



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

4.10.1

JULY 12, 2022

## EFFECTIVE DATE

(07-12-2022)

## PURPOSE

- (1) This transmits a complete revision of IRM 4.10.1, Examination of Returns, Overview of Examiner Responsibilities.

## MATERIAL CHANGES

- (1) Significant changes to this IRM are listed below:

Prior Reference	New Reference	Description of Change
IRM 4.10.1.1.5, Terms	N/A	Updated terms table.
IRM 4.10.1.2.1.8, Right to Confidentiality	N/A	Revised references to Disclosure policy on use of social media and internet sites for compliance research (IRM 11.3.21) and added a caution.
IRM 4.10.1.3.2, Written Communication	N/A	Added caution regarding the prohibition of text messaging for official business.
IRM 4.10.1.3.2.1, Ministerial Messages	N/A	Added a new subsection to define ministerial messages and added guidance that ministerial messages sent by email do not require group manager approval.
IRM 4.10.1.3.6, Use of Fax Machine or Enterprise e-Fax (EEFax) for Outgoing Taxpayer Communications	N/A	Added "outgoing" to the title. Revised references to Privacy policy on faxing (IRM 10.5.1). Incorporated fax cover sheet guidance.
IRM 4.10.1.3.6.1, Written Consent for Third-Party e-Fax Service providers	N/A	Added a new subsection regarding written consent required when the taxpayer uses a third-party e-Fax service provider.
IRM 4.10.1.3.7, Policy for Use of Fax in Taxpayer Submissions	N/A	Incorporated Interim Guidance Memorandum NHQ-01-1019-0001, Clarification of Policy for use of Fax in Taxpayer Submissions.
IRM 4.10.1.4.4, Digital Signatures	N/A	Clarified minimum requirements for employees' Adobe Acrobat digital signatures.
4.10.1.4.8, Shipping Personally Identifiable Information (PII)	N/A	Updated verbiage to highlight that Form 3210 should be kept electronically to extent possible.

<b>Prior Reference</b>	<b>New Reference</b>	<b>Description of Change</b>
Throughout IRM 4.10.1	N/A	Minor editorial changes have been made throughout this IRM. Website addresses, legal references, and IRM references were reviewed and updated as necessary.

**EFFECT ON OTHER DOCUMENTS**

This material supersedes IRM 4.10.1, dated April 19, 2021. This IRM incorporates applicable content from Interim Guidance Memorandum NHQ-01-1019-0001, Clarification of Policy for use of Fax in Taxpayer Submissions, dated October 29, 2019.

**AUDIENCE**

SB/SE Field Examination Employees and Large Business & International (LB&I) Examiners

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4.10.1

Overview of Examiner Responsibilities

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4.10.1.1  
(08-24-2017)  
**Program Scope and Objectives**

- (1) **Purpose.** This IRM section describes basic responsibilities related to taxpayer rights, employee contact information, oral and written communication, and Embedded Quality. In addition, IRM 4.10.1 provides:
  - a. The authority for conducting examinations.
  - b. Related resources, including other IRM sections and relevant websites.
- (2) **Audience.** These procedures apply to examiners in SB/SE Field Examination and LB&I.
- (3) **Policy Owner.** The Director, Examination Field and Campus Policy, who is under the Director, Examination Headquarters.
- (4) **Program Owner.** Field Examination General Processes (FEGP), which is under the Director, Examination Field and Campus Policy.
- (5) **Contact Information.** To recommend changes or make any other suggestions related to this IRM section, see IRM 1.11.6.5, Providing Feedback About an IRM Section - Outside of Clearance.

4.10.1.1.1  
(08-24-2017)  
**Background**

- (1) This IRM provides an overview of the responsibilities that examiners should understand and apply in the performance of their duties.

4.10.1.1.2  
(08-24-2017)  
**Authority**

- (1) By law, the Service has the authority to conduct examinations under Title 26, Internal Revenue Code, Subtitle F – Procedure and Administration, Chapter 78, Discovery of Liability and Enforcement of Title, Subchapter A, Examination and Inspection, which includes, but is not limited to, the following IRC sections:
  - IRC 7602, Examination Of Books And Witnesses
  - IRC 7605, Time And Place Of Examination

**Note:** Additional information related to conducting examinations is contained in the 26 CFR 601.105, Examination of returns and claims for refund, credit or abatement; determination of correct tax liability.

4.10.1.1.3  
(08-24-2017)  
**Responsibilities**

- (1) The Director, Examination Headquarters, is the executive responsible for providing policy and guidance for field employees and ensuring consistent application of policy, procedures and tax law to effect tax administration while protecting taxpayers' rights. See IRM 1.1.16.5.5, Examination Headquarters, for additional information.
- (2) The Director, Examination Field and Campus Policy, reports to the Director, Examination Headquarters, and is responsible for the delivery of policy and guidance that impacts the field examination process. See IRM 1.1.16.5.5.1, Examination Field and Campus Policy, for additional information.
- (3) Field Examination General Processes (FEGP), which is under the Director, Examination Field and Campus Policy, is the group responsible for providing policy and procedural guidance on standard examination processes to field employees. See IRM 1.1.16.5.5.1.1, Field Examination General Processes, for additional information.

- (4) All examiners must perform their professional responsibilities in a way that supports the *IRS Mission*. This requires examiners to provide top quality service and to apply the law with integrity and fairness to all.
- (5) Income tax examiners and their managers should thoroughly acquaint themselves with the examination procedures and information contained in this IRM, as well as other resources, such as those listed in IRM 4.10.1.1.7, Related Resources, below.

4.10.1.1.4  
(08-24-2017)

**Program Reports**

- (1) Reports to monitor the current year's work plan, as well as specific programs, are derived from a variety of sources including the Audit Information Management System (AIMS), AIMS - Centralized Information System (A-CIS), and Examination Returns Control System (ERCS) databases. These reports provide Headquarters and Field Examination with timely and reliable information. There are a variety of reports designed to meet the needs of the group or function. Many of the reports used to monitor examination processes are listed in the table below:

Report Title	Reference/Definition
Table 10.1, \$100,000 Case Listing \$50,000 or Greater Delete Listing	IRM 4.4.27.4.1, Table 10.1, \$100,000 Case Listing \$50,000 or Greater Delete Listing
Table 16, Whipsaw Case Listing	IRM 4.4.27.4.3, Table 16, Whipsaw Case Listing
Table 36, Examination Program Monitoring	IRM 4.4.27.5.3, Table 36, Examination Program Monitoring, and IRM 1.4.40.5.1, AIMS Tables 36
Table 37, Examination Program Monitoring	IRM 4.4.27.4.4, Table 37, Examination Program Monitoring
Table 4.0 and 4.1 - Statute Control Reports	IRM 4.4.27.5.1, Table 4.0 and 4.1 - Statute Control Reports; IRM 25.6.23, Examination Process-Assessment Statute of Limitations Controls; and IRM 1.4.40.5.2, AIMS Table 4.1
Unallowable Items Frozen Refund Report	IRM 4.4.27.5.14, Unallowable Items Frozen Refund Report
Monthly Performance Trend Reports	IRM 4.7.6.6, Monitoring Reports
Open Inventory Status	IRM 4.7.6.4, Inventory Reports
National Quality Review System	IRM 1.4.40.5.5, NQRS and EQRS Reports
Field Exam Mail Customer Satisfaction Report	The SB/SE Field Exam Mail Customer Satisfaction (CSAT) Report is compiled annually by SB/SE Research as part of the IRS agency-wide initiative to monitor and improve taxpayer satisfaction with IRS services. It summarizes a monthly random sample of taxpayers whose cases were closed in Field Exam. See <i>Customer Satisfaction Report</i> for additional information.

- (2) Periodic program reviews are conducted to:

- Assess the effectiveness of specific programs within Examination or across the organization,
- Determine if procedures are being followed,
- Validate policies and procedures, and
- Identify and share best/proven practices.

(3) Additional information can be found in IRM 4.4.27, Reports; IRM 4.7.6, Reports; and IRM 1.4.40.5, Monitoring Reports Overview.

4.10.1.1.5  
(07-12-2022)

(1) The following table defines the key terms used throughout this IRM.

**Terms**

Term	Definition
Data Protection	The examiner’s responsibility to protect tax and other sensitive information whether directly engaged in tax administration or working in support organizations.
Digital Signature	A digital signature is a type of electronic signature which uses a mathematical algorithm to validate the authenticity of a document. Digital signatures create a virtual fingerprint unique to a person which is used to guarantee the authenticity of a document.
E-fax	A combination of fax and internet applications to transmit a document to a receiving party. See IRM 21.2.3.5.5, Using Electronic Fax Services, for additional information.
EEFax (Enterprise e-Fax)	System used by employees to send and receive fax documents. See IRM 21.2.3.5.5.1, IRS Electronic Fax System, for additional information.
Electronic Signature	Acceptable electronic signatures are defined in IRM 10.10.1.3.2, Acceptable Forms of Electronic Signatures.
Embedded Quality (EQ)	A way of doing business that builds commitment and accountability for continuous improvement in customer satisfaction, employee satisfaction and business results. EQ encompasses two systems (Embedded Quality Review System (EQRS) and National Quality Review System (NQRS)). EQRS is used by group managers and NQRS is used by quality reviewers.
Embedded Quality Review System (EQRS)	A web-based tool used to capture and share individual performance review feedback as it relates to case actions.

Ministerial Message	A message that only communicates administrative matters that do not require personal judgment, analysis, discretion, etc. (e.g., ministerial messages may confirm the date, time, or location of an upcoming appointment). It must not communicate the nature of an appointment, or mention tax law, the audit issues, penalties, etc.
National Quality Review System (NQRS)	A web-based tool used by quality reviewers to capture national program review data obtained through case reviews. NQRS is used to report the official organizational business quality results.
Personally Identifiable Information (PII)	Information that can be used to distinguish or trace an individual's identity, either alone or when combined with other information that is linked or linkable to a specific individual. See IRM 10.8.1.3.16.1.3, Personally Identifiable Information (PII), and IRM 10.5.1.2.3, Personally Identifiable Information (PII), for additional information.
Personal Identification (PID) Number	The 10-digit number that identifies the employee and is located on the front of the SmartID or Physical Access Control Card.
Pocket Commission	An authorized form of identification media designed to provide evidence of the holder's specific authority and responsibility when contacting the public outside of Internal Revenue Service (IRS) facilities and/or conducting US Government business with federal, state, local or foreign officials as authorized.
Pseudonym	A fictitious name requested and used by the examiner for the protection of their personal safety and the prevention of harm or danger.
Repository	A location where records are stored and managed.
Standard Employee Identifier (SEID)	A computer generated alpha numeric string that provides a unique identifier for each IRS employee, eliminating the need for social security number identification. SEID numbers are found on the Discovery Directory or Outlook.
SmartID Card	An identity credential designed with smart card technology (computer chip embedded into the card) to verify the card holder's identity.
Work Plan	Annual goals that are developed and set at the operating unit level, Area level and territory level, based on the examination business plan. See IRM 1.4.40.3.5, Annual Examination Goals.

4.10.1.1.6  
(04-19-2021)

(1) The following table defines commonly used acronyms used throughout this IRM.

**Acronyms**

<b>Acronym</b>	<b>Definition</b>
A-CIS	AIMS - Centralized Information System
AIMS	Audit Information Management System
CCP	Centralized Case Processing
CJE	Critical Job Element
EEFAX	Enterprise Electronic Facsimile
EIN	Employer Identification Number
EOAD	Examination Operational Automation Database
EQ	Embedded Quality
EQRS	Embedded Quality Review System
ER	Early Referral
ERCS	Examination Returns Control System
FTS	Fast Track Settlement
GMCM	Group Manager Concurrence Meeting
GSA	General Services Administration
IDR	Information Document Request
IMS	Issue Management System
IRC	Internal Revenue Code
LB&I	Large Business & International
NQRS	National Quality Review System
OJI	On-the-Job Instructor
PII	Personally Identifiable Information
POA	Power of Attorney
RRA 98	Restructuring and Reform Act of 1998
SBU	Sensitive But Unclassified
SAMC	Situation Awareness Management Center
SEID	Standard Employee Identifier
SSN	Social Security Number
TAC	Taxpayer Assistance Center
TAS	Taxpayer Advocate Service
TBOR	Taxpayer Bill of Rights

Acronym	Definition
TIGTA	Treasury Inspector General for Tax Administration
UNAX	Unauthorized Access
W&I	Wage & Investment

4.10.1.1.7  
(07-12-2022)

- (1) The following table lists the primary sources of guidance in IRM Part 4, Chapter 10, that examiners will use.

**Related Resources**

IRM	Title	Guidance for
IRM 4.10.2	Pre-Contact Responsibilities	Completing required responsibilities and analyses before an examination is initiated, pre-contact planning of the examination, and instructions for contacting taxpayers.
IRM 4.10.3	Examination Techniques	Using appropriate procedures and techniques to conduct an effective examination.
IRM 4.10.4	Examination of Income	Examining income, including the minimum income probe requirements for all types of returns, in-depth examination techniques, and formal indirect methods.
IRM 4.10.5	Required Filing Checks	Verifying taxpayers are in compliance with all federal tax return filing requirements and assessing the audit potential of these returns.
IRM 4.10.6	Penalty Considerations	Recognizing, developing and finalizing penalty determinations; discusses common taxpayer defenses, and furnishes guidelines for documenting the workpapers.
IRM 4.10.7	Issue Resolution	Identifying the applicable law, correctly interpreting its meaning in light of congressional intent, and, in a fair and impartial manner, correctly applying the law based on the facts and circumstances of the case.

IRM	Title	Guidance for
IRM 4.10.8	Report Writing	Preparing reports of audit findings, in terms of content and format; also provides instructions for some case closing requirements.
IRM 4.10.9	Workpaper System and Case File Assembly	Developing lead sheet and workpaper content, and case file organization. These guidelines are provided to promote quality and consistency in the preparation and completion of lead sheets, workpapers, and case files.
IRM 4.10.10	Standard Paragraphs and Explanation of Adjustments	Using standard paragraphs and explanation of adjustments that specify reasons for the examiner's adjustment in a particular situation. Standard explanations are given an explanation number and listed under a common category.
IRM 4.10.11	Claims for Refund and Requests for Abatement	Examining and report writing for claims for refund and requests for abatement.
IRM 4.10.15	Report Generation Software	Using RGS to compute corrected tax, estimated interest, penalties and generate audit reports, create various forms and letters, allow examiners to document actions and findings, and process and archive examination results.
IRM 4.10.27	Identity Theft Case Processing for Field Examiners	Examining and processing cases with an identity theft issue.

(2) In addition to the list in the table above, there are other relevant IRMs examiners will use, including, but not limited to:

- IRM 4.2.1, General Examination Information
- IRM 4.2.2, Disaster Assistance Relief
- IRM 4.4, Audit Information Management System (AIMS) – Validity and Consistency
- IRM 4.11, Examining Officers Guide (EOG)
- IRM 4.12.1, Nonfiled Returns
- IRM 4.13, Audit Reconsideration
- IRM 4.20, Examination Collectibility
- IRM 4.22, National Research Program (NRP)
- IRM 4.23, Employment Tax
- IRM 4.31, Pass-Through Entity Handbook

- IRM 4.33.1, Managing Electronic Records from Taxpayers and Third Parties
- IRM 4.46, LB&I Examination Process
- IRM 20.1, Penalty Handbook
- IRM 25.1, Fraud Handbook
- IRM 25.5, Summons
- IRM 25.6, Statute of Limitations
- IRM 25.15.6, Field Examination Procedures (innocent spouse)
- IRM 1.11.6, Using and Researching the Internal Revenue Manual (IRM)

(3) Helpful information can be found on websites, including, but not limited to the following:

- *Centralized Case Processing*
- *Cybersecurity*
- *Disclosure & Privacy Knowledge Base*
- *Examination*
- *Find an Expert*
- *Forms, Publications and Documents*
- *IRM Online*
- *IRS.gov*
- *IRS Source (The IRS Intranet)*
- *Issues and Procedures*
- *Large Business & International (LB&I)*
- *Penalties Knowledge Base Homepage*
- *ReferenceNet* (access to Accurint®, LexisNexis® and Westlaw®)
- *RGS - Report Generation Software*
- *Think Data Protection*
- *SB/SE Today*
- *Virtual Library*

4.10.1.2  
(08-24-2017)  
**Taxpayer Rights**

- (1) Examiners have the ongoing responsibility to ensure that all taxpayer rights are protected and observed throughout the audit, whether these rights are mandated by statute or provided as a matter of policy.
- (2) Examiners should be aware of and observe all taxpayer rights provided by Public Laws, including the IRS Restructuring and Reform Act of 1998 (RRA 98), the IRC, and IRS policies, including those rights summarized in the Taxpayer Bill of Rights (TBOR).

4.10.1.2.1  
(04-19-2021)  
**Taxpayer Bill of Rights (TBOR)**

- (1) The Taxpayer Bill of Rights (TBOR) lists rights that already existed in the tax code, putting them in simple language and grouping them into 10 fundamental rights. Employees are responsible for being familiar with and acting in accord with taxpayer rights. See IRC 7803(a)(3), Execution of Duties in Accord with Taxpayer Rights. For additional information about the TBOR, see *Taxpayer Bill of Rights*.
- (2) The *Taxpayer Bill of Rights (TBOR)* provides the nation's taxpayers with a better understanding of their fundamental rights when dealing with the IRS. Pub 1, Your Rights as a Taxpayer, contains the TBOR and is provided to taxpayers at the beginning of an audit. The TBOR takes multiple rights and groups them into ten broad categories. IRC 7803(a)(3) requires the IRS Commissioner ensure that IRS employees are familiar with taxpayer rights, including the ten that make up the TBOR.

- (3) Examiners must formally notify the taxpayer of their rights by issuing Pub 1 with the initial contact letter (Section 6227 in Subtitle J (commonly referred to as TBOR I) of the Technical and Miscellaneous Revenue Act of 1988, Public Law 100-647). Also see IRM 4.10.2.8.1, Making Initial Contact.

**Caution:** Pub 1 provides general information but does not meet the third party notification requirements of IRC 7602(c), see IRM 4.10.1.2.1.14 for additional information.

- (4) During the initial conversation with the taxpayer by telephone or in person, examiners must explain and discuss the taxpayer's rights as outlined in Pub 1 and answer any questions the taxpayer may have. See IRM 4.10.2.8.2(2), Initial Telephone Conversation, and IRM 4.10.3.3(6), Interviews: Authority and Purpose, for additional guidance.
- (5) This section discusses how each taxpayer right referenced in the TBOR impacts the examination process, as shown below:
- Right to Be Informed, IRM 4.10.1.2.1.1.
  - Right to Quality Service, IRM 4.10.1.2.1.2.
  - Right to Pay No More than the Correct Amount of Tax, IRM 4.10.1.2.1.3.
  - Right to Challenge the IRS's Position and Be Heard, IRM 4.10.1.2.1.4.
  - Right to Appeal an IRS Decision in an Independent Forum, IRM 4.10.1.2.1.5.
  - Right to Finality, IRM 4.10.1.2.1.6.
  - Right to Privacy, IRM 4.10.1.2.1.7.
  - Right to Confidentiality, IRM 4.10.1.2.1.8.
  - Right to Retain Representation, IRM 4.10.1.2.1.9.
  - Right to a Fair and Just Tax System, IRM 4.10.1.2.1.10.
- (6) This section also provides additional detail regarding taxpayer rights, as follows:
- Innocent Spouse Relief, IRM 4.10.1.2.1.11.
  - Unauthorized Access (UNAX), IRM 4.10.1.2.1.12.
  - Data Protection, IRM 4.10.1.2.1.13.
  - Notification of Potential Third Party Contacts, IRM 4.10.1.2.1.14.
  - Interest Abatement, IRM 4.10.1.2.1.15.

4.10.1.2.1.1  
(08-24-2017)  
**Right to Be Informed**

- (1) Taxpayers have the right to know what they need to do to comply with the tax laws. They are entitled to clear explanations of the laws and IRS procedures in all tax forms, instructions, publications, notices, and correspondence. They have the right to be informed of IRS decisions about their tax accounts and to receive clear explanations of the outcomes.
- (2) To protect the taxpayer's "Right to Be Informed," examiners must ensure:
- a. Before or at an initial in-person audit interview, the audit process and the taxpayer's rights under that process are explained to the taxpayer (IRC (7521(b)(1))). See IRM 4.10.2.8.2, Initial Telephone Conversation, and IRM 4.10.3.3(6), Interviews: Authority and Purpose.
  - b. Joint and several liability and relief provisions available under IRC 6015 are explained. See IRM 4.10.1.2.1.11, Innocent Spouse Relief, for additional guidance.

- c. Penalty determination notices include the name of the penalty, the applicable IRC section, and a computation of the penalty (IRC 6751(a)).
- d. Examination reports issued with 30-day letters identify the amounts (if any) of tax due, interest, additional amounts, additions to the tax, and assessable penalties included (IRC 7522(b)(3)).
- e. Pub 3498, The Examination Process, is provided to taxpayers with the first examination report, and with all 30-day letters (Section 3504 of P.L. 105-206 (RRA 98)). See IRM 4.10.8.2.3.2, Publications, for guidance.
- f. Notices of deficiency described in IRC 6212 identify the amounts (if any) of tax due, additional amounts, additions to the tax, and assessable penalties included (IRC 7522(b)(1)).
- g. All notices fully or partially disallowing a taxpayer refund claim explain the specific reasons why the claim was disallowed (IRC 6402(l)).
- h. The taxpayer is notified of their rights each time a request is made to the taxpayer to consent to extend the period of time for assessment. See IRM 25.6.22.3, Notification of Taxpayer's Rights, and IRC 6501(c)(4)(B).

4.10.1.2.1.2  
(08-24-2017)

**Right to Quality Service**

- (1) Taxpayers have the right to receive prompt, courteous, and professional assistance in their dealings with the IRS, to be spoken to in a way they can easily understand, to receive clear and easily understandable communications from the IRS, and to speak to a supervisor about inadequate service.
- (2) Examiners play an important role in providing quality service. To protect the taxpayer's "Right to Quality Service," examiners:
  - a. Should generally contact taxpayers during the normal business hours of 8:00 a.m. to 6:00 p.m. (taxpayer's time zone). See IRM 4.10.2.8(5), Initial Contact: Overview, for additional information.
  - b. Should ensure oral and written communications are firm, businesslike and professional. See IRM 4.10.1.3, Communication, for additional guidance.

4.10.1.2.1.3  
(07-12-2022)

**Right to Pay No More than the Correct Amount of Tax**

- (1) Taxpayers have the right to pay only the amount of tax legally due, including interest and penalties, and to have the IRS apply all tax payments properly.
- (2) To protect the taxpayer's "Right to Pay No More than the Correct Amount of Tax," examiners:
  - a. Should determine a "substantially correct" tax liability.
  - b. Should consider whether the taxpayer qualifies for penalty relief based on "reasonable cause" (IRM 20.1.1.3.2, Reasonable Cause).
  - c. Must abate any portion of any penalty attributable to erroneous written advice furnished by an officer or employee of the IRS acting in their official capacity (IRC 6404(f)).
  - d. Can discuss penalties verbally or propose penalties on a report. If penalties requiring supervisory approval are proposed, a report must not be issued until approval is obtained. To facilitate discussion, written communication (e.g., Form 5278, Statement - Income Tax Changes) reflecting proposed adjustments (including penalties) can be shared during a face-to-face appointment. See IRM 20.1.1.2.3, Approval Prerequisite to Penalty Assessments, for additional information.

4.10.1.2.1.4  
(08-24-2017)  
**Right to Challenge the  
IRS's Position and Be  
Heard**

- (1) Taxpayers have the right to raise objections and provide additional documentation in response to formal IRS actions or proposed actions, to expect that the IRS will consider their timely objections and documentation promptly and fairly, and to receive a response if the IRS does not agree with their position.
- (2) To protect the taxpayer's "Right to Challenge the IRS's Position and Be Heard," examiners:
  - a. Must evaluate documentation received using independent and objective judgment and decide all matters based on their merits, free from bias and conflicts of interest. See IRM 4.10.7.4, Arriving at Conclusions, and IRM 4.10.8.12.9.1, Additional Information Received, for additional guidance.
  - b. Must consider the taxpayer's position and offer a manager's conference, when appropriate. See IRM 4.10.7.5.1, Closing Phase of the Examination, for additional guidance.
  - c. Should inform the taxpayer and/or representative of Fast Track Settlement as a resolution option when appropriate. See IRM 4.10.7.5.5, SB/SE Fast Track Settlement, for additional guidance.

4.10.1.2.1.5  
(08-24-2017)  
**Right to Appeal an IRS  
Decision in an  
Independent Forum**

- (1) Taxpayers are entitled to a fair and impartial administrative appeal of most IRS decisions, including many penalties, and have the right to receive a written response regarding the Independent Office of Appeals' decision. Taxpayers generally have the right to take their cases to court.
- (2) To protect the taxpayer's "Right to Appeal an IRS Decision in an Independent Forum," examiners:
  - a. Must inform the group manager when they believe a case will have unagreed issues and be aware of the procedures in IRM 4.10.8.12, Unagreed Case Procedures (SB/SE Field and Office Examiners only).
  - b. Must issue the appropriate 30-day letter to transmit the examination report to the taxpayer and allow the taxpayer 30 days to request Appeals consideration of their case (unless specifically excluded from Appeals consideration). See IRM 4.10.8.12, and IRM 4.10.8.12.1, 30-Day Letters (SB/SE Field and Office Examiners only), for guidance.
  - c. Should be aware that prior to issuance of a 30-day letter, the taxpayer may request an "early referral" (ER) to Appeals. Rev. Proc. 99-28 establishes the ER Program to allow taxpayers under examination to request the transfer of a developed but unagreed issue to Appeals while the other issues in the case continue to be developed in Examination. Examiners should discuss this option with their group manager before proceeding. See IRC 7123(a) and IRM 8.26.4, Early Referral Procedures, for additional information and guidance.

4.10.1.2.1.6  
(08-24-2017)  
**Right to Finality**

- (1) Taxpayers have the right to know the maximum amount of time they have to challenge the IRS's position as well as the maximum amount of time the IRS has to audit a particular tax year or collect a tax debt. Taxpayers have the right to know when the IRS has finished an audit.
- (2) To protect the taxpayer's "Right to Finality," examiners:
  - a. Must explain and properly notify the taxpayer of their rights when soliciting a consent to extend the statute of limitations. See IRM 25.6.22.3, Notification of Taxpayer's Rights, for guidance.

- b. Must prepare the appropriate final closing letter at the conclusion of the examination, when the case is closed by the group to CCP. For example, if the taxpayer agrees to the proposed adjustments, examiners must prepare Letter 987, Agreed Income Tax Change, to be issued by CCP. See IRM 4.10.8, Report Writing, for procedures on issuing final closing letters.
- c. Must notify the taxpayer in writing if a determination is made that an additional inspection of the taxpayer's books and records is necessary (IRC 7605(b)). See IRM 1.2.1.5.1, Policy Statement 4-3, Cases closed by District Directors or Service Center Directors will not be reopened except under certain circumstances, and IRM 4.2.1.6, Reopening of Closed Cases.

**Note:** If the taxpayer requests a reopening (e.g. audit reconsideration), written notification that an additional inspection of the taxpayer's books and records is not necessary.

4.10.1.2.1.7  
(08-24-2017)

**Right to Privacy**

- (1) Taxpayers have the right to expect that any IRS inquiry, examination, or enforcement action will comply with the law and be no more intrusive than necessary, and will respect all due process rights, including search and seizure protections and will provide, where applicable, a collection due process hearing.
- (2) To protect the taxpayer's "Right to Privacy" examiners will not use financial status or economic reality examination techniques to determine the existence of unreported income unless a reasonable indication that there is a likelihood of such unreported income exists (IRC 7602(e)). See IRM 4.10.4.2.9, Formal Indirect Method.

4.10.1.2.1.8  
(07-12-2022)

**Right to Confidentiality**

- (1) Taxpayers have the right to expect that any information they provide to the IRS will not be disclosed unless authorized by the taxpayer or by law. Taxpayers have the right to expect appropriate action will be taken against employees, return preparers, and others who wrongfully use or disclose taxpayer return information.
- (2) To protect the taxpayer's "Right to Privacy" and "Right to Confidentiality," examiners:
  - a. Must follow the Privacy Principles listed in IRM 10.5.1.3.2, IRS Privacy Principles, and also found in the *Disclosure & Privacy Knowledge Base*, in all facets of examination activities.
  - b. Must not willfully inspect a return or return information without having authorization, see IRC 7213A and IRM 10.5.5, IRS Unauthorized Access, Attempted Access or Inspection of Taxpayer Records (UNAX) Program Policy, Guidance and Requirements.
  - c. Must not send emails containing SBU data (including PII and tax information) to taxpayers or their authorized representatives, even if requested. See IRM 10.5.1.6.8.1, Emails to Taxpayers and Representatives.

**Reminder:** Temporary guidance on approved uses of electronic transmission methods, including email, may exist. Check the *Search Interim Guidance* website for active guidance regarding taxpayer communication methods.

**Note:** See IRM 4.10.1.3.2.1, Ministerial Messages, for guidance on the limited use of email in communicating with the taxpayer or representative.

- d. Must follow procedures for faxing documents with SBU data (including PII and tax information). See IRM 10.5.1.6.9.4, Faxing, and IRM 4.10.1.3.6, Use of Fax Machine or Enterprise e-Fax (EEFax) to Communicate, for additional information.
- e. May disclose return information only to the extent necessary to gather data relating to their official tax administration duties or to accomplish properly any activity connected with such official duties. See IRC 6103(k)(6), 26 CFR 301.6103(k)(6)-1, and IRM 11.3.21, Investigative Disclosures, for additional information and detailed guidance.

**Caution:** IRC 6103(k)(6) and 26 CFR 301.6103(k)(6)-1 do **not** authorize the disclosure of the taxpayer's tax return, which includes all forms, schedules, statements, and attachments.

- f. Must exercise caution and use prudent judgment when researching taxpayers on the internet. Generally, examiners are allowed to search for publicly available information on publicly accessible, unrestricted websites (which may include publicly available social media information), to perform compliance-related work. For guidance regarding researching internet sites and social media, see IRM 11.3.21.12, Internet Research, and IRM 11.3.21.12.1, IRC 6103(k)(6) Disclosures by IRS Employees Using Social Networking and Other Internet Sites.

**Caution:** IRS employees are not authorized to use social media platforms (including use of a personal or fictitious social media account) in an official capacity (i.e., for compliance-related work). See IRM Exhibit 10.8.27-1(10), Prohibited Uses of Government Furnished IT Equipment and Resources, and IRM 10.5.1.6.17, Social Media.

- g. Are prohibited from contacting any person other than the taxpayer regarding the determination or collection of the tax liability of the taxpayer without providing reasonable advance notice to the taxpayer that IRS may contact persons other than the taxpayer. See IRC 7602(c) and IRM 4.11.57, Third-Party Contacts, for additional information.

- (3) For additional guidance regarding an examiner's responsibilities to protect a taxpayer's privacy and confidentiality, see the following sections in this IRM:

- IRM 4.10.1.2.1.12, Unauthorized Access (UNAX)
- IRM 4.10.1.2.1.13, Data Protection
- IRM 4.10.1.3.5, Leaving Information on Answering Machines/Voice Mail

4.10.1.2.1.9  
(08-24-2017)  
**Right to Retain  
Representation**

- (1) Taxpayers have the right to retain an authorized representative of their choice to represent them in their dealings with the IRS. Taxpayers have the right to seek assistance from a Low Income Taxpayer Clinic if they cannot afford representation.
- (2) To protect the taxpayer's "Right to Retain Representation," examiners:

- a. Must secure the taxpayer's written authorization for a representative to perform certain specified acts on the taxpayer's behalf (e.g., attorney, certified public accountant, enrolled agent). See IRM 4.11.55.2.3, Power of Attorney.
  - b. Must honor a valid power-of-attorney submitted by a taxpayer unless the criteria for by-passing the power-of-attorney has been met. See IRM 4.11.55.4, By-Pass of a Representative, for additional guidance.
  - c. Generally must suspend an interview if a taxpayer requests time to consult with a representative (IRC 7521(b)(2)). The taxpayer must be allowed a minimum of 10 business days to secure representation before the examiner can take any follow-up action to schedule an appointment. See IRM 4.10.3.3.7.2, Request for Representation - Suspension of Interview, for additional information.
  - d. Should be aware that IRC 7525, extended the attorney-client privilege in **non-criminal** cases to certain communications (oral and written) created on or after July 22, 1998 between taxpayers and other federally authorized tax practitioners. See IRM 4.11.55.3.3, Privileged Communications, for additional guidance.
- (3) For guidance and procedures regarding sending written communication to the taxpayer's representative, see IRM 4.10.1.3.3, Written Communication to the Taxpayer's Representative.
  - (4) For additional information, see IRM 4.11.55, Power of Attorney Rights and Responsibilities.

4.10.1.2.1.10  
(08-24-2017)  
**Right to a Fair and Just  
Tax System**

- (1) Taxpayers have the right to expect the tax system to consider facts and circumstances that might affect their underlying liabilities, ability to pay, or ability to provide information timely. Taxpayers have the right to receive assistance from the Taxpayer Advocate Service if they are experiencing financial difficulty or if the IRS has not resolved their tax issues properly and timely through its normal channels.
- (2) To protect the taxpayer's "Right to a Fair and Just Tax System," examiners:
  - a. Are responsible for determining the correct tax liability as prescribed by the IRC. It is imperative that examiners identify the applicable law, correctly interpret its meaning in light of congressional intent, and, in a fair and impartial manner, correctly apply the law based on the facts and circumstances of the case. Taxpayers are more likely to comply when they believe they are being treated consistently and fairly. See IRM 1.2.1.2.36, Policy Statement 1-236, Fairness and Integrity in Enforcement Selection, for additional information related to enforcing the tax law with integrity and fairness.
  - b. Should advise taxpayers of payment alternatives if they can't full pay. For example, taxpayers may enter into an installment agreement or submit an offer in compromise where there is a genuine dispute as to the existence or amount of the correct tax liability under the law. See IRM 4.20.1.4.1, Exam Criteria - Taxpayer Qualifications, and IRM 4.20.1.4.3, Streamlined Installment Agreements, for additional guidance.
  - c. Must avoid unreasonable errors or delays which may result in interest abatement under IRC 6404(e). See IRM 4.10.1.2.1.15, Interest Abatement, for additional guidance.

4.10.1.2.1.11  
(08-24-2017)

**Innocent Spouse Relief**

- (1) In every examination of a joint return, examiners **must** explain joint and several liability and innocent spouse relief available under IRC 6015 to both taxpayers and their authorized representative(s), if applicable. See IRM 25.15.6, Field Examination Procedures, for additional information.
- (2) Examiners may provide the taxpayers or representative(s) with Pub 971, Innocent Spouse Relief, which explains these provisions in detail. If requested, provide Form 8857, Request for Innocent Spouse Relief, and the accompanying instructions.
- (3) Examiners must document the case activity record with the date of this discussion, the individuals present, the addresses of each spouse, and if the taxpayer indicates that relief will be requested.

4.10.1.2.1.12  
(08-24-2017)

**Unauthorized Access (UNAX)**

- (1) Examiners are responsible for understanding what UNAX means and what the potential consequences are for the willful or attempted unauthorized access, or inspection of paper or electronic taxpayer records. Examiners should always err on the side of caution and if they are uncertain whether or not an access or inspection is appropriate, should first consult with their group manager. See IRM 10.5.5, IRS Unauthorized Access, Attempted Access or Inspection of Taxpayer Records (UNAX) Program Policy, Guidance and Requirements, for additional information.
- (2) Examiners are not allowed access to taxpayer records when involvement in their tax work could cause a possible financial conflict of interest, or when they have a personal relationship or outside business relationship that could raise questions about the examiner’s impartiality in handling the tax matter. See IRM 4.10.2.2.3, Conflict of Interest, for more information on potential conflict of interest issues.
- (3) Examiners are not authorized to access their own tax records.
- (4) Examiners are only authorized to access other employee accounts when working assigned cases (if they do not know the employee). If an examiner is assigned the case of another employee that they know, the case should be referred to management for reassignment.
- (5) Examiners may have a need to access returns and return information for cases not formally assigned to their inventory. In instances where research is required on a case not formally assigned or when inadvertent access occurs in the performance of their duties, examiners may use Form 11377 or Form 11377-E, Taxpayer Data Access, to document the access:
  - a. Provide Form 11377 or Form 11377-E to the group manager at the end of the business day (or as soon as practicable). Form 11377 must be mailed to the group manager using the U.S. Postal Service. Form 11377-E (electronic version) must be sent to the group manager using secured (encrypted) e-mail.
  - b. The group manager will sign and date the form to indicate receipt (digital signature will be used for Form 11377-E), provide the examiner with the “Employee Copy” for their records, and forward the “IRS Copy” to the *Head of Office Designee (HOD)* for their business unit.

**Note:** Examiners are authorized to access taxpayer information to perform their official tax related duties and assignments, including required filing checks. When completing required filing checks, examiners should ensure the tax-

payer's relationship to the related taxpayers whose return information is accessed is adequately documented in the case file.

- (6) See IRM 10.5.5.3.4, Employee and Contractor UNAX Responsibilities, for more information or questions regarding UNAX.

4.10.1.2.1.13  
(08-24-2017)

#### Data Protection

- (1) Employees are responsible for protecting data, including the data stored on their IRS laptop computer and portable electronic storage devices (e.g. flash drive). Examiners must also protect hardcopy documents that contain Personally Identifiable Information (PII) or Sensitive But Unclassified (SBU) data (including PII and tax information).
- (2) Employees must provide adequate safeguards and encrypt PII and SBU data. Employees must take the proper precautions to protect sensitive data in the office, at home, or while traveling. Proper data protection helps maintain taxpayer confidence and the IRS' reputation for privacy protection, which are critical for IRS to perform its mission. Data protection also must be considered when faxing and e-faxing, emailing, shipping PII or SBU data, or placing information on the Microsoft® Outlook Calendar.
- (3) Employees are required to report the loss, theft or unauthorized disclosure of PII or SBU data because it could place taxpayers at risk for identity theft and invasion of privacy. See IRM 4.2.5.9, Reporting Losses, Thefts and Disclosures of Sensitive Information, and IRM 10.5.4.3, Reporting Losses, Thefts and Disclosures, for additional guidance.
- (4) For additional information, refer to the *Think Data Protection* website, and IRM 10.5.4, Incident Management Program.

4.10.1.2.1.14  
(04-19-2021)

#### Notification of Third Party Contacts

- (1) The Taxpayer First Act of 2019 (TFA) revised IRC 7602(c)(1) to require the IRS to provide advance notice of the intent to contact third parties, specify in the notice the time period (not to exceed 1 year) in which contact will be made and send the notice 45 days before the first contact with a third party.

**Note:** Exceptions to the general advance notice are listed in IRC 7602(c)(3).

- (2) Letter 3164-E, (Exam-1) Third Party Contact, is generally used to provide the advance notice. For preparers and promoters, examiners must use Letter 3164-N, Third Party Contact to Preparers, and Letter 3164-P (DO), Third Party Notification for IRC 6700/6701 Investigations. The notice must include the tax period and effective contact period (begins the 46th day following the date of the notice and ends one year from the 46th day), and must be re-issued yearly, if necessary.

**Caution:** Pub 1 no longer satisfies the advance general notice requirement of IRC 7602(c)(1).

- (3) For additional instructions and guidance, examiners should refer to IRM 25.27.1, Third Party Contact Program, and IRM 4.11.57, Third Party Contacts.

4.10.1.2.1.15  
(04-19-2021)  
**Interest Abatement**

- (1) IRC 6404(e) provides for the abatement of interest when any assessment of interest on a deficiency is attributable in whole or in part to any unreasonable error or delay by IRS in performing a ministerial or managerial act.
- (2) To ensure that the Service can accurately and fairly respond to a taxpayer's claims for interest abatement, it is **CRITICAL** that examiners accurately record activity, as well as periods of inactivity, in all case files. See IRM 4.10.9.5, Activity Record.
- (3) See IRM 20.2.7, Abatement and Suspension of Debit Interest, and IRC 6404 for additional information on interest abatement.
- (4) Examiners do not make interest abatement determinations. All interest abatement claims are worked by the Interest Abatement Coordinators in Technical Services. See *Interest Abatement Coordinators* website for contact information.

4.10.1.2.2  
(04-19-2021)  
**IRS Restructuring and Reform Act of 1998 (RRA 98)**

- (1) The IRS *Restructuring and Reform Act of 1998 (RRA '98)* was signed into law on July 22, 1998, resulting in changes to tax law as well as in the structure and functioning of the IRS. In addition, RRA 98 resulted in a focus on improving customer service and expanded taxpayer rights. All employees should be familiar with the provisions in RRA 98, including the following:
  - Section 1001(a)(4), Reorganization of the Internal Revenue Service - prohibits ex parte communications between appeals officers and other IRS employees to the extent that such communications appear to compromise the independence of Appeals. See Rev. Proc. 2012-18, and IRM 4.2.7, Ex Parte Communication Procedures, for guidance,
  - Section 1105, Prohibition on Executive Branch Influence Over Taxpayer Audits and Other Investigations, enacted by section 1105 of RRA 98 - provides that, it shall be unlawful for any applicable person to request, directly or indirectly, any officer or employee of the Internal Revenue Service to conduct or terminate an audit or other investigation of any particular taxpayer with respect to the tax liability of such taxpayer,
  - Section 1203, Termination of Employment for Misconduct. See Document 11043, RRA '98 Section 1203 All Employee Guide, for additional information,
  - Section 3201(d), Relief from Joint and Several Liability on Joint Return - provides that, wherever practicable, any notice relating to a joint return under IRC 6013 be sent separately to each individual filing the joint return. See IRM 4.10.1.2.2.1, Separate Notice Requirements, for guidance,
  - Section 3466, Application of Certain Fair Debt Collection Procedures, superseded by IRC 6304,
  - Section 3705(a), Internal Revenue Service Employee Contacts - requires that examiners give their name, telephone and unique identification number (currently referred to as "personal identification number") during personal and telephone contacts. See IRM 4.10.1.2.2.2, Employee Contact Information,
  - Section 3706, Use of Pseudonyms by Internal Revenue Service Employees - authorizes the use of pseudonyms by examiners in certain instances. See IRM 4.10.1.2.2.3, Pseudonyms, and
  - Section 3707, Illegal Tax Protester Designation - prohibits the Service from designating taxpayers as "illegal tax protesters" (or any similar designation). Examiners **must not** refer to the taxpayer as an "illegal

tax protester” (or any similar designation) anywhere in the case file, including on the activity record (e.g., Form 9984), lead sheets, workpapers, reports, etc. Terms such as “frivolous argument” or “tax avoidance argument” are acceptable to use. See IRM 25.4, Employee Protection, for further information.

- (2) RRA 98 did not change the Service’s long-standing commitment to the fair and equitable treatment of all taxpayers set forth in Rev. Proc. 64-22. The pertinent part of Rev. Proc. 64-22 states the law will be administered in a reasonable, practical manner. Issues should be raised by examiners when they have merit and never arbitrarily or for trading purposes.

4.10.1.2.2.1  
(08-24-2017)  
**Separate Notice Requirements**

- (1) Section 3201(d) of the IRS Restructuring and Reform Act of 1998 provides that, wherever practicable, any notice relating to a joint return under IRC 6013 be sent separately to each individual filing the joint return. “Any notice” is interpreted to mean any notice required by statute. Thus, Section 3201(d) only applies to documents that contain a notice required by statute, such as a notice of third-party contacts under IRC 7602(c)(1), a notice of deficiency under IRC 6212, and a notice and demand for tax under IRC 6303. In addition, certain other notices that contain elements of notices required by statute are sent separately.

**Note:** RRA 98 mandates that separate notice must be provided for a notice of deficiency, notwithstanding the provisions of IRC 6212(b)(2).

- (2) When soliciting statute extensions, follow the procedures in IRM 25.6.22.3.1, Separate Notification of Each Spouse.

4.10.1.2.2.1.1  
(08-24-2017)  
**Applicability to Field Examination Correspondence/Notices**

- (1) For Field Examination correspondence/notices, examiners **must** take the following actions:

When	Then
Sending initial contact letters	Send correspondence separately to each spouse.
Sending a notice required by statute (e.g. potential third party contacts under IRC 7602(c)(1), notices of deficiency under IRC 6212, third party summons notice under IRC 7609, etc.)	Send correspondence separately to each spouse.
Spouses have different addresses	Send all correspondence/notices separately to each spouse.
The examiner verified spouses have the same address	Correspondence/notices not required by statute (e.g. information document requests (IDR), reports, 30-day letters, etc.) can be sent using joint mailing.

When	Then
The address for one or both of the spouses cannot be verified (See IRM 4.10.1.2.2.1.2)	Send all correspondence/notices separately to each spouse at the spouse’s last known address within the meaning of 26 CFR 301.6212-2 Also see IRM 4.10.2.11, Taxpayer Change of Address, for additional information.

4.10.1.2.2.1.2  
(08-24-2017)  
**Verification of Address  
for Each Spouse**

- (1) In every examination of a joint return, the examiner **must** verify the last known address for each spouse and document the address and actions taken to verify it on Form 9984, Examining Officer’s Activity Record.
- (2) Examiners **must** check for a change of address on IDRS, searching under both the primary and secondary social security numbers using appropriate command codes (e.g. INOLES, IRPTRO, IMFOLE, ENMODA), **and** request each spouse confirm their mailing address during the initial conversation (either by telephone or in person). See IRM 25.15.6.12, Addressing and Issuing Correspondence.

**Example:** Generally, for no show/no response cases, the examiner will not be able to confirm the taxpayers reside at the same address; therefore, subsequent mailings must be sent separately.

- (3) If there is an address change for either or both of the spouses:
  - a. Follow established address change procedures in IRM 4.10.8.14.4, Form 2363, to update the address(es), and
  - b. Clearly document the case file with the correct mailing addresses.

4.10.1.2.2.1.3  
(08-24-2017)  
**Procedures for Sending  
Separate Notices**

- (1) IRM 4.10.1.2.2.1.1 clarifies when separate notices are required. The procedures for correspondence/notices not required by statute depend on whether or not the taxpayers have the same address (see IRM 4.10.1.2.2.1.2).
- (2) **Spouses with the same address** - the initial contact letter and all notices required by statute must be mailed separately using the following procedures:
  - a. Reflect the joint name and address for the taxpayers on all initial contact letters and notices required by statute.
  - b. Use Form 12832, Cover Page for Compliance Taxpayer Letters, as the cover letter to send the correspondence to each spouse separately. Form 12832 can be generated in RGS.
  - c. Mail the initial contact letter or notice required by statute to the primary taxpayer in a separate envelope addressed solely to the primary taxpayer and a copy of the same document(s) to the secondary taxpayer in a separate envelope addressed solely to the secondary taxpayer.
- (3) **Spouses with separate addresses or addresses cannot be verified** - all correspondence must be mailed separately using the following procedures:
  - a. Prepare separate copies of the correspondence, examination report, notice, etc. Reflect the names of both spouses on each copy but the address line should only reflect the address to whom the information will be sent **without** reference to the address of the other spouse.

- b. Use Form 12832 as the cover letter to send correspondence to each spouse separately. Form 12832 can be generated in RGS when both spouses are set up with their separate addresses. See IRM 25.6.22.5.5, Taxpayer's Address, for instructions to complete the address line on a consent.

**Caution:** Examiners must be careful when spouses are not at the same address, and **NOT** disclose the address of the other spouse.

- (4) If the correspondence/notice is personally presented, document the date and fact of separate personal presentations or the date and fact of personal presentation to one spouse and the date and fact of mailing to the other spouse.

4.10.1.2.2.2  
(08-24-2017)

**Employee Contact Information**

- (1) Section 3705(a)(3) of RRA 98 requires that examiners give their name and unique identification number (currently referred to as "personal identification number") during personal and telephone contacts. In addition, section 3705(a)(1) of RRA 98 requires that on all manually generated correspondence sent to a taxpayer, examiners must provide their name, telephone number, and personal identification number to ensure the taxpayer is able to contact the appropriate employee.

**Note:** All correspondence generated by examiners is considered manually generated correspondence.

- (2) Examiners must provide the taxpayer with their group manager's name and phone number during the initial conversation.
- (3) Examiners should document on Lead Sheet 100-3, "RA Initial Discussion", (revenue agents) or Lead Sheet, "TCO Initial Discussion" (tax compliance officers), that their name and personal identification number was provided.
- (4) If a case is reassigned to another examiner, the new examiner must also give their name and personal identification number to the taxpayer.

4.10.1.2.2.3  
(08-24-2017)

**Pseudonyms**

- (1) Section 3706 of RRA 98 authorizes the use of pseudonyms by IRS examiners in certain instances. Use may be authorized **only** when adequate justification is provided by the employee and its use is approved by the employee's supervisor. For detailed guidance see IRM 10.5.7, Use of Pseudonyms by IRS Employees.
- (2) Examiners who used pseudonyms before the enactment of Section 3706 of RRA 98 were "grandfathered" in under the statute.
- (3) Additional guidance is available on the *Pseudonyms* website.

4.10.1.2.3  
(08-24-2017)

**IRS Policies**

- (1) Internal Management Documents (IMDs) are official communications that designate authorities and/or disseminate instructions to staff for IRS officials and employees. IMDs include:
  - Internal Revenue Manuals (IRM)
  - Servicewide Delegation Orders
  - Division/Function Delegation Orders
  - Policy Statements

- Interim Guidance
- Operating Level Directives
- Strategic Documents, and
- Other IMDs

(2) Policy statements can form the basis for procedures and instructions in the IRM. Policy statements that relate to the taxpayer's rights and examination process can be found in IRM 1.2.1, Servicewide Policy Statement.

4.10.1.3  
(08-24-2017)  
**Communication**

(1) Communication with the taxpayer or representative on an on-going and continuous basis is a critical part of the examination process. Examiners must use effective and persuasive oral and written communication skills to ensure their message is easily understood by taxpayers. Communication is important because it establishes a working rapport with the taxpayer, which will facilitate information sharing, and avoid misunderstandings. This section covers oral and written communication techniques that should be used during an examination, as well as procedures for written correspondence, such as separate notice requirements and the use of digital signatures.

4.10.1.3.1  
(08-24-2017)  
**Oral Communication**

(1) The examiner should discuss the progress of the examination and proposed issues with the taxpayer or representative at frequent intervals throughout the examination.

- (2) Examiners should ensure verbal communication is firm, courteous, business-like and professional by:
- a. Using effective communication skills (i.e., listening, responding and clarifying), to secure the taxpayer/representative's cooperation.
  - b. Using tact to explain findings and conclusions to ensure tax law and accounting principles and practices are clearly communicated.
  - c. Ensuring the communication methods used are appropriate to the taxpayer.
  - d. Always considering the taxpayers/representative's point of view.

4.10.1.3.2  
(07-12-2022)  
**Written Communication**

(1) All correspondence must contain the name of the person to contact (examiner or group manager depending on the type of letter), telephone number, personal identification number, and a signature. See IRM 4.10.1.2.2.2, Employee Contact Information, for guidance.

**Note:** The taxpayer's SSN or EIN must be redacted to show only the last four digits.

(2) When possible, all correspondence with taxpayers should be prepared using approved form letters, since the specific language in these documents has been approved for general public use. RGS generated letters should be used when the most current version of the letter is available within RGS (some LB&I examiners will generate letters using IMS).

**Note:** Examiners must not modify the approved forms and letters.

- (3) Written communication to the taxpayer or representative must:
- Be complete, clear, and professional without jargon or IRS acronyms.

- Communicate the message in a concise and professional tone using correct grammar, spelling, and punctuation.
- (4) Except for messages discussed in IRM 4.10.1.3.2.1, Ministerial Messages, original correspondence created by examiners must be:
- a. Approved by the group manager and the approval must be documented in the case file, and
  - b. Maintained in a group read file containing taxpayer correspondence that **does not** use a standard letter.

**Note:** Generally, copies of correspondence should be maintained in the group read file for one year and then destroyed.

**Caution:** The use of text messaging to conduct official government business is prohibited in accordance with IRM 10.8.1.3.1.18.1(2), Telecommunication Devices, and IRM 10.5.1.6.9.6, Text Messaging (Texting).

- (5) If mail is returned as undeliverable after the case is closed, follow the procedures in IRM 4.10.8.2.3.1(8), Letters. If the taxpayer's address requires an update, see IRM 4.10.8.14.4, Form 2363.

#### 4.10.1.3.2.1 (07-12-2022)

#### Ministerial Messages

- (1) Examiners must follow IRM 4.10.1.3.2 for any original correspondence that does not meet the definition of a ministerial message (see (2) below). Do not send a ministerial message in situations where an approved form letter exists.
- (2) Ministerial messages:
- a. Only communicate administrative matters that do not require personal judgment, analysis, discretion, etc., by the person sending the message. For example, ministerial messages may confirm the date, time, or location of an upcoming appointment; confirm requested information was received; communicate the need to speak to the taxpayer/representative when telephone attempts have been unsuccessful, etc.
 

**Example:** I picked up your message and I'm confirming our appointment on Thursday, XX/XX/XXXX at 1:00 p.m.

**Example:** I received your message and have rescheduled your appointment to Wednesday, XX/XX/XXXX at 10:00 a.m. as requested.

**Example:** Thank you for providing the information requested on XX/XX/XXXX. I've attempted to reach you by phone to discuss it but have not been successful. Please call me by XX/XX/XXXX.
  - b. Do not communicate the nature of an appointment, or mention tax law, the audit issues, penalties, etc.

**Reminder:** Telecommunication devices, including cell phones, must not be used to send messages to taxpayers or their representatives. The use of text messaging to conduct official government business is prohibited in accordance with IRM 10.8.1.3.1.18.1(2), Telecommunication Devices, and IRM 10.5.1.6.9.6, Text Messaging (Texting).

- (3) When taxpayers or their authorized representatives request email contact and accept the risk of such, examiners may create and send ministerial messages to taxpayers and/or their authorized representatives by email. See IRM 10.5.1.6.8.1(2), Emails to Taxpayers and Representatives.

**Caution:** When replying directly to an email from a taxpayer or their representative, ensure the originating email and subject line are free from SBU (including PII and tax information, such as name control) before replying with a ministerial message. See IRM 4.10.1.2.1.8(2)(c).

4.10.1.3.3  
(08-24-2017)  
**Written Communication  
to the Taxpayer’s  
Representative**

- (1) Generally, a qualified representative is authorized to receive any notice or other written communication required or permitted to be given to the taxpayer in the matter concerning the taxpayer, as directed on Form 2848, Power of Attorney and Declaration of Representative, or Form 8821, Tax Information Authorization. See IRM 4.11.55, Power of Attorney Rights and Responsibilities, for additional information.
- (2) Examiners are required to prepare and send Letter 937, Transmittal Letter for Power of Attorney, to the power of attorney (POA) to transmit copies of correspondence addressed to the taxpayer.
- (3) Copies of letters and other forms and documents **addressed or specific to the taxpayer** should be enclosed with Letter 937, Transmittal Letter for Power of Attorney, and sent to the representative at the same time they are sent to the taxpayer. Examples of other forms and documents **addressed or specific to the taxpayer** include but are not limited to Form 4564, Information Document Request; Form 872, Consent to Extend the Time to Assess Tax; Form 4549, Report of Income Tax Examination Changes, etc.

**Note:** The enclosure section of Letter 937 should indicate the specific enclosures included with Letter 937. For example, if Letter 3572, SB/SE Office Exam Call-Back Appointment Letter, is enclosed with Letter 937, the examiner should check the “Letter(s)” box and type “3572” in the fillable field.

- (4) Blank forms, notices and publications available on IRS.gov should not be sent to the taxpayer’s representative or appointee, including, but not limited to:
  - Form 9465, Installment Agreement Request
  - Form 12203, Request for Appeals Review
  - Notice 609, Privacy Act Notice
  - Pub 1, Your Rights as a Taxpayer
  - Pub 1035, Extending the Tax Assessment Period

4.10.1.3.4  
(04-19-2021)  
**Inadvertent Disclosures  
in Correspondence**

- (1) Inadvertent disclosures in correspondence may result from incorrect addressee, address, SSN or name mismatch, and include letters that are not cleared of existing taxpayer data before generating a letter to a new taxpayer, double stuffed envelopes or documents attached to a letter or notice for a different taxpayer.
- (2) If an inadvertent disclosure in correspondence occurs, employees are responsible for reporting the incident or potential incident of Erroneous Taxpayer Correspondence (ETC) to the Office of Taxpayer Correspondence through the Report Erroneous Correspondence (Red Button) process within one hour of discovering the incident. See IRM 25.13.1.3, Erroneous Correspondence Procedures - Report Erroneous Correspondence Process, and IRM 10.5.4, Incident Management Program, for additional guidance.

- 4.10.1.3.5  
(08-24-2017)  
**Leaving Information on Answering Machines/Voice Mail**
- (1) Answering machines and voice mail are frequently used when communicating with taxpayers, representatives, and other IRS employees. These systems are not secure and may not be used to transmit sensitive information, including tax information, except under the provisions of IRC 6103.
  - (2) Guidelines for leaving information on answering machines/voice mail are in IRM 10.5.1.6.7.2, Answering Machine or Voice Mail.
- 4.10.1.3.6  
(07-12-2022)  
**Use of Fax Machine or Enterprise e-Fax (EEFax) for Outgoing Taxpayer Communications**
- (1) IRC 6103 provides details on the confidentiality and disclosure rules that must be followed when working with taxpayer return or taxpayer return information. Examiners must remember to protect tax information when using a fax machine or Enterprise Electronic Facsimile (EEFax). EEFax provides the ability to send, receive, route and deliver fax documents electronically using Microsoft Outlook. EEFax converts incoming fax images to Adobe Portable Document Format (PDF) and directs them to the email system.
  - (2) Tax information should only be faxed in situations where the authorized recipient has approved (written or verbal depending on the facts and circumstances) use of the faxing method for the information involved (see IRM 10.5.1.6.9.4, Faxing).
  - (3) Taxpayers must be informed that any documents sent via fax are subject to risk due to the security limitations inherent in the use of fax technology (i.e., there is a risk that someone who is not authorized may receive or see their tax information). In addition, the examiner must use a cover sheet on all transmissions. See IRM 10.5.1.6.9.4, Faxing, and the corresponding *Faxing Page* on Knowledge Management for additional guidance on what must be included on the cover sheet.
    - When using EEFax, a fax cover sheet with all required elements is automatically generated if the sender chooses a “Business” cover page in the fax options. For instruction on configuring the fax cover sheet in EEFax, see the *How To Guide - Customizing your EEFax Cover Page*.
    - If EEFax is not available, a fax cover sheet must be prepared manually using Form 10321, FAX Transmission Cover Sheet.
  - (4) Generally, a taxpayer or representative can verbally consent to fax transmissions, (including EEFax). The verbal consent must be documented in the workpapers. However, if the taxpayer uses a third party e-fax provider, a valid, written consent from the taxpayer designating the e-fax service provider as a recipient of tax information is required (see IRM 4.10.1.3.6.1 below).
  - (5) For additional information, see the *Enterprise eFax (EEFax)* website.
- 4.10.1.3.6.1  
(07-12-2022)  
**Written Consent for Third-Party e-Fax Service Providers**
- (1) The taxpayer’s written consent is required if the fax recipient uses a third-party e-fax service provider and tax information is being transmitted from the IRS (see IRM 10.5.1.6.9.4, Faxing, and the corresponding *Faxing Page* on Knowledge Management).
- Caution:** Taxpayers may not state they are using a third-party e-fax service provider. The examiner must ask the taxpayer if they are using a third-party service provider to act as a conduit for the fax transmission (e.g., efax.com, myfax.com, send2fax.com, FedEx, Kinkos, etc.).

- (2) If written consent is required, it must contain the required elements from Form 8821, Tax Information Authorization, (as described in IRM 21.3.7.5.1, Essential Elements for Form 2848 and Form 8821), listed below.
- The taxpayer's name and TIN,
  - The types of tax and tax periods covered by the authorization,
  - The third-party's (e-fax service provider's) name, address, and fax number, and
  - The dated signature of the taxpayer (BMF authorizations must also include the taxpayer's title).

**Note:** The written consent can be faxed.

- (3) The taxpayer must execute the written consent. A Power of Attorney is not authorized to execute the written consent unless specifically authorized per IRM 11.3.3.2.1(7), Disclosure of Information, General Requirements for Disclosure to Designee. See IRM 10.5.1.6.9.4, Faxing, and the corresponding *Faxing Page* on Knowledge Management for additional information. If the taxpayer is unwilling to submit a written consent, the information cannot be sent via e-fax.
- (4) The written consent must be included in the case file.

4.10.1.3.7  
(07-12-2022)  
**Policy for Use of Fax in  
Taxpayer Submissions**

- (1) Taxpayer submissions of documentation, forms, letters, and returns related to post-filing/non-filing inquiries and interactions can be allowed via fax unless there is a specific prohibition.

**Caution:** Careful consideration should be given to accepting faxed return information in conjunction with examination activity. Examiners must evaluate the need to examine original documents as opposed to faxed copies.

- (2) Documentation, forms, and letters requiring the taxpayer's signature may be received by fax when contact with the taxpayer has been made and documented.

**Note:** A signature is only acceptable by fax if it shows the taxpayer physically signed the document, form, or letter with their handwritten signature prior to faxing. Examiners should request taxpayers sign with their handwritten signature prior to faxing and accept a signature on a faxed document as handwritten absent a reason to believe otherwise.

- (3) The following specific documents/forms/letters will continue to be accepted by fax in routine operations. **The list is not all inclusive:**
- Power of Attorney and Declaration of Representative (Form 2848)
  - Taxpayer Authorization (Form 8821)
  - Appeals conference requests (i.e., formal protests and small case requests)
  - Fast Track Settlement requests (Form 14017, Application for Fast Track Settlement)
  - Responses/documentation needed to resolve filing or post-filing questions or correspondence
- (4) The following specific documents/forms/letters can be accepted by fax if contact has been made with the taxpayer by phone or in-person and the case

activity record is documented with the date of contact and notation is made that the taxpayer wants to send the documentation/form/letter by fax. **The list is not all inclusive:**

- Delinquent returns secured during an examination (e.g., Forms 940/941, Form 1040, Form 1065, Form 1120, Form 1120-S, etc.)
  - Request for Innocent Spouse Relief (Form 8857)
  - Installment Agreements (Form 433-D)
  - Offers in Compromise (Form 656)
  - Collection Information Statement for Wage Earner and Self-Employed Individuals (Form 433-A)
  - Collection Information Statement for Businesses (Form 433-B)
  - Letter to designate a payment
  - Letter to request non-assertion of a penalty
  - Letter to provide reasonable cause statement
  - Waivers to assess additional tax (Form 870 and others)
  - Closing agreements involving any amount of tax
  - Consents to extend the statute of limitations for assessing tax (Form 872, Form SS-10, and other consent forms)
- (5) Examiners should not acknowledge faxes received from taxpayers in the course of tax administration activities by a return fax, but can verbally confirm receipt.
- (6) Taxpayers are not required to submit any documentation, forms, letters, or returns via fax under this policy, and those adverse to any risk associated with faxing submissions may continue to make submission by mail or other allowable means of transmission.
- (7) Faxed documents must be included in the case file. In addition, if the examiner receives a fax in the form of an email via EEFax, the examiner must print the email to PDF and save it in the case file to document the receipt by EEFax.

4.10.1.3.8  
(04-19-2021)

**Use of EEFax for Internal Communications**

- (1) The IRS-EEFax system has been approved by the PGLD Office to transmit PII information.
- (2) When EEFaxing internal documents to other users refer to *Add to List Biscom Fax Printer* for guidance. In addition, ensure secure zip, email encryption and digital signature are all turned off when sending fillable PDF files. See *How do I turn off Encrypt Message Content, Digitally Sign Message, Secure zip when sending outbound fax?* for additional guidance.
- (3) For additional general e-fax guidance, refer to the *Enterprise eFax (EEFax)* website.

4.10.1.4  
(08-24-2017)

**Additional Examiner Responsibilities**

- (1) In addition to taxpayer rights, examiners are responsible for numerous other items, including but not limited to the proper use of:
- Pocket commissions,
  - SmartID cards,
  - Personal identification numbers, and
  - Digital signatures
- (2) In addition, examiners should provide taxpayer assistance and quality service in a timely manner. See IRM 4.10.1.4.5, Timely Actions; IRM 4.10.1.4.6,

Problem Solving; IRM 4.10.1.4.7, Reporting Bribery Attempts; and IRM 4.2.1.11, Assistance to Chief Counsel or U.S. Attorney, for additional information.

4.10.1.4.1  
(08-24-2017)  
**Pocket Commissions**

- (1) An examiner's pocket commission is designed to show proof of the examiner's authority in the performance of their official duties. With few exceptions, pocket commissions are primarily intended to identify Service personnel to the public when dealing with tax matters. See IRM 10.2.6, Pocket Commissions.
- (2) Examiners are responsible for:
  - Safeguarding their pocket commission,
  - Producing their commission at the request of either their group manager or by system notification,
  - Reviewing the required training, ITM course #64619, and
  - Returning their pocket commission to their group manager when they no longer meet the criteria in IRM 10.2.6.6, Authorization, Criteria and Eligibility to hold a Pocket Commission.

**Note:** Examiners should follow the guidance in IRM 10.2.6.10, Reissuance/ Replacement of Pocket Commissions, if the pocket commission is lost or stolen.

4.10.1.4.2  
(08-24-2017)  
**SmartID Card**

- (1) Examiners are issued a SmartID card that provides evidence of their identity. The SmartID card also contains a certificate in a gold chip that provides access to computer systems and facilities. See IRM 10.2.5, Identification Media, for additional information.
- (2) Examiners are responsible for:
  - Safeguarding their SmartID card,
  - Properly wearing their SmartID card at all times during work hours within an IRS facility,
  - Immediately reporting to their group manager the presence of unauthorized personnel in the work area, and
  - Promptly reporting a lost or stolen SmartID card to their group manager, the local servicing security office and to the Situation Awareness Management Center (SAMC) and Treasury Inspector General for Tax Administration (TIGTA) in accordance with IRM 10.2.8, Incident Reporting.
- (3) The ten-digit Personal Identification (PID) Number which is reflected on the front of the SmartID card is used as the examiner's personal identification number.

4.10.1.4.3  
(08-24-2017)  
**Personal Identification Number**

- (1) All examiners who have been issued a SmartID card containing the ten-digit PID must use the entire ten-digits in written or verbal communications with taxpayers. The PID is the only number that may be used by examiners as the personal identification number. No other number (including commission number) is authorized for use.
- (2) The use of personal employee identification numbers for telephone/personal contacts will apply to group clerks/secretaries only if they become involved in resolving tax related matters or if they are providing tax law or account infor-

mation. If group clerks/secretaries are simply providing routine assistance (e.g., providing copies of forms, scheduling appointments) or forwarding messages to another employee, who has responsibility for the resolution of tax issues, then they may continue to answer telephones using locally defined identification procedures.

- (3) The examination of returns generally involves re-occurring contacts with a taxpayer by the same examiner. Once the personal employee identification number has been provided to the taxpayer, examiners are **not** required to provide their personal employee identification number during each telephone or personal contact.

#### 4.10.1.4.4 (07-12-2022)

#### Digital Signatures

- (1) This section contains guidance regarding the appropriate use of electronic signatures on letters, forms and other documents.

**Reminder:** All documents can be signed by manually placing a handwritten signature on a printed copy of the document.

- (2) To be legally binding, an electronic signature must satisfy the requirements in IRM 10.10.1.3.1, Requirements for Legally Binding Electronic Signature.

- (3) Examiners and managers should use Adobe Acrobat to create digital signatures that meet the requirements of IRM 10.10.1.3.1. Department of the Treasury digital certificates must be used when digitally signing per IRM 10.8.52.4(2), Certificate Usage. See the IT4U guide, *How to Identify, Personalize and Use Adobe Acrobat Department of the Treasury Certificates to Sign Documents in Adobe Acrobat DC and Reader DC*.

**Note:** All digital signatures must display the signer's name and date signed, at a minimum. Under certain circumstances, an image of the signer's handwritten signature is also required in the digital signature. See (4) below.

- (4) Generally, letters, forms and other documents issued to the taxpayer and representative can be signed digitally. However, the digital signature must display an image of the signer's handwritten signature in the signature block. Refer to the *Adobe Acrobat - Digital Signature with Image of Handwritten Signature (Job Aid)* for instructions on placing an image of the signer's handwritten signature in the digital signature.

**Reminder:** Letters or forms that have an associated Delegation Order must be signed by the delegated official, or by any person properly designated in writing to act for the official (e.g., 30-day letters).

- (5) Internal use documents can be signed electronically by using a digital signature that displays the signer's SEID or typewritten name.
- (6) Copies of the signed letters and documents must be included in the case file.

4.10.1.4.5  
(04-19-2021)  
**Timely Actions**

- (1) Examiners must focus on timely actions to provide prompt assistance. The proper and efficient use of examination time is an essential element of a quality examination. Examiners are responsible for the day-to-day management of their cases and are accountable for completing their work in the least amount of time necessary to perform a quality examination. A focus on timely actions will reduce taxpayer burden.

**Note:** Refer to Attribute 509, Time Charged, and Attribute 510, Time Span, in Document 13128, Field Compliance Embedded Quality, Field Examination Attribute Job Aid, or Document 13127, Field Compliance Embedded Quality, Office Examination Attribute Job Aid, for additional information. See IRM Exhibit 4.2.8-1, National Standard Time Frames for Case Action, and IRM 4.10.8.2.4.3, Time Frames for Closing Cases from the Group.

- (2) Examiners must complete open examinations within a reasonable period of time considering all factors within the case and strive to limit the number of overage cases in their inventory.

**Note:** In-process cases are considered overage when they have been in status 12 (started) in excess of 180 days for office examination cases and 270 days for field examination cases. LB&I cases are considered overage for activity codes 219 - 223 at 12 months; activity codes 226, 227 and 228 at 18 months; and activity codes 229 and 230 at 24 months.

4.10.1.4.6  
(04-19-2021)  
**Problem Solving**

- (1) Examiners should assist taxpayers in solving all tax problems identified during an examination, even if the problems are not associated with the examination. If the problem is beyond the examiner's scope of responsibility, the examiner should discuss the issue with the group manager, then if applicable, the taxpayer should be referred to the appropriate function as follows:

- a. Taxpayer Advocate Service (TAS) - Make a referral to TAS when appropriate. Examiners should refer to IRM 4.2.1.22, Taxpayer Advocate Program, for additional information.
- b. Collection - Make a referral to the appropriate Collection personnel if taxpayers have questions about current or past collection actions.

**Note:** Exercise caution if divorced or separated spouses request information about the collection activities of their former spouse. See IRM 11.3.2.4.1.1, Disclosure of Collection Activities with Respect to Joint Returns, for additional guidance.

- c. Wage and Investment (W&I) - For other non-examination inquiries refer the taxpayer to their local Taxpayer Assistance Center (TAC), or to *irs.gov*.
- d. Appeals - If the taxpayer's problem involves an Appeals agreed resolution not being implemented or there was an error involving the implementation, refer the taxpayer to the Appeals customer service number. See IRM 8.1.9.2, AARS Closed Case Referrals, for additional information. An Appeals Account Resolution Specialist (AARS) will be able to provide assistance (AARS will not be available to address questions or complaints with the Appeals determination).

- (2) Examiners should refer to IRM Exhibit 4.9.1-1, Definitions of Miscellaneous Examination Activity Codes, to determine the appropriate time reporting codes to use when assisting taxpayers in solving problems unrelated to an ongoing examination.
- 4.10.1.4.7  
(08-24-2017)  
**Reporting Bribery Attempts**
- (1) The Treasury Inspector General for Tax Administration (TIGTA) is primarily responsible for investigating all attempted bribery cases.
- (2) Attempted bribery is an offer to give something of value with the intent the recipient will do something improper, or will fail to do something that should be done in discharging the duties of the position. An offer of a bribe to Government official or employee is a Federal offense, punishable by a substantial term of imprisonment and a fine.
- (3) Bribe offers are often made indirectly and subtly, rather than in a direct fashion. Attempts to bribe examiners represent flagrant attacks on the integrity of the Service and its employees. Examiners need to be perceptive and alert to such overtures and take the following actions when bribery offers are received.
- Avoid any statement or implication that you will or will not accept the bribe.
  - Attempt to hold the matter in abeyance.
  - Report the matter immediately to the nearest TIGTA office.
  - Avoid any unnecessary discussions of the matter with anyone.
- 4.10.1.4.8  
(07-12-2022)  
**Shipping Personally Identifiable Information (PII)**
- (1) IRS personnel must safeguard Personally Identifiable Information (PII) and follow IRM 10.5.1.6.9.3, Shipping, when mailing and shipping letters and packages containing PII.
- (2) Shipping PII through a private delivery carrier requires the use of Form 3210, Document Transmittal, to track receipt at the shipment destination.
- (3) Form 3210 can be manually prepared or computer generated by ERCS (see IRM 4.7.5.7.3, Transfers and Closings, for guidance on preparing Form 3210 on ERCS).
- Reminder:** If PII is being moved from one building to another or one function to another within the same building, even if it is a short distance, necessary steps must be taken to protect the information from unauthorized disclosure, loss, damage or destruction.
- (4) Form 3210 must be prepared by the sender and include identifying information such as the taxpayer's name, last 4 digits of the SSN/EIN, tax period, to whom it is being sent, the releasing official's name, and date sent.
- (5) Form 3210 is a multi-part form. The part numbers vary depending on the version used (e.g., electronic publishing catalog or generated by ERCS). The relevant parts are:
- Recipient's copy
  - Acknowledgement copy
  - To be retained by originator (also known as the control copy)
- (6) The "Recipient's copy" and "Acknowledgement copy" are sent with the shipment and the "To be retained by originator" copy must be kept for group

control, until the acknowledgement copy is returned by the recipient. See Document 13056, Shipping Procedures for Personally Identifiable Information (PII), which provides additional guidance on completing Form 3210, and *Postal and Transport Policy*.

**Note:** If Form 3210 is generated by ERCS, the control copy must be monitored in ERCS until the Form 3210 is acknowledged by the recipient. Once acknowledged, the Form 3210 is retained on ERCS for one year. See IRM 4.7.6.14.4(3), F3210 Reports.

(7) The sender is responsible for monitoring delivery of all shipments. Returns in-transit (e.g. Status Codes 21, 41, and 51) remain the responsibility of the sending group or function until the returns are acknowledged as received by the receiving function. When the Form 3210 is acknowledged or when AIMS and ERCS are updated to another status by the receiving function, the responsibility for the returns shifts to the receiving function.

**Note:** If the Form 3210 is not acknowledged within the established time frame (see IRM 4.10.1.4.8.1(4), Form 3210 - Monitoring, for time frames), the sender must follow-up. See IRM 10.5.1.6.9.3(23) through (26), for additional guidance.

(8) For additional procedures on the requirements for shipping PII, see IRM 10.5.1.6.9.3 and Document 13056, Shipping Procedures for Personally Identifiable Information (PII), and IRM 4.20.1.3.2, Process Payment Received, when processing payments.

4.10.1.4.8.1  
(07-12-2022)

#### Form 3210 - Monitoring

(1) The group manager must establish maintenance and control procedures for Forms 3210 including:

- A repository to retain the control and acknowledgment copies of Forms 3210,
- Follow-up procedures when Forms 3210 are not acknowledged timely,
- Retention of Forms 3210 for one year in accordance with Records Control Schedule (RCS) 23, Tax Administration - Examination, Item 36, in Document 12990, Records and Information Management Records Control Schedules (RCS).

**Note:** To meet the requirements of *Memorandum for Heads of Executive Departments and Agencies Number M-19-21*, the Form 3210 repository should be maintained electronically to the fullest extent possible.

(2) The group manager is responsible for conducting quarterly audits of Forms 3210 to confirm:

- Control copies are timely reconciled with acknowledgement copies, and
- Follow-up actions are completed for unacknowledged Forms 3210. See IRM 10.5.1.6.9.3(27), for additional information.

(3) The sender has the capability to track the shipment of the package on the carrier's website to determine if delivery was successful. For information on the tracking number, see IRM 10.5.1.6.9.3(10). See (5) below for guidance if the tracking information indicates the package was not successfully delivered.

- (4) If the acknowledgement copy is not received, follow-up action must be initiated within the following time frames:
  - 10 business days for payments or remittances
  - 21 calendar days for returns and other PII
- (5) If the acknowledgement copy isn't received within the established time frame, the sender should access the small package carrier's website to track the shipment to determine if it was delivered successfully.
- (6) If the tracking information indicates the package was delivered, the sender must contact the intended recipient to confirm actual receipt of the package. If the recipient:
  - Did receive the package, ask the recipient to complete and return the acknowledgement copy.
  - Didn't receive the package, the package is considered lost within the IRS facility and the sender must follow the procedures for reporting a loss of hardcopy documents (see (8) below). The intended recipient should also initiate a search in their IRS facility when the carrier shows an individual signed for the package.
- (7) If the tracking information indicates the package "was not successfully delivered" within the anticipated delivery date, the package is considered lost and the sender must follow the procedures for reporting a loss of hardcopy documents (see (8) below).
- (8) Immediately upon discovery of a lost package report the loss according to IRM 10.5.4, Incident Management Program. Additional information can be found on the *Disclosure and Privacy Knowledge Base*.

4.10.1.4.8.2  
(07-12-2022)  
**Form 3210 -  
Acknowledgment**

- (1) Once a shipment is received, the recipient must verify the contents and sign and date both the recipient's copy and acknowledgement copy of the Form 3210. The recipient's copy will be filed by the recipient and the acknowledgement copy will be returned to the sender within 5 business days using ERCS, secure email (electronic or scanned copy of the Form 3210), EEFax, fax or mail (if a paperless method is not available). The sender files the acknowledgement copy in the Form 3210 repository. No further action is required once the Form 3210 acknowledgement is received and filed.

**Note:** If a case(s) and/or other identified item(s) are not present, contact the sender to confirm the missing case(s) or item(s) and note Form 3210 with the missing case(s) or item(s) prior to returning the acknowledgement copy.

**Reminder:** The recipient's copy and acknowledgement copy must be retained for one year prior to disposition.

4.10.1.5  
(04-19-2021)  
**Embedded Quality (EQ) -  
(SB/SE Only)**

- (1) EQ is a way of doing business that builds commitment and accountability for continuous improvement in the organizational balanced measures (customer satisfaction, employee satisfaction, and business results).
- (2) EQ encompasses two systems that use a common set of quality attributes and create a link between individual performance and organizational goals.

- Embedded Quality Review System (EQRS) is used to capture and share individual performance review feedback as it relates to case actions (see IRM 4.10.1.5.2 for additional information).
- National Quality Review System (NQRS) is used to capture national program review data obtained through closed case reviews (see IRM 4.10.1.5.3 for additional information).

(3) Under EQRS, Examination managers use many of the same quality attributes for employee case reviews that NQRS staff uses to assess organizational quality. It is important that all users apply the review guidelines as consistently as possible.

4.10.1.5.1  
(08-24-2017)  
**Quality Attributes**

- (1) EQRS and NQRS use a set of quality attributes with common definitions to measure case actions against adherence to existing policies and procedures.
- (2) Additional guidance for using EQ attributes is contained in Job Aids for each Examination program. Copies can be accessed electronically on the EQ website at: *MySBSE Examination EQ Website*. For detailed information about the quality attributes, refer to:
- Document 12354, Embedded Quality, Field and Office Examination Job Aid,
  - Document 13127, Field Compliance Embedded Quality, Office Examination Attribute Job Aid, and
  - Document 13128, Field Compliance Embedded Quality, Field Examination Attribute Job Aid.

4.10.1.5.2  
(08-24-2017)  
**Embedded Quality Review System (EQRS)**

- (1) EQRS is a system used by group managers and on-the-job instructors (OJIs) to input and capture performance feedback. EQRS automatically links the quality attributes to an examiner's critical job elements (CJE).
- (2) EQRS allows a group manager to generate reports on the results of reviews that have been entered into the system. These reports can be used to:
- Share the results of individual reviews with employees;
  - Compile the results of multiple reviews during a rating period for use when preparing an employee's mid-year review or annual performance appraisal provided that the reviews have been shared timely with the employee;
  - Identify the top-scoring and bottom-scoring quality attributes within their group; and
  - Compare the group results to territory, area and National results.

4.10.1.5.3  
(04-19-2021)  
**National Quality Review System (NQRS)**

- (1) NQRS is a parallel system to EQRS and is used to collect data from national quality reviews. NQRS data is used to provide quality scores for field and office examination that are included as a component of the Business Results measurement.
- (2) NQRS is used to gather data that helps identify trends regarding SB/SE Examination case quality. The emphasis is on providing management with information and analysis to determine **root causes** of quality concerns.
- (3) National quality reviews are not used to evaluate individual employee performance.

- (4) NQRS reviews are not a substitute for first-line managerial review responsibilities. They are a tool for the Service to use in determining strengths and weaknesses in the quality of work performed in Examination operations.