



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, DC 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

**Date of Issuance July 29, 2024**

Control Number: **SBSE-05-0724-0045**  
Expiration Date: **July 29, 2026**  
Affected IRM(s): **5.8.7, 5.8.8, and 5.8.12**

MEMORANDUM FOR Gwannette Claybrook, Director, Specialty Collection Offer  
in Compromise

FROM: Rocco A. Steco **Rocco Steco Jr.**  
Director, Collection Policy

Digitally signed by  
Rocco A. Steco Jr.  
Date: 2024.07.29  
13:03:51 -0400

SUBJECT: Interim Guidance on SCOIC Electronic Case Approval

**Purpose:** This memorandum issues procedural guidance on electronic case approval and routing for Offer in Compromise (OIC) cases until the above referenced IRMs are published. The process will no longer be a paper (case file) approval system. There is no change to the OIC investigation or IAR process. Please ensure this information is distributed to all affected employees within your organization.

**Background/Source(s) of Authority:** Currently, Centralized OIC (COIC) and their associated Independent Administrative Reviewer (IAR) employees submit OIC case approvals via a physical paper case file for approval. This case submission approval process is being updated to electronic submission and approval of the OIC file. The Inflation Reduction Act necessitates the IRS migrate from paper files to electronic files. Electronic submission and approval of case files will reduce case closing time, reduce interruptions in workflow and reduce the risk of lost case files that result from mailing paper files. Currently, Field OIC (FOIC) and their associated IARs utilize an electronic approval process with a Shared Drive.

**Procedural Change:** An electronic approval process leverages technology and empowers employees to have a more efficient approval system. To ensure SCOIC is utilizing the same approval process throughout, the offer examiner (OE)/offer specialist (OS) will submit cases for managerial review/concurrence by scanning the following documents in Attachment 1 and upload them to a designated SharePoint site (or other storage platform if created in the future). Managers will review the case file electronically and request additional information for approval via SharePoint or email, if needed. After concurrence, the manager/tax examiner/process examiner/clerk (depending on staffing) will print and mail the necessary OIC letters and forward necessary documents to input personnel.

For rejections requiring IAR approval, the IAR will electronically sign, save Form 1271 using the SharePoint site (or other platform if created in the future), and route it to the COIC/FOIC manager to either sustain the OIC rejection or return the case to the OE/OS manager for correction (including Form 5942). IAR managers will review the case file electronically and request additional information for approval via SharePoint or email, if needed.

For consistency, the file naming convention will be as follows:

- Offer number name control disposition type for the case documents, and
- Offer number name control disposition type NFTL for the lien request.

**Example:**

10000000011 ADAM REJ and 10000000011 ADAM REJ NFTL

**Effect on Other Documents:** This guidance will be incorporated into IRM 5.8.7, *Return, Terminate, Withdraw and Reject Processing*, IRM 5.8.8, *Acceptance Processing and IRM 5.8.12, Independent Administrative Review* within two years from the date of this memo.

**Effective Date:** This interim guidance is effective as of July 29, 2024. See Attachment 2 for the SCOIC and IAR employee phased roll out.

**Contact:** You may direct any questions to Diana Estey, National OIC Program Manager, or Nicole (Claire) Highsmith, Senior Program Analyst, OIC Collection Policy, or Adele Muller, Senior Program Analyst, OIC Collection Policy.

**Attachments:**

Attachment 1 Changes to IRM 5.8.7, 5.8.8, and 5.8.12

Attachment 2 Attachment 2 SCOIC and IAR Roll Out Schedule

**Cc:** Director, Headquarters Collection Director, Collection  
Director, Civil Enforcement Advice and Support Operations (CEASO)  
Director, Quality and Technical Support (QTS)  
Office of Chief Counsel  
Taxpayer Advocate Service (TAS)  
IRS.gov

## Attachment 1 Changes to IRM 5.8.7, 5.8.8, and 5.8.12

### 5.8.7.2.2.7 Closing an Offer as a Processable Return

(2) I. Attach a copy of the offer to the taxpayer's letter and submit the letter(s)/case for approval and required signature. Scan/convert to pdf and upload the documents in the order below (if applicable) for managerial electronic approval. Ensure an electronically signed letter is associated with the physical case file.

- Determination letter.
- Form 656 and special circumstance attachment(s).
- Alternative Resolution Document [e.g., Status 22/26 request, Form 433-D, IA request, Reinstatement IA request, Currently Not Collectible, Other Investigation to Field revenue officer (separate electronic document for input)].  
**Note:** Alternative resolutions are not required on cases under Appeals jurisdiction.
- Request for manual TC 48X (to send for input once case closed on AOIC).
- Request for mirroring request (to send for input).
- NFTL request (Form 12636) (to send for input) if applicable. This is a separate attachment.

### 5.8.7.4.3 Closing an Offer as a Withdrawal

(3) j. Submit the letter(s)/case for approval and required signature. Scan/convert to pdf and upload the documents in the order below (if applicable) for managerial electronic approval. Ensure an electronically signed letter is associated with the physical case file.

**Note:** Outgoing correspondence should be signed with an actual signature or with a graphic signature if the approval signature is secured via electronic methods, in accordance with the current security and verification standards of the Internal Revenue Service. All cases requiring managerial approval must include a manual or systemic ICS or AOIC history entry noting the manager approval.

- Determination letter.
- Form 656.
- Alternative Resolution Document [e.g., Status 22/26 request, Form 433-D, IA request, Reinstatement IA request, Currently Not Collectible, Other Investigation to Field revenue officer (separate electronic document for input)].  
**Note:** Alternative resolutions are not required on cases under Appeals jurisdiction.
- Request for manual TC 48X (to send for input once case closed on AOIC).
- Request for mirroring request (to send for input).
- NFTL request (Form 12636) (to send for input) if applicable. This is a separate attachment.

### 5.8.7.5.1 Closing an Offer as a Termination

(2) e. Submit the letter(s)/case for approval and required signature. Scan/convert to pdf and upload the documents in the order below (if applicable) for electronic

managerial approval. Ensure an electronically signed letter is associated with the physical case file.

- Determination letter.
- Alternative Resolution Document [e.g., Status 22/26 request, Form 433-D, IA request, Reinstatement IA request, Currently Not Collectible, Other Investigation to Field revenue officer (separate electronic document for input)].  
**Note:** Alternative resolutions are not required on cases under Appeals jurisdiction.
- Request for manual TC 48X (to send for input once case closed on AOIC).
- Request for mirroring request (to send for input).
- NFTL request (Form 12636) (to send for input) if applicable. This is a separate attachment.

#### **5.8.7.7.3 Recommending Rejection of an Offer**

**(2) e.** Submit the letter(s)/case for approval and required signature. Scan/convert to pdf and upload the documents in the order below (if applicable) for electronic managerial approval. Ensure an electronically signed letter is associated with the physical case file.

- Form 1271.
- Determination letter.
- IET/AET (Financial Report from Decision Point for inclusion with the disposition letter).
- Form 656 and special circumstance attachments.
- Form 433-A(OIC)/Form 433-A.
- Form 433-B(OIC)/Form 433-B.
- Alternative Resolution Document [e.g., Status 22/26 request, Form 433-D, IA request, Reinstatement IA request, Currently Not Collectible, Other Investigation to Field revenue officer (separate electronic document for input)].  
**Note:** Alternative resolutions are not required on cases under Appeals jurisdiction.
- Request for manual TC 48X (to send for input once case closed on AOIC).
- Request for mirroring request (to send for input).
- NFTL request (Form 12636) (to send for input) if applicable. This is a separate attachment.

#### **5.8.8.5 Use of Electronic Signature on Offer Forms and Letters**

**(1)** To expedite case closing actions, certain documents have been approved to be signed with electronic signature. To secure the approval signature electronically, it must meet the current security and verification standards of the IRS.

**Note:** The ability to use electronic methods of signature does not forego the delegation of authority defined in IRM 1.2.2.6.1, Delegation Order 5-1 (Rev. 5), To Accept, Reject, Return, Terminate or Acknowledge Withdrawals of Offers in Compromise.

#### **5.8.8.7 Required Actions Prior to Closing an Offer as an Acceptance**

**(18)** Submit the file for approval and required signature. The OE/OS must assign the offer to the AOIC managerial approval assignment number prior to submitting for approval. Submit the file for all required signatures including routing to Counsel for review, if required. See IRM 5.8.8.13, Legal Opinion of Counsel, below and IRM 1.2.2.6, Delegations of Authority for the Collection Process, for approval levels. Scan/convert to pdf and upload the documents in the order below (if applicable) for electronic managerial approval. Ensure an electronically signed letter is associated with the physical case file.

- Form 7249.
- Determination letter.
- AET/IET (Decision Point tables).
- Form 656 and special circumstance attachment(s).
- Form 433-A(OIC)/Form 433-A.
- Form 433-B(OIC)/Form 433-B.
- NFTL request (Form 12636) (to send for input) if applicable. This is a separate attachment.

**Note:** The manager will review and if the manager approves the offer, the manager will refer the offer to be uploaded to the Counsel SharePoint site (for acceptances over \$50,000).

#### **5.8.12.3 Documents Required for Review**

Employees will scan/convert to pdf and upload the documents in the order below (if applicable) for each case subject to independent review to their manager for concurrence.

- Form 1271.
- Determination Letter.
- Form 656.
- Form 433-A(OIC)/Form 433-A.
- Form 433-B(OIC)/Form 433-B.

**Note:** For cases that are being returned to the IAR after corrections, include Form 5942.

## Attachment 2 SCOIC and IAR Roll Out Schedule

Employee Group	BEARS Input Date	Electronic Approval Starts
FOIC T2 and IAR	7/29/24 - 8/02/24	8/05/24 - 8/09/24
FOIC T1 and IAR	8/05/24 - 8/09/24	8/12/24 - 8/16/24
BSC COIC and IAR	8/12/24 - 8/16/24	8/19/24 - 8/23/24
MSC COIC and IAR	8/19/24 - 8/23/24	9/9/24 - 9/13/24