



INDEPENDENT OFFICE
OF APPEALS

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

May 31, 2024

Control No. AP-08-0524-0009
Expiration Date: 05/31/2026
Affected IRMs: 8.20.5 and 8.20.7

MEMORANDUM FOR: Director, Account & Processing Support (APS), Collection

FROM: Patrick E. McGuire */s/ Patrick E. McGuire*
Acting Director, Case and Operations Support

SUBJECT: Paperless Offer in Compromise (OIC) procedures for
Appeals Account & Processing Support (APS)

This memorandum serves as interim guidance to allow for electronic (paperless) procedures on non-Collection Due Process Offers in Compromise (non-CDP OICs) worked by APS Tax Examiners (TEs). Please ensure this information is distributed to all affected employees within your organization.

Purpose: Following the guidance in this memorandum, when Specialty Collection Offer in Compromise (SCOIC) has uploaded non-CDP OICs electronically to Appeals, Appeals will continue to manage these new receipts electronically. The instructions in this memorandum do not relate to CDP OICs.

Paper non-CDP OICs already in Appeals will not be converted to a paperless or electronic file and will continue to be managed as paper OICs.

Background/Source(s) of Authority: As a modernization effort, electronic case processes are being implemented on an Enterprise-wide level. Appeals has transitioned to electronic processes in some of its other workstreams, such as Collection Due Process (CDP), the Collection Appeals Program (CAP) and some of its Examination appeal cases. Expanding electronic processes to the non-CDP OIC workstream would continue to support the IRS modernization efforts.

Procedural Change:

- 1) SCOIC will send rejected, appealed OIC cases to Appeals electronically via Appeals Electronic Case Receipt (ECR) to eliminate shipping paper case files to and from originating functions.
- 2) APS will card-in non-CDP OICs following similar procedures of other paperless workstreams.

3) For accepted OICs, TEs will date Automated Offer in Compromise (AOIC) Form 7249 and acceptance Letter 5490 or Letter 5521 and upload them in a PDF portfolio with other closing documents to Monitoring Offer in Compromise (MOIC) via SBSE's SharePoint and Appeals Centralized Database System (ACDS).

4) TEs will continue to mail dated acceptance Letter 5490 or Letter 5521 to taxpayer (and representative, if applicable) with all required enclosures.

5) APS will not ship paperless non-CDP OICs to SCOIC, instead following the procedures in this guidance.

6) APS will ship paper non-CDP OICs to SCOIC, following the procedures already published in the IRM.

Effect on Other Documents: This guidance will be incorporated into IRM 8.20.5, Account and Processing Support (APS) - Carding New Receipts and IRM 8.20.7, Account and Processing Support (APS) - Closing Procedures, within two years from the date of this memo.

Effective Date: This interim guidance is effective as of **June 15, 2024**.

Contact: Appeals employees should follow existing procedures to elevate questions through their management chain and follow established procedures on [How to Contact an Analyst](#).

Attachment(s): **Updated IRM procedures**

cc: www.irs.gov

Paperless OIC Receipts

8.20.5.31 (MM-DD-YYYY)

Offer in Compromise (OIC) Case Carding

Add (x): If APS receives systemic email notification that the SB/SE SCOIC uploaded a paperless OIC case to Appeals via the *Appeals Electronic Case Receipts (ECR) SharePoint intake site*, APS will:

- a. Access [ECR](#) via the Appeals Hub & Electronic Case Receipts tab on [Appeals intranet home page](#).
- b. Card in case to Appeals Centralized Database System (ACDS) and create a Work Unit Number (WUNO), using the information in the electronic attachments.
- c. Attach the electronic documents received from SB/SE SCOIC to ACDS.
- d. Add feature code PL (paperless) to WUNO.**

Closures of Paperless OICs

8.20.7.49.X (MM-DD-YYYY)

Paperless OIC Closures

- Add: (1) The APS Processing Team Manager (PTM) checks the PEAS or ACDS 2.0 unassigned report and assigns the case to a TE.
- (2) APS finalizes and dates the signed closing letter(s) downloaded from ACDS and mails to taxpayer, and Power-of-Attorney (POA), if applicable, on the same day the closing letter is dated.
 - (3) APS saves the dated and signed closing letter(s) as Print to PDF to ACDS and, if there is an acceptance letter, it is saved as an attachment in ACDS and in the MOIC portfolio of acceptance documents.
 - (4) APS dates Form 5402 with same date as closing letter and saves to ACDS.

8.20.7.49.1 (MM-DD-YYYY)

Collection Originated OIC Acceptance Procedures

Add (x): From the MOIC Portfolio attached to ACDS, APS will:

- 1) date the Letter 5490 or Letter 5521 acceptance letter,
- 2) print and mail to taxpayer, and POA if applicable, with copy of accepted Form 656 or amended, and any collateral agreement,
- 3) save the dated acceptance letter to the MOIC Portfolio, and
- 4) save the MOIC portfolio to ACDS.

Attachment AP-08-0524-0009, Paperless Offer in Compromise (OIC) procedures for Account & Processing Support (APS)

Add (x): From the MOIC Portfolio attached to ACDS, APS will:

- 1) date the AOIC Form 7249,
- 2) save the Form 7249 to the MOIC Portfolio, and
- 3) save the MOIC portfolio to ACDS.

Add (x): APS will upload the following electronic documents to the SB/SE SharePoint Site in a single pdf portfolio with the naming convention: name control, OIC # and acceptance date (for example, BART 1001000000 03252024).

- Original 656, Offer in Compromise, or amended offer, if applicable.
- Form 7249, Offer Acceptance Report, dated with acceptance date.
- Acceptance Letter 5490 or Letter 5521, dated with acceptance date.
- Appeals Case Memorandum (ACM) or Form 14559, Appeals Offer in Compromise Memorandum.
- Form 14561, Income and Expense/Asset Equity Calculation Table
- Collateral agreement, if any.

Remove (11): APS will fax a copy of the Form 5402 and ACM to the Collection function analyst using the fax number provided on Form 5402.

8.20.7.49.2 (MM-DD-YYYY)

Collection Originated Withdrawn OIC Procedures

Remove paragraph (1).

Revise (3)(d): “NOTE - “Withdrawn offer closed on AOIC and closing documents reside in ACDS.”

Revise (5): Date, print, and mail the Appeals OIC withdrawal Letter 241, Offer in Compromise Withdrawal, to the taxpayer, and POA if applicable, at same time case is closed in ACDS. Attach a copy of dated Letter 241 to ACDS as Print to PDF.

Renumber remaining references.

8.20.7.49.3 (MM-DD-YYYY)

Collection Originated Rejected OIC Procedures

Remove paragraph (1).

Revise (3)(d): “NOTE - “Rejected offer closed on AOIC and closing documents reside in ACDS.”

Attachment AP-08-0524-0009, Paperless Offer in Compromise (OIC) procedures for Account & Processing Support (APS)

Revise (5): Date, print, and mail the Appeals OIC rejection Letter 5197, Offer in Compromise Rejection, to the taxpayer, and POA if applicable, at same time case is closed in ACDS. Attach a copy of dated Letter 5197 to ACDS as Print to PDF.

Renumber remaining references.

8.20.7.49.3.2 (MM-DD-YYYY)

OIC Premature Referrals

Remove (2)(d) and its **Note**.

Add (4):

If OIC is...	Then...
Field Collection sourced,	<ul style="list-style-type: none">• ATEs will indicate in Form 5402 Remarks the email address where APS is to send the electronic OIC file.• APS will email closing docs to the email address of the originating SCOIC office that ATE stated in Remarks of Form 5402.
Campus Collection sourced,	<ul style="list-style-type: none">• ATEs will indicate in Form 5402 Remarks the Memphis or Brookhaven COIC email address where APS is to send the electronic OIC file.• APS will email closing docs to the email address of the originating Memphis or Brookhaven COIC office that ATE stated in Remarks of Form 5402.

8.20.7.49.3.2.1 (MM-DD-YYYY)

AOIC Closing Procedures for Premature Referrals

Remove (1) **Note**.

Add (2): APS will note in AOIC remarks which email address the file was sent to and the date it was emailed.