



INDEPENDENT OFFICE
OF APPEALS

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

June 3, 2024

Control No. AP-08-0624-0010

Expiration Date: 6/3/2026

Affected IRMs: 8.23.2, 8.23.3 and 8.23.4

MEMORANDUM FOR: Director, Collection Appeals

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

SUBJECT: Paperless Offer in Compromise (OIC) procedures for
Collection Appeals Technical Employees (ATEs)

This memorandum serves as interim guidance to allow for electronic (paperless) procedures of non-Collection Due Process Offers in Compromise (non-CDP-OICs) worked by Appeals Technical Employees (ATEs). 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 manage these new receipts electronically.

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.

The instructions in this memorandum do not relate to CDP-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 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 non-CDP-OIC cases to Appeals electronically via Appeals Electronic Case Receipt (ECR) and Account and Processing Support (APS) will card-in and route the cases, following similar procedures as other paperless workstreams.

2) If ATEs need additional information and documents from the OIC file, they will request the information from SCOIC via secured email to the originating Offer Examiner/Offer Specialist (OE/OS) with a copy to the Field OIC (FOIC) or Centralized OIC (COIC) manager. If SCOIC has sent the paper OIC file to the Federal Records Center (FRC), ATEs will be responsible for requesting the paper OIC file from and returning the paper OIC file to the FRC, following the procedures in this guidance.

3) For withdrawals, rejections, and premature referrals, ATEs will save required closing letters and documents as Print to PDF attachments to Appeals Centralized Database System (ACDS).

4) For accepted OICs, ATEs will save the closing letters and documents that are specified in this guidance into a single PDF portfolio (**not a combined file**) for Monitoring Offer in Compromise (MOIC) titled "MOIC Portfolio" and save the portfolio to ACDS as an attachment. The documents in the MOIC Portfolio will be saved in Print to PDF format.

5) For a premature referral, Appeals Team Managers (ATMs) will contact FOIC or COIC managers via secure email explaining why the case is being returned to SCOIC as a premature referral. ATEs will state on the Form 5402 the IRM reference for the premature referral and the email address where APS should send the closing documents.

6) Paper non-CDP OICs will not be converted to paperless or electronic cases. Paper non-CDP OICs already in Appeals that are being worked as paper cases will remain as paper OICs and will be closed and shipped to APS following guidance already published in IRM.

Effect on Other Documents: This guidance will be incorporated into IRM 8.23.2, 8.23.3, and 8.23.4, not to exceed 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

8.23.2.3 (MM-DD-YYYY)

Assignment of OIC Case

(x) The ATM will check the Notifications page on ACDS 2.0 for new OIC case receipts and assign the paperless OIC to an ATE to work the case. The ATE will verify that ACDS feature code "PL" (for paperless) is present on WUNO in ACDS. If not, the ATE adds this feature code. Since all OIC case documents will be attached to ACDS, the ATE will no longer receive a paper file.

8.23.2.X

Requesting Documents from Offer in Compromise (OIC) file

- 1) There may be instances when ATEs need to request documents from the OE/OS that are in the original OIC file. Such situations may be, but are not limited to:
 - a) The OIC documents uploaded to Appeals ECR are not legible.
 - b) The OIC documents uploaded to Appeals ECR have missing pages or sections.
 - c) The taxpayer raises a new issue or refers to certain documents during the Appeals conference and discussions that were provided to the OE/OS and the related OIC documents were not uploaded to Appeals ECR.
- 2) To request OIC file documents from the OE/OS, ATEs will send a secure email directly to the originating OE/OS with a copy to the COIC or FOIC manager.
 - a) The email will be titled: "Request for documents in the OIC file."
 - b) The first sentence will indicate the offer number and explain that the request is administrative or ministerial in nature and is not a prohibited ex parte communication pursuant to Revenue Procedure 2012-18.

Example: "This request for documents from Offer 1234567890 case file is administrative or ministerial in nature and is not a prohibited ex parte communication pursuant to Revenue Procedure 2012-18."

- c) The email will briefly state the specific document(s) in the case file that the ATEs are requesting, and the period covered, if applicable.

Example1: "Please provide mortgage statements from (name of lending institution) for periods MM/DD/YYYY-MM/DD/YYYY."

Example2: "Please provide the appraisal report dated MM/DD/YYYY for real property located at (address)."

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Example3: “Please provide Profit/Loss statement for period ended MM/DD/YYYY.”

- d) To avoid an inadvertent prohibited ex parte communication, the email will state a disclaimer that the response from OE/OS should not include any comments, narratives, or analysis related to the requested case file documents.

Example: “In order to avoid a prohibited ex parte communication pursuant to Revenue Procedure 2012-18, please do not provide any comments, narratives, or analysis in the email when sending the requested case file documents.”

- e) The email should also request the accession number of the OIC file, in the event the OE/OS sent the OIC file to the Federal Records Center (FRC). ATEs will be responsible for requesting the OIC file from the FRC and returning the file to FRC.

Example: “In the event the OIC file is now in the FRC, please provide the file’s accession number so the Appeals Officer may request the file from FRC.”

- 3) ATEs will provide OE/OS with a 14-day response time to provide the requested case file documents by secure email.
 - a) If there is no response within 14 days of sending the secure email, ATEs will send a reminder secure email with a 7-day response time for the requested case file documents.
 - b) If there is no response within 7 days of the reminder email, ATEs will proceed with OIC consideration based on the documents available to them.
- 4) If documents requested from the OIC file were provided by the taxpayer, these documents would not be subject to Taxpayer First Act (TFA) procedures.

Interim Consideration

8.23.3.4.1.2

Request and Review of Supplemental Information – Collection Issue Offers

Add: (x) If the ATE receives paper documents from the taxpayer during the consideration of a paperless OIC appeal, the ATE will scan and upload the paper document(s) to ACDS as an attachment.

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(x) When the ATE confirms that the attachment to ACDS is legible and complete, the ATE will follow the procedures in Interim Guidance Memorandum AP-08-0822-0009, [Destroying Original Paper Case Related Documents, Post-Digitization](#).

Paperless OIC Closures

8.23.4.3.2 (04-07-2022)

Accepted Offer Closing Documents and Appeals Technical Employee Procedures

Add (x): “The ATE will attach all documents listed in IRM 8.23.4.3.2(6) to ACDS.”

Add (x) The ATE will attach the following documents to ACDS in a single pdf portfolio titled “MOIC Portfolio”:

- Original Form 656, and amended OICs, if any.
- Signed acceptance letter (Letter 5490 or Letter 5521) as Print to PDF.
- Signed AOIC Form 7249.
- Appeals Case Memorandum (ACM) or Form 14559, Appeals Offer in Compromise Memorandum.
- Form 14561, Income and Expense/Asset Equity Calculation Table (IET/AET).
- Collateral agreement if any.

Note: The acceptance letter and Form 7249 must be attached to the MOIC portfolio as Print to PDF, which allows APS to add the acceptance date to the acceptance letter and Form 7249.

8.23.4.4.1 (MM-DD-YYYY)

Closing Documents and Appeals Technical Employee Procedures for Sustaining Offer Rejection

Revise (6): Once all the above documents are complete and assembled, ATEs will upload all closing documents to ACDS as attachments, update the ACDS case status to 'AC/FR' and submit the case to the ATM for approval.

8.23.4.5.1 (MM-DD-YYYY)

Withdrawn Offer Closing Documents and Appeals Technical Employee Procedures

Revise (6): “Once all the above documents are complete and assembled, ATEs will upload all closing documents to ACDS as attachments, update the ACDS case status to AC/FR and provide a copy of Form 5402 to the ATM for ACAP entry on ACDS.”

8.23.4.6 (MM-DD-YYYY)

Premature Referral Closings

Revise (1): "Form 5402 for premature referral cases should be completed as follows:

- Closing Code = 20
- Under "Remarks"
 - a. State IRM reference why the case is a premature referral.
 - b. Instruct APS to annotate in AOIC Remarks the IRM reference.
 - c. Instruct APS to re-assign the offer back to the originator in AOIC.
 - d. Indicate the email address (from the SCOIC transmittal sheet) to send the closing documents of the premature referral.

Add (x): "ATMs will contact the COIC or FOIC manager via secure email explaining why the case is being returned to Collection as a premature referral."