



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

December 17, 2015

MEMORANDUM FOR SBSE DIRECTORS, COLLECTION POLICY  
AND CAMPUS COLLECTION

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SUBJECT: IRM Deviation for ACS/ACSS/CSCO Collection  
Information Statement (CIS) Case Processing

The purpose of this memorandum is to issue guidance for ACS call site, ACS Support (ACSS), and CSCO, when working CIS correspondence and/or handling incoming telephone calls involving financial analysis during the **deviation period (FY '16)**. This deviation will **apply to incoming calls, the backlog of CIS inventory, and new CIS correspondence received during this period**. The primary objective of the deviation is to **streamline CIS processing and eliminate the ACSS/CSCO CIS backlog**. This deviation **authority will remain in effect from the issuance date of this document to September 30, 2016**.

The impacted CIS work will fall under four **case resolution categories: Non-Streamlined Installment Agreements (NSIA's), Currently Not Collectible (CNC), Part Pay Installment Agreements (PPIA's) and Other**. For those categories, **the current IRM guidance associated with asset and equity determinations and requests for immediate liquidation of assets and lien determinations remains unchanged**.

In situations where the taxpayer has submitted an installment agreement proposal, and:

- **the payment proposal shows the liability can be full paid within the CSED (NSIA), the paper CIS will not be input into AMS and will be accepted with internal verification only (IRM 5.19.13), unless the taxpayer has the ability to liquidate assets**. ACS call site employees, however, will be required to input the CIS (non-paper) on AMS for incoming calls and question the taxpayer if any discrepancies are identified, in accordance with the guidance contained in this memorandum. **No consideration of the Six Year Rule is required for NSIA's if the liability can be full paid within CSED**. **The history must contain the associated Compliance Suite calculation**; this can be

done by copying and pasting the results into AMS. Additionally, the AMS history should indicate that the case actions are, **“Per CIS Processing Deviation Guidance.”**

- the payment proposal shows the liability cannot be full paid within the CSED (PPIA), determine if assets can be liquidated and follow the guidance for CIS processing. Employees should not request substantiation unless there is a large discrepancy in income and/or expenses. For example, a large discrepancy of an ALE expense claimed by the taxpayer exceeds the standard by 150% or any other expense appears unreasonable based on employee judgment. When addressing taxpayers meeting these circumstances, verbal substantiation of the item is sufficient. Only request paper substantiation if the taxpayer is unable to explain the discrepancy. If the verbal explanation from the taxpayer is acceptable, thoroughly document the taxpayer’s explanation in detail. Additionally, the AMS history should indicate that the case actions are, **“Per CIS Processing Deviation Guidance.”**

The CIS verification requirements set forth in the paragraph above for PPIA’s are applicable for CIS processing of CNC hardship cases (CNC Exception Criteria - cases below # \$-----# do not require a CIS) with an AAB (CC SUMRY) of # \$-----#. Issuance of the Letter 4624C, Case Closed – **Currently Not Collectible; Lien Filing Notification on Currently Not Collectible**, is still required. The threshold for **Currently Not Collectible (CNC) cases** requiring managerial approval is amended for the deviation. Employees will be allowed to close CNC hardship cases, including CNC Exception cases, (as outlined in IRM 5.19.1.1.6(10), *Case Processing Authority Levels*); with an AAB (CC SUMRY), less than # \$-----# without managerial approval.

On cases where the taxpayer has not requested a resolution, and:

- the CIS indicates the taxpayer meets CNC criteria, close the case as a CNC following the procedures contained in this document.
- the CIS indicates an ability to make payments, send the taxpayer a letter with the payment amount per the financial. The letter should contain instructions for the taxpayer to call back to set up the installment agreement and include a warning of enforcement action (WEOA). The tax examiner should close the correspondence, and if the account is in status 22, assign it to the next appropriate function with a 45 day follow-up. If the account is in notice status, input STAUP 2209.
- The financial is incomplete and no determination is possible, attempt to contact the taxpayer in accordance with the guidance found in [IRM 5.19.13.1\(12\), Securing Financial Information](#).

Employees will receive training in conjunction with the implementation of the deviation.

This deviation will affect the following IRMs:

- IRM 5.19.1, Balance Due
- IRM 5.19.13, Campus Procedures for Securing Financial Information
- IRM 5.19.17, Campus Procedures for Currently Not Collectible and Offers in Compromise

If you have any questions, please contact Ken Marek, Program Manager, Case Resolution Alternatives at 240-613-5148 or Rosalind Rush, Program Analyst, Case Resolution Alternatives at 904-665-0809 and email at [rosiland.a.rush@irs.gov](mailto:rosiland.a.rush@irs.gov).