 809 receipts as follows:
  - a. Prepare an annual report per IRM 592(16).9 reconciling all issued Forms 809. Send it to your division chief and to the division chiefs of all user functions. The user functions must submit corrections and/or confirmation of accuracy of the report to you within 30 calendar days.
  - b. Monitor your supply of unissued Forms 809; if more than a 90-day supply exists, revise the annual distribution and transfer your excess supply per IRM 592(16).
  - c. The District Director will designate it writing a destruction committee for Forms 809 composed of three responsible employees assigned to Collection, including at least one from CSf. This committee witnesses destruction by shredding or burning of obsolete Forms 809 and partial receipt books being purged from inventory. The committee certifies this action on Form 8551, Certification of Transfer or Destruction of Receipts for Payment of Taxes. The committee keeps one copy of this form and files the duplicate in CSf.
  - d. Destroy Forms 809 per IRM 1(15)59.24, Records Control Schedule 204 for Collection.

---

4.7 (05-28-1999)

**General  
Managerial  
Responsibilities**

- (1) Managers in all areas of Collection are responsible for ensuring that proper security measures are taken to protect taxpayer's privacy and to ensure that any customer comments/complaints are properly recorded.

4.7.1 (05-28-1999)

**IDRS Security**

- (1) IDRS rules and UNAX regulations should be discussed at group/unit meetings. Unauthorized access to tax information must be a topic of discussion.
- (2) Employees should be reminded to complete Form 11377, Taxpayer Data Access Form, if a taxpayer's account is inadvertently accessed, or when applicable.

- (3) Manager's should review the IDRS Security Profile Report, paying special attention to sensitive command code usage and attempts to use command codes not assigned.

4.7.2 (05-28-1999)  
**Customer  
Satisfaction**

- (1) Manager's must complete Form 10004, Customer Feedback Record, whenever they receive comments concerning both appropriate employee behavior and allegations of inappropriate behavior. Refer to NORD V.
- (2) Refer to Document 9645 (9-96) for more information on the Customer Feedback System.

4.7.3 (02-23-2000)  
**Fair Debt  
Collection  
Practices Act**

- (1) Alleged violations of the Fair Debt Collection Practices Act (FDCPA) should be reported by managers to the local Labor Relations Specialist by the close of the next business day following notification of the alleged violation.
- (2) Alleged violations of the FDCPA are identified by the following case issue codes:

	Issue code	Issue
•	141	Fair Tax Collection Unusual Contact with Taxpayer
•	142	Direct Contact with Taxpayer without Representative or Taxpayer Consent
•	143	Contact At Taxpayer Employment without Consent
•	144	Harassment/Abuse by Use or Threat of Use
•	145	Use of Obscene or Profane Language to Abuse
•	146	Continuous Telephone Calls with Intent to Harass
•	147	Telephone Calls to Taxpayer without Meaningful Disclosure of Identity

**Exhibit 114.1.4-1 (05-28-1999)  
Revenue Officer Case Assignment Guide**

The formula IDRS uses to assign case grades is shown in the first table below. The second table shows criteria you can use to grade cases manually, after they have been assigned to revenue officers. IDRS sums the RWMS scores for all TDAs on the taxpayer plus the TDI entity score, and assigns a grade accordingly.

You can add additional work assignments to the IDRS sum to determine the correct grade for the case. Returns Compliance Program (RCP) leads are usually GS-9 work. Other Investigations (OI) and Offers in Compromise (OIC) generally have the same grade as the underlying accounts. OIs for routine assignments, such as serving a Notice of Levy or summons, are GS-9 work. Higher graded OIs are:

GS-12: Investigations for Department of Justice; complicated decedents and insolvencies; all other cases meeting grade 12 criteria in the OPM classification standards for revenue officers.

GS-11: Investigations for U.S. Attorney and Regional Counsel; investigations requiring special handling; investigations on decedents, insolvencies, potentially dangerous taxpayers; all other cases meeting grade 11 criteria in the OPM classification standards.

**IDRS Criteria for Grading TDAs and TDIs**

Grade 12: Total RWMS score for entity = 30,001 or higher

Grade 11: Total RWMS score for entity = 8,001 to 30,000

- Potentially Dangerous Taxpayers (unless they meet GS-12 criteria)
- TDAs for Forms 1041, 730, 706, 709 (unless they meet GS-12 criteria)

Grade 9: Total RWMS score for entity = 0 - 8,000

**Manual Criteria for Grading TDAs and TDIs**

Use the following criteria for regrading cases after assignment to revenue officers. You will not normally change the grade of a case unless it meets at least four of the factors at the higher level. The factors are:

**Factor 1 Gross Income of Entity**

Grade 12: over \$185,000

Grade 11: \$120,000 to \$185,000

**Factor 2 Complexity of Case**

Grade 12: Complex financial records; subterfuges such as interlocking directorates, foreign subsidiaries, trusts, dummy corporations, need for nominee liens, foreclosure suits, jeopardy assessments; more than 30 employees; specialized or very valuable assets.

Grade 11: Difficult to trace income or assets; difficult to determine rights of competing creditors.

**Factor 3 Personal Contacts**

Grade 12: Representatives from large and prominent firms; creditors from the largest financial institutions; political figures; Counsel and Appeals involved.

**Exhibit 114.1.4-1 (Cont. 1) (05-28-1999)**  
**Revenue Officer Case Assignment Guide**

**Grade 11: Corporate officers; representatives from medium firms; creditors from large financial institutions, U.S. Attorney involved.**

**Factor 4 Supervisory Controls**

Grade 12: Little or no control on GS-12 assignments; guidance only on unusually complex cases.

Grade 11: Little or no control on GS-11 assignments; guidance usually only when the revenue officer asks for it or enforcement may be publicized.

**Factor 5 Enforcement Actions**

Grade 12: Over 30 employees; affects the economy of large communities; intense media scrutiny.

Grade 11: 10-30 employees; some economic effect; some media scrutiny.

**Exhibit 114.1.4-2 (05-28-1999)  
RWMS Command Codes**

## (1) RWMSQC

(a) Command code RWMSQC will display a district's current cutoff RWMS score.

(b) Screen display:

```
1  2
RWMSQC
   3
  DISTRICT nn
4
CURRENT RWMS SCORE   :nnnnnnn
5
CYCLE ESTABLISHED   :nnnn
6
EMPLOYEE             :nnnnnnnn
7
REQUEST COMPLETED
```

1. Command code — “RWMSQ”

2. Command code definer — “C”

3. Indicates which district's cutoff RWMS score is being displayed. The literal “DISTRICT” is followed by the two character district location code.

4. Displays the current cutoff RWMS score was district.

5. Displays the cycle that the current cutoff RWMS score was established.

6. Displays the employee number of the employee who input the current cutoff RWMS score.

7. Literal indicating a successful display of the current cutoff RWMS score, or appropriate error message.

## (2) RWMSQ

(a) Command code RWMSQ is used to change a district's cutoff RWMS score.

(b) Screen display:

```
1  2 3
RWMSQ nnnnnnn
4
THIS WILL CHANGE YOUR CUTOFF SCORE
5
TO nnnnnnn (DO NOT CHANGE SCORE HERE)
6
```



**Exhibit 114.1.4-2 (Cont. 2) (05-28-1999)**  
**RWMS Command Codes**

	RWMS	TIN AND GRADE	NAME	TDA/
	SCORE	FILE SOURCE LEVEL	CTRL	TDI
CSED	4	5	6	7
	8	9		

1. District office location code.
2. ZIP Code (for D.O. 98, the first five characters (including blanks) of a foreign country's name will appear).
3. The last day (Saturday) of the weekly report cycle in MM-DD-YY format.
4. RWMS score.
5. The TIN format will be nnn-nn-nnnn for an SSN and nn-nnnnnnn for an EIN; file source will be one of the following:
  - \* (IMF invalid)
  - V (Valid BMF SSN)
  - W (Invalid BMF SSN)
  - P (IRAF Valid)
  - X (IRAF Invalid)
  - Blank (IMF Valid of BMF EIN)
6. The four character Name Control.
7. The literals "TDA", "TDI", or "BOTH" will appear in this field.
8. A grade level of "09", "11" or "12" will appear in this field. It will be the determined grade level if one has been input or else it will be the predicted grade level. The field will be blank if no grade level has been assigned.
9. The earliest unexpired collection statute expiration date in MM-DD-YY format. If all CSED's have expired, it is the last expired CSED. It will be zeroes if the CSED has not been computed. It will be "SEETXMOD" if the CSED does not fall within 01-01-80 and been computed. It will be "SEETXMOD" if the CSED does not fall within 01-01-80 and 12-31-99. It will be blank for TDI only entities.

(5) RWMSR

(a) RWMSR will display a district's Queue inventory in five percent increments ranging from the highest to lowest RWMS scored entities.

(b) Screen display:

DO 1	QUEUE	CUTO	REPORT	DATE	2
MAX- 3	MIN-	4	LAST-	5	
PCT	SCORE	TOTAL	TDA	TDI	TDA/TDI
5	6	7	8	9	10



**Exhibit 114.1.4-2 (Cont. 3) (05-28-1999)**  
**RWMS Command Codes**

10  
15  
20  
25  
30  
35  
40  
45  
50  
55  
60  
65  
70  
75  
80  
85  
90  
95  
100

1. District office location code.
2. The last day (Saturday) of the weekly report cycle in MM-DD-YY format.
3. The highest RWMS score for any of the entities within a given district office.
4. The lowest RWMS score for any of the entities within a given district office.
5. The last cutoff RWMS score input before the report date.
6. The lowest scored entity that falls within the given percentage bracket.
7. The total number of entities within the percentage bracket that have RWMS score equal to or greater than the score in item 6.
8. The number of TDA-only entities within the percentage bracket that have RWMS score equal to or greater than the score in item 6.
9. The number of TDA-only entities within the percentage bracket that have RWMS score equal to or greater than the score in item 6.
10. The number of TDA/TDI entities within the percentage bracket that have RWMS score equal to or greater than the score in item 6.

**Exhibit 114.1.4-3 (05-28-1999)****Questions/Answers Concerning RWMS and the Queue****Q1. What is an RWMS Score?**

RWMS scores were developed using historical disposition data and are predictors of the productivity for a particular TDA or TDI module. They are based on averages and the results, on a case by case basis, will vary.

**Q2. When is an account given its RWMS score?**

An account is scored at the time a delinquency becomes a TDA or TDI. The score then follows the account unchanged through its subsequent processing unless an adjustment or abatement is made. Nothing else affects the RWMS modular score. The entity score is the sum of the modular scores. It changes as new modules are added or modules are closed.

**Q3. Where can I find entity and modular RWMS scores?**

The RWMS scores appear on TDAs, TDIs, ENMOD, TXMODA, and TDINQ. The score printed on the TDI is the entity score at the time the TDI was printed. The score printed on the TDA is that module's score only.

**Q4. How can I determine the volume of my new TDA/TDI receipts?**

Command Code REPRQ displays weekly receipt, inventory and disposition data for each branch and group in the district. DOAO64XX reflects the number of taxpayer cases SCCB sent directly to the CFf. DOAO65XX shows the number of taxpayer cases ACS sent directly to the CFf. DOAO61XX shows both those cases which met ACS bypass criteria or new modules being associated with cases which already met field criteria but have not yet been given an assignment number and those cases sent to the field because their entity score was over the district's cutoff score.

**Q5. I get a lot of cases with a DOAO64XX or DOAO65XX assignment number printed on the face of the TDA/TDI that are below my district's cutoff score. The assignment number has been lined out and an R/O or group number written in. Why am I getting these cases?**

These TDA/TDI assignment numbers tell you who is sending the case to CFf, and if there are related documents. DOAO64XX and DOAO65XX, mean that someone has made a conscious decision to bypass the district Queue and send the case to the CFf for investigation without regard to its entity score. The criteria on which this judgement is based are:

1. The field/taxpayer requests the transfer and the ACS employee does not know specifically to whom the case will be assigned. The facts of the case must support a taxpayer request for transfer. This should not be routine.
2. Government Entities.
3. Cases with a primary issuance code of E, P, S, FRIV-RET, PDT.
4. Cases involving MFT 13, 14, or 56.
5. Cases that would have a detrimental effect on compliance if not pursued by CFf.

Cases sent to CFf by ACS will be identified by the branch/group code 65. SCCB cases are identified by the branch/group code 64. Employee designator 01 means there are no documents to be associated with the case; designator 66 means there are related documents such as T/P correspondence or a CIS for the case. DOA06566 means that ACS sent a case with related documents to the field because it met one or more of the by-pass criteria.

**Exhibit 114.1.4-3 (Cont. 1) (05-28-1999)**  
**Questions/Answers Concerning RWMS and the Queue**

DOAO61XX indicates that the case did not meet the criteria to go to the Queue. Either it exceeded the district cutoff score or could not be worked by ACS. Cases which systemically bypass ACS are as follows:

1. Non-master file cases;
2. MFT 03, abstract numbers 050 and 052 (Form 720, Excise Tax Return-Windfall Profits Tax);
3. MFT 12 (Form 1042, Annual Withholding Return for U.S. Source Income of Foreign Persons);
4. MFT 15 (Form 8752, Required Payment or Refund Under Section 7519);
5. MFT 52 (Form 706, U.S. Estate Tax Return);
6. MFT 63 (Form 11 C, Special Tax Return and Application for Registry-Wagering)
7. MFT 64 (Form 730, Tax on Wagering);
8. MFT 77 (Form 706GS(D-1), Notification of Distribution from a Generation-Skipping Trust
9. MFT 78 (Form 706GS(T), Generation-Skipping Transfer Tax Return for Terminations);
10. TR-1 coded TDAs (Request for Quick/Prompt Assessment) requested by Collection, including Trust Fund Recovery penalty prompt assessments. Other TC 290 prompt assessment cases and those with a TC 300 in the module will be issued to ACS.
11. Defaulted installment agreements with a revenue officer TSIGN or expired review date at time of default.
12. Selection code 92 (IRS employee) TDIs;
13. TDAs/TDIs with TC 148 and IDRS issuance code of T, U, N, L;
14. TDAs with TC 914 or TC 916;
15. TDIs with secondary TDI code "I", closed Criminal Investigation case;
16. TDAs with TO 59X, closing code 63 or 64.
17. Federal Employee/Retiree Cases (FERDI)

The above cases will be issued with IDRS assignment number 6100 unless there already is a related module with a revenue officer assignment number.

**Q6. Why are TDAs and TDIs received in CFf without ACS information transcripts?**

Problems with requesting these transcripts or receiving them in the district relate to SCCB or ACS processing and should be brought to the attention of the RWMS coordinator in the district or the Regional Office. Note: If a revenue officer receives a TDA with the assignment number of DOAO6501 lined through and the new assignment number written in, this is an indication that a transcript should be received.

**Q7. My group gets plenty of cases at the present cut-off score setting. However, there are some ZIP Code areas which are not getting cases. How can I get the R/Os that cover that territory some work?**

**Exhibit 114.1.4-3 (Cont. 2) (05-28-1999)  
Questions/Answers Concerning RWMS and the Queue**

If at all possible, let the R/Os cover the ZIP Codes that are getting work. There may be instances where this is not practical. Command Code RWMSL displays the cases in the Queue for each ZIP Code by RWMS score. Request work from the Queue for particular ZIP Codes using command code TSIGN (revenue officer's number).

**Q8. Why do some cases sent back to the Queue by the Cff stay there and others come back out with a TSIGN of DOAO6100?**

1. If multiple TDAs are involved, STAUP 24 for 00 cycles was not input to each TDA.
2. A new TDA, TDI or TDI module may have been issued in the same cycle the case was being sent to the Queue. If the module has dropped off, the case may be returned to the Queue if it meets all other criteria.
3. The CSED was within six months plus two weeks.
4. TIN merge posts to IDRS the same week a case is sent to Queue. The TDA remains on IDRS as a memo account. Normally, abatement of the assessment under the invalid TIN is necessary. NOTE: TC 026 will be present on a memo account.
5. Cff sends a TDI to Queue. During the same cycle, a TDIAD with Notice Code T (requests hard copy TDI) is input.

Again, SCCB should have used your district's assignment grid to overlay the system generated assignment number of DOAO6100 and given the assignment either a group number or a specific employee assignment number.

**Q9. Can a CSED or ASED expire on a case in the Queue?**

Yes. An account will not come out of Queue based solely on CSED or ASED considerations. If the statute expires in Queue, no report is required.

**Q10. What reports are available that tell the status of cases in the Queue?**

IDRS command Code RWMSR generates a display which shows the cut-off score used in the prior week and the cases in Queue for that week broken down into twenty score intervals. IDRS command code RWMSL, used with the identifier SUMRY provides a listing of the number of cases in Queue for each five digit ZIP Code within the district, broken down into ten RWMS Score ranges. This report will enable branch and division level management to determine what PODs would be most affected by a change in the district's cut-off score.

IDRS command code RWMSL used with a specific five digit ZIP Code generates a list of the top 296 cases in that ZIP Code. The manager is given the name control, TIN, predicted grade level, case type (i.e., TDA, TDI, TDA/TDI) and CSED. This information should be used to call cases out of Queue for assignment to a specific R/O when his/her routine receipts in conjunction with dispositions leaves the employee's average workload below targeted levels.

**Q11. What TSIGNs have a special meaning?**

The following table lists specific assignment numbers and their definitions. The first four characters which reflect the district office (DO) and area office (AO) identifiers have not been listed (e.g., 56-01-70-00 is shown as 70-00).

**Exhibit 114.1.4-3 (Cont. 3) (05-28-1999)**  
**Questions/Answers Concerning RWMS and the Queue**

<b>IDRS Assignment Number</b>	<b>Definition</b>
0000-01xx	ACS
0110	SCCB notice cases, documents to associate
0200	SCCB notice cases
0201-0599	Restricted
0600-0699	ACS
0700-0999	Restricted
1000-5999	Collection Field function
6000-6099	Restricted
6100	Systemic assignment to CFf
6101-6199	Restricted
6200	NMF
6201-6400	Restricted
6401	SCCB accelerates from notice to CFf, no documents to associate
6402-6465	Restricted
6466	SCCB accelerates from notice to CFf, documents associated
6467-6500	Restricted
6501	ACS to CFf, no documents
6502-6565	Restricted
6566	ACS to CFf, documents
6567-6799	Restricted
6800-6899	Collection Support function
6900-6999	SPf, active or suspended status
7000	Queue
7001-7999	Restricted
8000	Substitute for Return
8001-8999	SCCB

**Exhibit 114.1.4-4 (05-28-1999)**  
**Criteria for Review of Completed Work**

- I. Currently Not Collectible Accounts
  - A. Hardship
    - (1) Check CIS — is it less than one year old?
      - (a) Has R/O analyzed CIS?
      - (b) If equity in assets, should case be 53'd?
      - (c) Has info on CIS been verified, if liability \$2000 or more?
        - 1. Real property
        - 2. Personal property
        - 3. Motor vehicles
        - 4. Latest income tax return
        - 5. Full credit report if entity balance over \$100,000
      - (d) Has lien been filed?
      - (e) Does case meet criteria for installment agreement instead?
      - (f) Has all pertinent info, including results of full compliance check, been documented in history?
      - (g) If CIS is not current, does case meet criteria for 53 anyway and is documentation present?
      - (h) Have taxpayer rights been documented?
      - (i) Has offer-in-compromise been considered?
      - (j) Have deviations from allowable expenses been documented? Explained?
      - (k) Have third party contacts been recorded?
    - (2) Check Form 53 for accuracy, completeness, correct closing code, and request for input of TC 130?
  - B. Unable to locate
    - (1) Check documentation
      - (a) Have available sources been checked?
        - 1. Internal sources, such as directories and IDRS.
        - 2. Post office
      - (b) If liability \$2000 or more, have other sources been checked?
        - 1. Most current income tax return, if applicable.
        - 2. Last known address and neighbors
        - 3. Property records (real, personal, motor vehicle)
        - 4. State and/or local employment records

**Exhibit 114.1.4-4 (Cont. 1) (05-28-1999)**  
**Criteria for Review of Completed Work**

- 5. Short or partial credit report (full report if entity balance over \$100,000)
  - (c) Has lien been filed? Was Letter 3172 issued?
  - (d) Has all pertinent info been documented in history?
  - (e) Have third party contacts been recorded?
- C. Unable to Contact
  - (1) Check documentation
    - (a) Is enough information documented to show that this would probably be a 53 case even if TP was contacted?
    - (b) If liability \$2000 or more, has research been conducted same as in case of unable to locate?
    - (c) Has lien been filed?
    - (d) If telephone number available, has an attempt been made to contact? It should be documented.
    - (e) Has all pertinent information been documented in history?
    - (f) Have third party contacts been recorded?
  - (2) Check Form 53 for accuracy, completeness, correct closing code, and request for input of TC 130.
- D. Corporate Trust Fund Taxes
  - (1) Has Trust Fund Recovery Penalty been considered? Do you have it controlled with Form 4523?
  - (2) Check CIS — is it less than one year old?
    - (a) Does data on CIS support R/O's decision to 53?
    - (b) Has info on CIS been verified, if liability \$2000 or more?
      - 1. Real property
      - 2. Personal property
      - 3. Motor vehicles
      - 4. Latest income tax return
    - (c) Is case fully documented?
    - (d) Has lien been filed? Was Letter 3172 issued?
  - (3) Check Form 53 for accuracy, completeness, and correct closing code.
  - (4) If in-business corporation: in addition to items 1 thru 3 above,
    - (a) Is corporation in compliance?
    - (b) Have Trust Fund Compliance Program procedures been considered? Consult Trust Fund Compliance Handbook.

**Exhibit 114.1.4-4 (Cont. 2) (05-28-1999)  
Criteria for Review of Completed Work**

- (c) Does Form 53 have a mandatory follow-up scheduled in 12 to 18 months?
  - (d) Have third party contacts been recorded?
  - (e) Have taxpayer rights been documented for corporation? For potentially responsible individuals?
- II. Request for Adjustment
  - (1) Is supporting documentation attached?
  - (2) Has the adjustment been explained to the taxpayer? Reasons for full relief, partial relief, no relief.
  - (3) Is the form completed correctly?
    - (a) Check the closing code. Make sure TC 470, CC-90 is entered on the form. If the requested action will not fully satisfy the account, the remaining balance should be full paid or resolved by installment agreement or currently not collectible determination.
    - (b) Is there an entry in Items 1, 4, 7, 9, 11, 14, 15, 18 and 20? If not, there should be.
    - (c) Has taxpayer signed the form in Item 19 or is taxpayer's letter or request attached?
  - (4) If the account will be fully satisfied, have provisions been made for release of lien by SPf when appropriate?
  - (5) If less than 12 months remain in the statutory period for collection, has the Form 3870 been flagged for expedite action?
    - (a) If less than 6 months remain in the statutory period for collection, TDA should remain in R/O's inventory and closing code is not entered on Form 3870.
    - (b) If 6 to 12 months remain in the statutory period for collection TDA should be closed and closing code should be entered on Form 3870.
  - (6) In cases involving requests for abatement of penalties, has the criteria for reasonable cause been met?
    - (a) Is the reason for noncompliance documented in writing by taxpayer?
    - (b) Does the reason include sufficient detail to determine whether ordinary business care was exercised?
    - (c) Was the penalty the result of carelessness or forgetfulness?
    - (d) Was the penalty the result of carelessness or forgetfulness?
    - (e) Does the amount of penalty justify closer scrutiny of the case?
- III. Payment Tracer and Credit Transfer
  - A. Payment tracers



**Exhibit 114.1.4-4 (Cont. 3) (05-28-1999)**  
**Criteria for Review of Completed Work**

- (1) Has request been made on Form 4907, TDA all-purpose attachment or Form 4159, Payment Tracer Request?
- (2) Has sufficient information been furnished to trace the payment?
  - (a) Copy of payment, front and back
  - (b) Name, address and TIN of taxpayer
  - (c) Type and period of tax
  - (d) Amount, type and date of remittance
  - (e) Endorsing IRS office if check, M.O., etc.
  - (f) Date of IRS endorsement
  - (g) Date of receipt, receipt number and type of receipt
  - (h) Have results been explained to the taxpayer?

**B. Credit Transfers**

- (1) Has the module containing the credit been identified?
- (2) Has module to receive transfer of credit been identified?
- (3) Has the taxpayer been advised of the transfer?

**IV. Installment Agreements**

**A. General**

- (1) Have all applicable taxpayer rights been documented?
- (2) Have third party contacts been recorded?
- (3) Are all periods of liability included?
  - (a) Has full compliance been discussed, documented and totally accounted for in the agreement?
  - (b) Have required estimated tax payments been included?
  - (c) If required, has a corrected Form W-4 been submitted for the taxpayer?
- (4) Is levy source information complete?
  - (a) Name of levy source.
  - (b) Address, including zip code, of levy source.
- (5) Check the CIS — is it current and complete?
  - (a) Has CIS been thoroughly analyzed and verified if required?
  - (b) Had full credit report been secured on IMF entity balances over \$100,000?
  - (c) Is agreement for maximum amount available from taxpayer?
  - (d) Have increases in payments been scheduled?

**Exhibit 114.1.4-4 (Cont. 4) (05-28-1999)**  
**Criteria for Review of Completed Work**

- (e) Has CIS been signed by taxpayer? If the CIS was received in the mail, the absence of a signature, if all entries appear to be reasonable, does not prevent approval of an agreement.
    - (f) Have deviations from allowable expense guidelines been documented and are they reasonable?
  - (6) Does the agreement provide for full payment prior to the CSED? Extension (not to exceed 5 years)?
  - (7) Have TC 971 AC 43 and AC 63 been input when appropriate?
  - (8) Have prior IA proposals been sent to the Independent Reviewer prior to rejection?
  - (9) Has a lien been filed?
    - (a) A determination must be made if aggregate assessed balance is over \$5000, or
    - (b) A determination must be made if aggregate assessed balance is over \$2000 and agreement is scheduled to last longer than one year.
- B. BMF Agreements
  - (1) Has cause and cure of the delinquency been addressed?
    - (a) Are FTDs current?
    - (b) Is delinquent taxpayer a repeater?
    - (c) Have Trust Fund Compliance Program procedures been considered? (Refer to Trust Fund Compliance Handbook)
  - (2) If corporation, has Trust Fund Recovery Penalty been considered?
    - (a) Should assertion of TFRP been considered?
    - (b) Should assessment be made to have an additional means of collection available?
    - (c) Has R/O secured a waiver to extend the ASED?
- V. Trust Fund Recovery Penalty
  - A. Initial actions
    - (1) Has R/O taken into account all periods of liability?
    - (2) Have all officers and potentially responsible employees been interviewed?
    - (3) Have persons interviewed signed Form 4180
    - (4) Have potentially responsible individuals been given their rights?
    - (5) Have third party contacts been recorded where applicable?
  - B. Preparation of Form 4183, Recommendation Re: Trust Fund Recovery Penalty Assessment
    - (1) Recommendations for Assessment

**Exhibit 114.1.4-4 (Cont. 5) (05-28-1999)**  
**Criteria for Review of Completed Work**

- (a) Is all applicable information documented on Form 4183?
  - (b) Is basis for recommendation adequately explained?
  - (c) Has Form 4523 been prepared to control case?
  - (d) Has request been made for input of TC 130?
  - (e) Are copies of all returns present?
- (2) Recommendations for non-assertion
- (a) Is basis for non-assertion sufficiently documented?
    - 1. If officer or employee considered not responsible, case history as well as Form 4183 should contain full explanation.
    - 2. If recommendation for non-assertion is because it is not collectible, does it meet the criteria?
  - (b) If future collection potential is obviously nonexistent because of advanced age and/or deteriorating health:
    - 1. Has taxpayer's latest income tax return been reviewed?
    - 2. Has a current CIS been secured?
    - 3. Has a full compliance check been conducted and fully documented?
  - (c) In unable to locate situations, has a thorough investigation been conducted?
    - 1. Have normal investigative techniques been employed to try to locate the individual?
    - 2. Have all in-house sources been checked in an attempt to determine social security number?
- (3) If future collection potential exists, but account is currently not collectible, have pre-assessment procedures been considered?
- (a) Has trust fund recovery penalty been recommended on Form 4183?
  - (b) Has Form 53 been prepared?
  - (c) Has Form 2749 been annotated to the effect that Form 53 prepared?
  - (d) Has taxpayer been advised that one notice will be sent?
  - (e) Has taxpayer been advised that Notice of Federal Tax Lien will be filed, if appropriate?
- C. Follow-up Actions
- (1) Have Forms 4523 been prepared for all persons against whom penalty assertion is recommended?
  - (2) Is Form 4523 being kept current?

**Exhibit 114.1.4-4 (Cont. 6) (05-28-1999)**  
**Criteria for Review of Completed Work**

- D. Trust Fund Recovery Penalty Dispositions
- (1) Agreed cases
- (a) Had Form 2749 been completed correctly?
1. "Amount of penalty assessed," "Assessment Date," and "Identifying Number" entries should be blank
  2. All related persons should be included on the form
  3. The TDA/TDI Assignment Code should be entered
  4. Form 433-A should be attached to part 3 of Form 2749
- (2) Unagreed cases
- (a) If assessment being appealed, has taxpayer complied with requirements stated on reverse of Letter 1153(DO)?
1. If proposed liability exceeds \$2500 for any return, taxable year or taxable period, a written statement must accompany appeal.
  2. Information in protest letter must contain sufficient information to process the appeal.
- (b) For cases being sent to Appeals, is case file adequately prepared for transmittal?
1. All information and documents submitted in support of a protest should be included in the file.
  2. Documents forming the basis of the penalty recommendation should be in the file.
  3. All documents should be arranged in order of receipt (with the latest on top).
  4. All duplicate items should be removed from file.

VI. Seizures

	<b>Pre-seizure Considerations</b>	<b>IRM Reference</b>
1.	Procedures for seizure of residences and individual businesses. Liability for the seizure of a residence, real property, or tangible or real property used in an individual's trade or business is over \$5,000 (except when real property which is rented).	IRM 5.10.1.1(3) and Section 3445
2.	Does taxpayer, spouse, former spouse, or minor child reside at residence and does seizure require court approval?	Section 3445
3.	Taxpayer was contacted only between the hours of 8 A.M. to 9 P.M. and not contacted at place of employment if prohibited.	IRM 5.10.1.1(9) and Section 3466
4.	Alternatives considered prior to seizure, policies followed, and file documented to justify action.	IRM 5.10.1.1 and Policy Statements and Section 3444

**Exhibit 114.1.4-4 (Cont. 7) (05-28-1999)**  
**Criteria for Review of Completed Work**

- |     |  |   |
|-----|--|---|
| 5.  | No prohibited seizure is proposed.   | IRM 5.10.1.1.1 and 1.1.2                            |
| 6.  | Publications 1, 594, 1660 were provided and taxpayer was given the opportunity to appeal.  | IRM 5.10.1.2. and 1.3                               |
| 7.  | Section 3401, L-1058 Final Notice of Intent to Levy and Notice of Your Right to a Hearing, provided to the taxpayer at least 30 days prior to seizure. Joint liabilities require separate notifications. | IRM 5.10.1.4, Exhibit and Section 3401              |
| 8.  | After property exemption, there is sufficient equity in asset to be applied to account after expenses and the group manager reviewed the seizure determination   | IRM 5.10.1.7 and Sections 3421 and 3444             |
| 9.  | Counsel approved the jeopardy levy prior to seizure  | IRM 5.10.1.10.3 and Section 3434                    |
| 10. | Verified outstanding liability and the taxpayer provided with a chance to submit an amended tax return?  | IRM 5.10.1.1(3) and Section 3444                    |
| 11. | Taxpayer is not claiming hardship or has not requested an appeal.  | 5.10.1.2 and 5.10.1.3                               |
| 12. | Taxpayer not in refund litigation, Offer in Compromise, or installment agreement status  | IRM 5.10.1.1.1(8); (6); (5) and Sections 3433, 3462 |
| 13. | DD or ADD determine taxpayer's "other assets" were insufficient to pay the balance due and expenses.   | 5.10.1.6 and Section 3445                           |
| 14. | Consider individual's future income from commercial sale of fish or wildlife under state fish and wildlife permit in the definition of "other assets."   | Section 3445  |
| 15. | A Notice of Federal Tax Lien is properly filed on all tax periods identified on Form 668-B, Levy.  | 5.10.2.1  |

**B. Post-seizure Considerations**

- (1) Has Form 2433, Notice of Seizure, been prepared correctly and timely?
- (2) Has Form 4585, Minimum Bid Worksheet, been prepared correctly and timely?
- (3) Has Form 2434, Notice of Public Auction Sale or Form 2434A, Notice of Sealed Bid Sale been prepared correctly and timely?
- (4) Has Standard Form 1143 been prepared timely for legal advertisement?

**C. Post-sale considerations**

- (1) Was sale conducted timely?
- (2) Has Form 2435, Certificate of Sale of Seized Property been prepared correctly and timely?
- (3) Has Record 21, Record of Seizure and Sale of Real Estate, been prepared correctly and timely?
- (4) Has Form 2436, Seized Property Sale Report, been prepared correctly and timely?

**Exhibit 114.1.4-4 (Cont. 8) (05-28-1999)  
Criteria for Review of Completed Work**

- (5) Has Form 6888, U.S. Government Purchase Order-Invoice Voucher, been prepared correctly and timely, as applicable?
- VII. TDI Completions
- (A) General
- (1) Has full compliance been completed and documented?
- (2) Have the appropriate transaction and closing codes been used and documented on reverse of TDI?
- (B) Reasonable cause determinations when delinquent returns secured.
- (1) Has reasonable cause criteria been met
- (2) Is a written statement from the taxpayer or a Form 4571, Explanation for Late Filing of Return attached?
- (C) Returns without full payment
- (1) Has taxpayer been contacted and demand made for full payment of the liability?
- (2) Has pre-assessment action been taken?
- (D) Minimal or no tax due on returns (P-5-133)
- (1) Has the anticipated tax due for each period been computed and entered on back of TDI or in history?
- (2) Has basis for determination been fully documented?
- (E) Returns prepared under IRC 6020(b)
- (1) Has Form 5604, Section 6020(b) Action Sheet been prepared correctly?
- (2) Has assessment been completed accurately?
- (3) Does documentation adequately explain the basis for the assessment?
- (4) Is the statement pertaining to IRC 6020(b) typed or printed at bottom of return?

**Exhibit 114.1.4-5 (05-28-1999)**  
**Review of Administrative Transferee**

Taxpayer's Name	TIN:
Type of Case:	Review Date:
Reviewer's Name:	Date Opened (Optional):

	<b>TASKS</b>	<b>STANDARDS</b>	<b>RATING Y/N</b>
A.	Receipt and Control 1.Established control	1. Input/Login 2. Timely	
B.	Case Management 1. Conduct technical procedural review 2. Act on recommendation	1. Review Appropriate 2. Timely 1. Actions Appropriate 2. Timely	
C.	Closing Actions 1. Close control	1. Actions Accurate 2. Timely	

**COMMENTS:**

- A. Receipt and Control
  - 1. Was the case entered in the automated work control system?  
Was the control established timely?
- B. Case Management
  - 1. Was the ASED identified and if necessary, was the case expedited?  
Were all items on Form 3033 reviewed for completeness including a review of the narrative to ensure full support for the recommendation?  
Was the review completed timely and documented?
  - 2. Were decisions made relative to the recommendation appropriate?  
Were proper approvals obtained and was case processing completed timely?
  - 3. Closing Action
    - 1. Were all controls closed properly and timely?

**Exhibit 114.1.4-6 (05-28-1999)  
Review of Advisory Opinions**

Taxpayer's Name	TIN:
Type of Case:	Review Date:
Reviewer's Name:	Date Opened (Optional):

	<b>TASKS</b>	<b>STANDARDS</b>	<b>RATING Y/N</b>
A.	Receipt and Control 1. Established control	1. Input/Login 2. Timely	
B.	Case Management 1. Evaluate opinion request  2. Act on request  3. Coordinate and Control	1. Appropriate Research and Analysis 2. Timely  1. Appropriate response 2. Forward to Counsel 3. Timely  1. Coordinate Counsel Response 2. Respond to initiator 3. Copy filed in SPf Library 4. Timely	
C.	Closing Actions 1. Close control	1. Timely	

**COMMENTS:**

- A. Receipt and control
  - 1. Was control established and were assignments made to an Advisor timely?
- B. Case Management
  - 1. Are requests for Advisory Opinions being researched through all appropriate sources, and is an accurate decision reached based on that research?
  - 2. Are accurate responses provided to the initiator and are other requests requiring legal advice beyond the expertise in SPf being forwarded to District Counsel?  
Are responses and referrals completed timely?
  - 3. Are requests forwarded to Counsel followed up to ensure timely return and association with the original request? Are responses made to the initiator timely with copies filed in the SPf library?
- C. Closing Action
  - 1. Were controls closed appropriately and timely?



**Exhibit 114.1.4-7 (05-28-1999)  
Review of Bankruptcy (IRM 5.9)**

Taxpayer's Name	TIN:
Type of Case:	Review Date:
Reviewer's Name:	Date Case Opened (Optional):

	<b>TASKS</b>	<b>STANDARDS</b>	<b>RATING Y/N</b>
A.	<p>Receipt and Control</p> <p>1. Establish case on AIS</p>	<p>1. Input/Login or download Electronic Notice</p> <p>2. Timely</p>	
B.	<p>Liability Research/ Claim Preparation</p> <p>1. Run IIP Process to Research IDRS and Input TC 520</p> <p>2. Resolve Potentially Invalid TINs</p> <p>3. Notify Service Center ACS, Customer Service, Collection Field for cases in their inventory</p> <p>4. Resolve Unfiled Returns</p> <p>5. Prepare and file Proof of Claim</p>	<p>1. Timely (Daily)</p> <p>1. Proper Research 2. Timely</p> <p>1. Timely</p> <p>1. Appropriate Action</p> <p>1. Classification accurate 2. Accurate computations 3. All periods 4. Timely filed 5. Statistical Indicators Input</p>	
C.	<p>Case Management</p> <p>1. Process notices from court</p> <p>2. Review debtor's plan</p> <p>3. Make TFRP determination</p> <p>4. Consider cash collateral/adequate protection</p> <p>5. Monitor post petition compliance</p> <p>6. Monitor plan compliance</p>	<p>1. Take appropriate action (i.e., Chapter 7 conversions)</p> <p>1. Review appropriate 2. Timely</p> <p>1. Take appropriate action</p> <p>1. Take appropriate action</p> <p>1. Take appropriate action 2. Timely</p> <p>1. Take appropriate action 2. Timely</p>	

**Exhibit 114.1.4-7 (Cont. 1) (05-28-1999)**  
**Review of Bankruptcy (IRM 5.9)**

- |   |   |
|---|---|
| 7. Post payments  | 1. Process within 24 hours              |
| 8. Protect statutes   | 1. Take appropriate action              |
| 9. Process Litigation transcripts                                 | 1. Take appropriate action<br>2. Timely |
| <br>  |   |
| D. Closing Actions  |   |
| 1. Request assessment of unpostables                              | 1. Accurate<br>2. Timely                |
| 2. Close case on AIS and run IIP closing process to input TC 521  | 1. Timely                               |
| 3. Extend collection statute if applicable                        | 1. Accurate<br>2. Timely                |
| 4. Abate dischargeable taxes and additions                        | 1. Accurate<br>2. Timely                |
| 5. Prepare Form 53 in corporate cases where applicable            | 1. Accurate<br>2. Timely                |
| 6. Follow-up on exempt property                                   | 1. Accurate<br>2. Timely                |
| 7. Close control if remaining open for exempt asset investigation | 1. Accurate<br>2. Timely                |

COMMENTS:

- A. Receipt and control
1. Establish Control — Is case entered on AIS system and was control initiated timely?
- B. Liability Research/Claim Preparation
1. Conduct IDRS and local research — Are copies of IDRS and/or MFTRA prints and other appropriate documents in case file when generated by IIP? Was IIP run within acceptable time frames?
  2. Input TC 520 — Was TC 520 input to all appropriate modules with the correct closing code? Was input completed timely via use of all IIP? Was PIT report resolved?
  3. Resolve Unfiled Returns — Does case history identify whether or not all required returns have been filed, and has an OI or other appropriate action been initiated to secure any missing returns? Have these actions been taken timely?
  4. Prepare and File Proof of Claim — Are IRS claims properly classified with accurate computations of all liabilities (including unassessed)? Are all open periods included, and was the claim filed before the bar date?
- C. Case Management
1. Process Court Notices — Are Court Notices reviewed and checked against case files and appropriate action taken?

**Exhibit 114.1.4-7 (Cont. 2) (05-28-1999)**  
**Review of Bankruptcy (IRM 5.9)**

2. Review Plan — Is a copy of the plan in the file, and does the case history indicate that appropriate actions have been taken which may be indicated by the plan? Have actions been taken timely?
3. TFRP — Does history or automated database reflect appropriate TFRP determinations? Are Other Investigations used when appropriate?
4. Adequate Protection — Do case history and/or referrals to Counsel reflect appropriate action taken to protect the government's interest?
5. Post-petition Monitoring — Does case documentation reflect a systemic method to monitor post-petition compliance? Are FTD-FIDUC transcripts in the file? Are post petition monitoring reports reflected in the case history? Are monitoring actions timely and current?
6. Monitor Plan — Does the case history/AIS monitoring screen contain a record of payments that coincides with the plan? Have required default actions been taken where appropriate?
7. Post-Payments — Are payments processed within 24 hours of receipt?
8. Protect Statutes — Are adequate statute protection controls in place and used? Have liens been refiled and OIs issued where appropriate?
9. Process Litigation Transcripts — Were transcripts associated with the file and were required actions taken?

**D. Closing Actions**

1. Assess Unpostables — Are controls or unpostable lists used to identify and take appropriate action regarding unpostable conditions? Are actions taken timely?
2. Request TC 521 Input — Where applicable, is TC 521 requested for all appropriate modules and are all closing codes reversed through AIS?
3. Extend COLSED — If needed, was CSED manually extended?
4. Abate Dischargeable Taxes/Additions — Have discharged amounts been abated properly and timely?
5. Form 53 in Corporate Oases — If applicable, are Forms 53 accurately and timely prepared in corporate cases? Do 53'd cases contain documentation of prior TFRP penalty assertions?
6. Follow-up On Exempt Property — Does the case file indicate that appropriate control and timely follow-up to exempt assets that may be available for application to the tax liability?
7. Close Control — Are appropriate automated and/or manual controls closed when the case is completed? Are closing actions taken when sufficient information is received to resolve the case?

**Exhibit 114.1.4-8 (05-28-1999)  
Reviews of Collateral Security (IRM 5.6)**

Taxpayer's Name	TIN:
Type of Case:	Review Date:
Reviewer's Name:	Date Case Opened (Optional):

	<b>TASKS</b>	<b>STANDARDS</b>	<b>RATING Y/N</b>
A.	Receipt and Control 1. Established control	1. Input/Login 2. Timely	
B.	Case Management 1. Conduct technical/procedural review 2. Forward collateral for safekeeping 3. Input TC 524 4. Ensure terms of agreement are being met 5. Conduct semi-annual reviews	1. Review Appropriate 2. Timely 1. Timely 1. Timely 1. Timely 1. Appropriate 2. Timely	
C.	Closing 1. Release/Process Collateral 2. Input TC 525 3. Close controls	1. Appropriate 2. Timely 1. Timely 1. Accurate 2. Timely	

**COMMENTS:**

- A. Receipt and control
  - 1. Were collateral documents dated and input to control system timely?
- B. Case Management
  - 1. Was a technical/procedural review timely conducted of the amounts and proper formats? Was Counsel consulted for legal sufficiency if appropriate?
  - 2. Was the security timely forwarded for safekeeping?
  - 3. Was IDRS updated timely with a TC 524?
  - 4. Was a follow-up conducted timely to ensure that the terms of the collateral agreement are being met?
  - 5. Was the required semi-annual review and verification conducted timely?
- C. Closing Action
  - 1. Was collateral appropriately released or processed timely?
  - 2. Was the TC 525 input timely?
  - 3. Was the case closing timely entered on the control system?

**Exhibit 114.1.4-9 (05-28-1999)**  
**Review of Decedent Estates**

Taxpayer's Name	TIN:
Type of Case:	Review Date:
Reviewer's Name:	Date Case Opened (Optional):

	<b>TASKS</b>	<b>STANDARDS</b>	<b>RATING Y/N</b>
A.	Receipt and Control		
	1. Established control	1. Input/Login to System 2. Actions Timely	
B.	Make Asset/No Asset Determination		
	1. Determination and subsequent action	1. Decisions appropriate 2. Follow-through 3. Timely	
C.	Liability Research/Claim Preparation		
	1. Conduct IDRS and local research	1. Appropriate Action 2. Timely	
	2. Resolve unfiled returns	1. Actions appropriate	
	3. Input TC 520	1. All appropriate modules 2. Appropriate closing codes 3. Filed before Bar Date	
	4. Prepare and file Proof of Claim	1. Accurate computations 2. All periods included 3. Filed before bar date	
D.	Case Management		
	1. Monitor taxes payable as administrative expenses, post payments	1. Decisions correct 2. Actions appropriate 3. Timely	
	2. Review distribution notice, report to District Counsel	1. Actions appropriate 2. Timely	
	3. Determine fiduciary liability	1. Decisions correct 2. Timely	
	4. Other District Counsel referrals	1. Actions appropriate 2. Timely	
	5. Payment posting	1. Accurate	
E.	Closing actions		
	1. Request TC 521 input	1. Accurate 2. Timely	
	2. Extend collection statute, and prepare Form 53	1. Accurate 2. Timely	
	3. Abate tax, close control	1. Appropriate 2. Timely	

**Exhibit 114.1.4-9 (Cont. 1) (05-28-1999)  
Review of Decedent Estates**

## COMMENTS:

- A. Receipt and control
  - 1. Was case file established and control timely input to the system?
- B. Make asset/no asset determinations
  - 1. Were Forms 4488 and other reports, consideration of state laws relating to exemptions and consideration of administrative expenses considered? Was the field timely notified of no asset cases, and was the control closed in no asset cases?
- C. Liability research/claim preparation
  - 1. Was a thorough search (IDRS, MFTRA, AIMS, etc.) Conducted to determine outstanding liabilities and/or delinquent returns?
  - 2. Were all delinquent returns secured through timely SPf contact with fiduciary or Form 2209 issued for field contact?
  - 3. Was TC 520 input to all open periods timely?
  - 4. Was the Proof of Claim for all outstanding tax periods filed prior to the bar date if possible? Do computations of balance due include all penalties and interest accrued to the date of payment?
- D. Case Management
  - 1. Has the case been monitored timely by SPf or CFf personnel for filing and paying taxes incurred by the Fiduciary in business operations? Was Form 2373 timely filed to claim unpaid taxes as an administrative expense? Have payments been posted timely, and where appropriate in non-payment cases, was a timely referral to District Counsel made?
  - 2. Was the distribution notice reviewed for the maximum amount for which the government is entitled within five days of receipt? Where amounts are insufficient, was a timely referral made to District Counsel?
  - 3. Were follow-up dates for status reports from the fiduciary or probate court established and maintained?
  - 4. If assets were distributed without affording the government proper priority, was District Counsel involved timely and was a determination of fiduciary liability made? Were adverse actions or controversies referred to District Counsel timely?
  - 5. Have payments been posted in accordance with the court order, or, if no court order, to the best interests of the government.
- E. Closing Actions
  - 1. Was TC 521 requested on all appropriate modules in a timely manner?
  - 2. Was TC 550 input to all appropriate modules to extend the collection statute to the new statute date? Was Form 53 prepared and forwarded in appropriate situations?
  - 3. Where necessary, were appropriate steps completed to abate tax and were control systems closed properly?

**Exhibit 114.1.4-10 (05-28-1999)**  
**Review of Federal Tax Liens (IRM 5.12)**

Taxpayer's Name

Review Date:

	<b>TASKS</b>	<b>STANDARDS</b>	<b>RATING Y/N</b>
A.	Federal Tax Lien		
	1. Lien preparation	1. Timely 2. Accurate	
	2. Letter 3172 with attachment	1. Timely 2. Accurate	
	3. Input Recording Data	1. Timely 2. Accurate	
	4. Manually filed liens	1. Kept to a minimum 2. Accurate 3. Added to ALS 4. Appeal rights given	
	5. Reports		
	a. TC 360 Report	1. Timely 2. Appropriate actions	
	b. Potentially Lost Lien report	1. Timely 2. Appropriate actions	
	c. ACS Rejects Report	1. Timely 2. Appropriate actions	
	d. Sat Mod Tape Rejection Report	1. Timely 2. Appropriate actions	
	e. Report of Suspended CSEDs	1. Timely 2. Appropriate actions	
	f. NMF.mmdd Report	1. Timely 2. Appropriate actions 3. Release generated	
	6. Logs		
	a. Logacs	1. All cycles run	
	b. Logcourt	1. Optional	
	c. Logelf	1. Optional (For Districts Filing	
	d. Logel fidx	1. Optional Electronically)	
	e. Logfees	1. All cycles	
	f. Logics	1. All cycles	
	g. Loglost	1. All cycles	
	h. Lognmf	1. All cycles	
	i. Logpurge	1. Yearly	
	j. Logrelease	1. All cycles	

**Exhibit 114.1.4-10 (Cont. 1) (05-28-1999)**  
**Review of Federal Tax Liens (IRM 5.12)**

- |    |  |   |
|----|--|---|
|    | k. Logremoval                          | 1. All cycles   |
|    | l. Logupload                           | 1. All cycles   |
|    | m. Logvouch                            | 1. All cycles   |
|    | n. Logdial                             | 1. DIAL Load  |
| B. | Lien Release                           |   |
|    | 1. Release preparation                 | 1. Within 30 days of satisfaction                           |
|    | 2. Release filing                      | 1. Timely after printing                                    |
| C. | Taxpayer/Third Party Inquiries         |   |
|    | 1. Conduct technical procedural review | 1. Review appropriate<br>2. Timely                          |
|    | 2. Respond to request for release      | 1. Within 30 days, if appropriate<br>2. Appropriate actions |
|    | 3. Respond to request for payoff       | 1. Accurate<br>2. Timely                                    |

**COMMENTS:**

- A. Lien Submission
1. Was the input completed within the established time frames? Were all input items completed properly?
  2. Was the L-3172 sent to T/P with Pub 1660, Pub 1450, Form 6684, and Form 12153?
  3. Was the lien submitted to the proper county recorder and within established time frames? Is quality and accuracy of document being maintained?
  4. Was the system properly updated with the recording data? Was the update completed within established time frames?
  5. Was a control maintained to show that T/P copy of lien was sent by certified mail?
  6. Were manually prepared liens input timely to the system? Are proper procedures in place for processing of manual liens? Were input source documents prepared for LFI and TC 360?
  7. Were the reports printed, researched, or input, as appropriate within the established time frames?
  8. Were all periods accounted for? Were the documents to pay the recording fee prepared and processed within the established time frames?
- B. Lien Release
1. For full satisfaction by non-guaranteed remittance, was the lien release issued within 30 days?
  2. For full satisfaction by guaranteed remittance, was the lien release issued within 30 days unless requested immediately?



**Exhibit 114.1.4-10 (Cont. 2) (05-28-1999)**  
**Review of Federal Tax Liens (IRM 5.12)**

- C. Taxpayer/Third Party Inquiries
  - 1. Technical procedural review to include:
    - a. Was taxpayer's call due to no lien release on a prior to 1982 lien?
    - b. Was taxpayer's call due to no lien release caused by non-input of TC 582?
    - c. Was taxpayer's call due to taxpayer wanting an expedited release?
    - d. Was release due to systemic breakdown?
  - 2. Was the release issued within 30 days of a properly complete request?
  - 3. Was an accurate pay-off figure given within the established time frame?
- D. Lien Withdrawal
  - 1. Was it requested in writing?
  - 2. Was it controlled on the Automated Workload Control System (AWCS) or some other way (e.g., ALS)?
  - 3. Was it promptly reviewed?
    - a. Was the taxpayer contacted to perfect a flawed application?
    - b. Was the case rejected because the taxpayer was trying to delay collection activity? Was the taxpayer given appeal rights?
  - 4. Were requests answered within 30 days?
  - 5. Were the letters mailed to:
    - a. the taxpayer
    - b. Clerk of the Circuit Court
  - 6. Was a suspense date set to ensure that the withdrawal was recorded at the Courthouse?
  - 7. Was a history item added to ALS?



**Exhibit 114.1.4-11 (Cont. 1) (05-28-1999)**  
**Review of Lien Certificates (IRM 5.12)**

4. Were the certificates/letters prepared properly and issued timely?
  5. Were payments processed within 24 hours and posted properly?
- C. Lien Withdrawal
1. Was it requested in writing?
  2. Was it controlled on the Automated Workload Control System (AWCS) or some other way (e.g., ALS)?
  3. Was it promptly reviewed?
    - a. Was the taxpayer contacted to perfect a flawed application?
    - b. Was the case rejected because the taxpayer was trying to delay collection activity? Was the taxpayer given appeal rights?
  4. Were requests answered within 30 days?
  5. Were the letters mailed to:
    - a. the taxpayer
    - b. Clerk of the Circuit Court
  6. Was a suspense date set to ensure that the withdrawal was recorded at the Courthouse?
  7. Was a history item added to ALS?
- D. Closing Actions
1. Was the lien database updated to reflect the issuance of the certificate?
  2. Were closing actions completed timely and accurately?

**Exhibit 114.1.4-12 (05-28-1999)  
Review of Judgement Follow-up**

Taxpayer's Name  
 Type of Case:  
 Reviewer's Name:

TIN:  
 Review Date:  
 Date Case Opened (Optional):

	<b>TASKS</b>	<b>STANDARDS</b>	<b>RATING Y/N</b>
A.	Receipt and Control		
	1. Establish control	1. Input/login 2. Timely	
B.	Case Management		
	1. Conduct technical procedural review	1. Timely	
	2. Verify judgement entered	1. Timely	
	3. Refile liens	1. Timely 2. Accurate	
	4. Request prior 1040's	1. Timely	
	5. Initiate investigation	1. Timely	
	6. Act on report of investigation	1. Review appropriate 2. Timely	
C.	Closing Action		
	1. Close control	1. Accurate 2. Timely	

**COMMENTS:**

- A. Receipt and control
  - 1. Were controls established timely and accurately?
    - a. Was input/login accurate on computerized index?
    - b. Was TC 520 CC80 input?
    - c. Was input/login within district time frames?
- B. Case Management
  - 1. Technical/procedural done within district time frames?
  - 2. Was entering of judgement verified and a copy included in the file?
  - 3. Was the NFTL refiled within time frames of IRO 6323(g)
  - 4. Were prior 1040's requested by December 31<sup>st</sup> of the year to be reviewed or reason noted as to why a copy was not requested?
  - 5. Was the investigation (Form 2209) initiated by January 31<sup>st</sup> of the following year in appropriate cases, or a statement in the history sheet as to justification?

**Exhibit 114.1.4-12 (Cont. 1) (05-28-1999)**

**Review of Judgement Follow-up**

6. Was the evaluation of the revenue officer's recommendation proper and a determination made whether to place it in inactive status or refer it to the Department of Justice? Was it timely?
- C. Closing actions
1. Was the input/login accurate?
  2. Was the TC 521 CC80 input if full paid?
  3. Was the input/login within district time frames?

**Exhibit 114.1.4-13 (05-28-1999)  
Review of Judicial Foreclosures**

Taxpayer's Name	TIN:
Type of Case:	Review Date:
Reviewer's Name:	Date Case Opened (Optional):

	<b>TASKS</b>	<b>STANDARDS</b>	<b>RATING Y/N</b>
A.	Receipt and Control		
	1. Establish control	1. Input/login	
B.	Case Management		
	1. Research accounts	1. Accurate	
	a. Screen line files	2. Timely	
	b. Determine balance due	1. Accurate	
		2. Timely	
	2. Furnish requested information to U.S. Attorney	1. Timely	
	3. Follow-up with U.S. Attorney or Clerk of Court.	1. Timely	
	4. Determine if field investigation required	1. Appropriate	
		2. Timely	
	5. Act on recommendation	1. Appropriate	
	a. Approve/Disapprove	2. Timely	
	b. Notify U.S. Attorney if appropriate	1. Timely	
	6. Establish Redemption File when appropriate	1. Timely	
C.	Closing Actions		
	1. Close control	1. Timely	

**An error will be cited if any of the following are not met:**

- A. Receipt and control
  - 1. Is the case file established and are controls input to the appropriate control system timely?
- B. Case Management
  - 1. Was all necessary research completed timely with case documentation regarding both outstanding notices of lien and current balance due on tax period(s) shown on liens?
  - 2. Was notification made timely in cases with no outstanding liens? In all other cases, was Counsel provided with any requested information necessary for the U.S. Attorney to take appropriate legal action?

**Exhibit 114.1.4-13 (Cont. 1) (05-28-1999)**

**Review of Judicial Foreclosures**

3. Was an appropriate follow-up date established and used to secure a status report from the U.S. Attorney or Clerk of the Court?
4. Were appropriate public and other internal sources researched prior to issuance of an OI for field investigation? Was the OI initiated timely?
5. Was Form 4376 adequately documented with correct decisions and timely completion? When applicable, was the U.S. Attorney notified?
6. When appropriate, was the Redemption File established with a serial number assigned? Were these actions timely?

C. Closing actions

1. Was the case control closed correctly and timely from the control system?

**Exhibit 114.1.4-14 (05-28-1999)  
Review of Non-Judicial Foreclosures**

Taxpayer's Name  
Type of Case:  
Reviewer's Name:

TIN:  
Review Date:  
Date Case Opened (Optional):

	<b>TASKS</b>	<b>STANDARDS</b>	<b>RATING Y/N</b>
A.	Receipt and Control		
	1. Establish control	1. Input/login 2. Timely	
	2. Research lien file and IDRS	1. Accurate 2. Timely	
B.	Case Management		
	1. Conduct technical/ procedural review	1. Review appropriate 2. Timely	
	2. Issue Notices of Inadequacy	1. Appropriate 2. Timely	
	3. Initiate/Conduct investigation	1. Appropriate 2. Timely	
	4. Act on recommendation	1. Appropriate 2. Timely	
	5. Coordinate/Control redemption process	1. Appropriate 2. Timely	
C.	Closing actions		
	1. Close control	1. Accurate 2. Timely	
A.	Receipt and control		
	1. Were controls established timely and accurately?		
	2. Was research conducted timely and accurately?		
B.	Case Management		
	1. Technical/procedural review to include:		
	a. Proper determination as to timeliness of notice		
	b. Proper determination as to adequacy of notice		
	2. Was the notice of Inadequacy prepared properly and issued timely?		
	3. Was an accurate determination made and was the scope of the investigation consistent with local guidelines?		
	4. Were the necessary actions, based on the investigating officer's report, acted on timely and accurately?		
	5. Coordination/Control of Redemption Process to include:		
	a. Did the determination meet district criteria?		
	b. Was the redemption process conducted in accordance with local procedures and IRM guidelines?		
C.	Closing Actions		
	1. Were closing actions completed timely and accurately?		





**Exhibit 114.1.4-15 (Cont. 1) (05-28-1999)**  
**Review of Seizures and Sales**

2. Coordination
  - a. Were seizure documents distributed timely and appropriately?
  - b. Were open seizures followed up timely?
- C. Closing Actions
  1. Was record 21 with a copy of Form 2434–B completed accurately and timely?
  2. Was Form 6670 completed for each seizure accurately and timely?
  3. If the Form 2436 shows surplus proceeds, were the determination of proceeds dispositions and Letter 1762(p) done timely?
  4. If property was acquired by the Government, was it timely monitored and appropriately disposed of?
  5. Were deeds to real property prepared? Were they timely in relation to the redemption period?
  6. Was a remaining BAL DUE Letter sent to the taxpayer with a copy of Form 2436?
  7. Was the seizure file closed timely with appropriate entries on the control system?

**Exhibit 114.1.4-16 (05-28-1999)**  
**Review of Suits**

Taxpayer's Name	TIN:
Type of Case:	Review Date:
Reviewer's Name:	Date Case Opened (Optional):

	<b>TASKS</b>	<b>STANDARDS</b>	<b>RATING Y/N</b>
A.	<p>Receipt and Control</p> <p>1. Establish control</p> <p>2. Input TC 520/Suits against</p>	<p>1. Input/login</p> <p>2. Timely</p> <p>1. Appropriate modules</p> <p>2. Correct closing code</p> <p>3. Timely</p>	
B.	<p>Case Management</p> <p>1. Procedural/Tech review</p> <p>    a. Determine if the service was proper (suits against)</p> <p>    b. Determine if report from CFf/ACS is necessary</p> <p>    c. All items on Form 4478 addressed (suits by)</p> <p>    d. Review for proper signatures</p> <p>2. Advise CFf/ACS if actions to be withheld</p> <p>3. Forward to Counsel</p> <p>4. Request administration files, returns, etc.</p> <p>5. Input TC 520 (suits by)</p> <p>6. Respond to Counsel request</p> <p>7. Follow-up</p> <p>8. Refile liens</p> <p>9. Control statutes</p> <p>10. Inform Counsel of changes in case status</p>	<p>1. Timely</p> <p>1. Review appropriate</p> <p>1. Review appropriate</p> <p>1. Review appropriate</p> <p>1. Review appropriate</p> <p>1. Decision appropriate</p> <p>2. Timely</p> <p>1. Timely</p> <p>1. Appropriate modules</p> <p>2. Timely</p> <p>1. Appropriate modules</p> <p>2. Correct closing code</p> <p>3. Timely</p> <p>1. Response appropriate</p> <p>2. Timely</p> <p>1. Timely</p> <p>1. Timely</p> <p>1. Action appropriate</p> <p>1. Timely</p>	
C.	<p>Closing Actions</p> <p>1. Act on Court Decision</p>	<p>1. Action appropriate</p> <p>2. Timely</p>	

**Exhibit 114.1.4-16 (Cont. 1) (05-28-1999)**  
**Review of Suits**

- |                                 |                                     |
|---------------------------------|-------------------------------------|
| 2. Advise field of final action | 1. Action appropriate<br>2. Timely  |
| 3. Input TC521                  | 1. Appropriate modules<br>2. Timely |
| 4. Close control                | 1. Accurate<br>2. Timely            |

**COMMENTS:****A. Receipt and Control**

1. Establish Control
  - a. Was the case entered on a manual or automated inventory control system?
  - b. Was the control initiated within established time frames?
2. Regarding Suits against the United States?
  - a. Was TC 520 input on all appropriate modules?
  - b. Was the appropriate closing code used?
  - c. Was input completed within established time frames?

**B. Case management**

1. Conduct procedural/technical review. Was review completed within established time frames?
  - a. Was proper service confirmed in suits against the U.S.?
  - b. Was the proper determination made to secure or not secure a report from CFf/ACS?
  - c. Was Form 4478 completed properly?  
Were administrative remedies exhausted?  
Does the balance of tax due and amount expected to be recovered warrant suit?  
Were applicable issues in Exhibits 5700–89 through 96 adequately addressed?
2.
  - a. Was the CFf/ACS appropriately advised on whether or not to withhold collection?
  - b. Was the notification within the established time frames?
3.
  - a. Was case transmitted to Counsel within established time frames?
4.
  - a. Were the admin. files, returns, etc. requested for all appropriate modules?
5. Regarding suits by the United States:
  - a. Was the TC 520 input on all appropriate modules?
  - b. Was the appropriate closing code used?
  - c. Were the input done within established time frames?
6.
  - a. Were requests from Counsel responded to appropriately?

**Exhibit 114.1.4-16 (Cont. 2) (05-28-1999)**  
**Review of Suits**

- 7.
  - b. Were the requests timely?
  - a. Was the appropriate follow-up date established?
  - b. Was follow-up timely?
- 8.
  - a. Were liens refiled timely where warranted?
- 9.
  - a. Was appropriate action taken to prevent expiration of collection statute?
- 10.
  - a. Was Counsel informed of changes within established time frames?

C. Closing Actions

- 1.
  - a. Were the actions specified by the court completed?
  - b. Was the control initiated within established time frames?
- 2.
  - a. Was CFf/ACS advised of case disposition?
  - b. Was the notification within established time frames?
- 3.
  - a. Was TC 521 input to all appropriate modules?
  - b. Was the TC 521 input within established time frames?
- 4.
  - a. Was the case closing done accurately?
  - b. Were closing actions completed within established time frames?

**Exhibit 114.1.4-17 (05-28-1999)  
Review of Summons Enforcement**

Taxpayer's Name	TIN:
Type of Case:	Review Date:
Reviewer's Name:	Date Case Opened (Optional):

	<b>TASKS</b>	<b>STANDARDS</b>	<b>RATING Y/N</b>
A.	Receipt and Control 1.Established control	1. Input/Login 2. Timely	
B.	Case Management 1. Conduct technical procedural review 2. Act on referral 3. Follow-up	1. Review Appropriate  1. Action appropriate 2. Within 5 days  1. Timely	
C.	Closing Actions 1. Close control	1. Accurate 2. Timely	

**COMMENTS:**

- A. Receipt and Control
  - 1. Were controls established accurately and timely?
- B. Case management
  - 1. Technical procedural review to include:
    - c. Was the summons referred within three days and if not are the reasons documented?
    - d. Is the summons proper in all respects?
    - e. Does the referral report contain all necessary information?
  - 2. Actions on the referral to be reviewed include:
    - a. Was the letter P-306 prepared accurately and timely?
    - b. Were necessary documents transmitted to District Counsel within five workdays?
    - c. Was a copy of signed letter given to referring employee?
    - d. If applicable, was the summons declaration reviewed and forwarded to District Counsel within 15 workdays of date set for appearance?
  - 3. Were timely follow-ups conducted with the referring employee, District Counsel, and the U.S. Attorney as appropriate?
- C. Closing Actions
  - 1. Were closing actions completed timely and accurately?

**Exhibit 114.1.4-18 (05-28-1999)**  
**Review of Writs**

Taxpayer's Name: \_\_\_\_\_ TIN: \_\_\_\_\_  
 Type of Case: \_\_\_\_\_ Review Date: \_\_\_\_\_  
 Reviewer's Name: \_\_\_\_\_ Date Case Opened (Optional): \_\_\_\_\_

	<b>TASKS</b>	<b>STANDARDS</b>	<b>RATING Y/N</b>
A.	Receipt and Control 1. Establish control	1. Input/Login 2. Timely	
B.	Case Management 1. Conduct technical procedural review 2. Act on request 3. Follow-up	1. Review Appropriate 2. Timely 1. Action appropriate 1. Timely	
C.	Closing Action 1. Close control	1. Accurate 2. Timely	

**COMMENTS:**

- A. Receipt and Control
  - 1. Were controls established accurately?
  - 2. Were controls established within district time frames?
- B. Case Management
  - 1. Technical procedural review to include:
    - a. Were the documents free from technical and typographical errors?
  - 2. Actions on the request to be reviewed include:
    - a. Was the review of the writ request, draft, declaration done within district time frames?
    - b. Was the writ package forwarded to District Counsel within district time frames?
    - c. Was the writ package delivered to the court within district time frames?
  - 3. Were timely follow-ups conducted with the referring employee, District Counsel, and the U.S. Attorney as appropriate?
- C. Closing Actions
  - 1. Was the closing of input/login controls accurate?
  - 2. Was the input/login timely?
  - 3. Was the writ forwarded to the revenue officer within district time frames?

**Exhibit 114.1.4-19 (05-28-1999)**

**Review of Rejected Installment Agreement and Offer in Compromise (RRA 98)**

Taxpayer's Name	TIN:
Type of Case:	Review Date:
Reviewer's Name:	Date Case Opened (Optional):

	<b>TASKS</b>	<b>STANDARDS</b>	<b>RATING Y/N</b>
A.	Receipt and Control 1. Receive before taxpayer was told of rejection	1. Acknowledge Transmittal	
B.	Case Management 1. Conduct Technical procedural review 2. Act on Review Results 3. Accumulate Data for Reports	1. Review Accurate 2. Timely 1. Timely 1. Accurate 2. Timely	
C.	Closing Actions 1. Return Case	1. Appropriate Routing 2. Timely	

COMMENTS:

- A. Receipt and Control
  - 1. Is the transmittal of the IA or OIC timely acknowledged?
- B. Case Management
  - 1. Was a technical/procedural review conducted timely and in accordance with IRM?
  - 2. Were the review results acted on timely?
- C. Closing Actions
  - 1. Was the case returned to the originator timely?





**Exhibit 114.1.4-21 (05-28-1999)  
Review of 914/910 Cases**

Taxpayer's Name	TIN:
Type of Case:	Review Date:
Reviewer's Name:	Date Case Opened (Optional):

	<b>TASKS</b>	<b>STANDARDS</b>	<b>RATING Y/N</b>
A.	Receipt and Control 1. Establish control	1. Input/Login 2. Timely	
B.	Case Management 1. Coordinate with CF/CI 2. Protect statutes  3. Quarterly 914 listing 4. Probation cases	1. Timely  1. Annotate with CSED and ASED dates 2. Memorandum sent to CI proposing actions 3. Timely  1. Actions appropriate 2. Timely  1. Actions appropriate 2. Timely	
C.	Closing Actions 1. Close controls	1. Timely	

**COMMENTS:**

- A. Receipt and Control
  - 1. Was control established and case assigned to a technician timely?
- B. Case Management
  - 1. Was CF/CI contacted timely?
  - 2. Were case files annotated with CSED and ASED dates? Was memorandum to CI proposing appropriate Collection actions initiated 6–15 months before the CSED/ASED?
  - 3. Is collection pursued when authorized?
  - 4. Are probation cases being monitored to ensure taxpayers are complying with settlement conditions of probation?
- C. Closing Actions
  - 1. Were controls closed within established time frames?