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8.20.7

MEMORANDUM FOR IRS INDEPENDENT OFFICE OF APPEALS (APPEALS)
EMPLOYEES

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

SUBJECT: Appeals Electronic Case Files Initiative (ECFI) for Small
          Business/Self-Employed (SB/SE) Field Examination Cases
          Implementation

This memorandum provides interim guidance for Appeals employees who work
unagreed cases from SB/SE Field Examination in paperless format. Excluded
from this process are Specialty Examination cases, which include Bank Secrecy
Act (BSA) program, employment tax, estate & gift tax (E&G), excise tax and
Employee Tax Compliance (ETC) cases. Also excluded are SB/SE Field
Examination cases that are excluded from the requirement to be created and
maintained electronically in Report Generation Software (RGS)/Appeals
Correspondence Examination Automation Support (CEAS) View, and those
SB/SE Field Examination cases that are not subject to electronic closure.

Please ensure that this information is distributed to all affected Appeals
employees.

Purpose: This interim guidance provides the Appeals steps and procedures for
paperless Appeals ECFI for SB/SE Field Examination cases.

Background: Appeals, in conjunction with SB/SE, tested a paperless process to
replace the current paper file system. The parties jointly conducted a nationwide
pilot program to test the paperless process for unagreed (non-docketed and
docketed) cases received from 19 SB/SE Field Examination groups.

The case file paperwork and documentation, previously included in the physical case file used by Appeals, will now be accessed and viewed on RGS/CEAS View. Multiple documents can be downloaded at a time from Appeals CEAS View. Any Appeals-generated documents and correspondence will be uploaded to the Appeals Centralized Database System (ACDS) by the Appeals employee. Closed cases will be stored electronically in ACDS.

The attachment to this memorandum contains a step chart for the following various roles and corresponding procedures in Appeals: Account and Processing Support (APS), Appeals Technical Employee (ATE) and Appeals Team Manager (ATM).

Effective Date/Effect on Other Documents: This guidance is effective as of the date of this memorandum and will be incorporated into the affected IRMs within two years of the date of this memorandum.

Procedural Change: Appeals is fully implementing a permanent paperless process for cases originating from SB/SE Field Examination, excluding the aforementioned cases at the beginning of this memo. Instead of preparing a paper case file, SB/SE Field Examination will scan, upload, and organize all relevant documents in an accessible format to RGS CEAS. To transmit cases to Appeals, SB/SE Field Examination will submit each case through the Appeals Electronic Case Receipts (AECR) SharePoint site.

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

Attachment(s):
Updated Guidance

Distribution:
cc: www.irs.gov

Step Chart for Appeals ECFI for SB/SE Field Examination Cases includes:

- Procedures for returning non-docketed cases to SB/SE Field Examination
- Procedures for APS to card cases and ATMs to assign cases
- Procedures for ATEs to work and close cases
- Procedures for ATMs to close cases
- Procedures for APS to close cases

Procedures for returning non-docketed cases to SB/SE Field Examination

Electronic case files received by APS with less than 365 days remaining on the assessment statute will not be accepted by APS unless an exception applies (See IRM 8.20.5.3.1.2(2), Verifying Administrative File Contents). Electronic case files not meeting this criteria will be returned by APS via encrypted email to the Technical Services (TS) group manager and alternate. See Technical Services Directory.

Do not attach the entire electronic case file to the encrypted email. Instead, APS will:

- State "Short Statute Case" in the subject line and body of the email
- List electronic case file identifying information (name, TIN, MFT, tax year(s), etc.)
- Follow normal case procedures per IRM 8.20.7.52.1, Jurisdiction Released on Premature or Improper Referrals. Specifically:
  -Return Audit Information Management System (AIMS) controls to originating function
  -Attach Form 3210, Document Transmittal, identifying the earliest Assessment Statute Expiration Date (ASED) for each tax period being returned to originating function
- Request that the TS group manager, or alternate, sign, date and return the Form 3210 to APS

Note: Follow IRM 10.5.1.6.8.3, Emails to IRS Accounts, policy for encrypting all internal email messages that contain Sensitive But Unclassified (SBU) data (including Personally Identifiable Information (PII) and tax information) with IT-approved encryption.

If an ATE closes an electronic case as a premature referral, a Form 5402, Appeals Transmittal and Case Memo, will be prepared by the ATE following normal procedures. Upon receipt and processing of the Form 5402, APS will send the Form 5402 via encrypted email to the TS group manager and alternate. See Technical Services Directory. The form includes all the information needed to identify the case and understand the reason(s) it was determined to be a premature referral.

- If the taxpayer provided electronic records, as uploaded to ACDS by the ATE, the ATE will include a note in the Remarks block of the Form 5402 to alert APS of these records and the names of the specific files. APS will return these by encrypted email with the Form 5402 to the TS group manager, and alternate. See Technical Services Directory.
- If the taxpayer provided paper records that were not uploaded to ACDS, the ATE will include a note in the Remarks section of the Form 5402 instructing the SB/SE field examiner to contact the ATE by encrypted email with the shipping address so that the paper records can be forwarded directly to them. Upon receipt of these paper records, the SB/SE field examiner will review and digitize the relevant documents.
- A listing of Technical Service Codes (TSCs) and the corresponding managers can be found here.

Procedures for APS to card cases and ATMs to assign cases

APS will follow the normal case procedures for carding cases but will access the documentation from the Appeals Electronic Case Receipts (AECR) SharePoint **site**, instead of looking through a physical case file for the necessary information. The APS Processing Team Manager (PTM) will access the AECR SharePoint site and assign the case to an APS Tax Examiner (TE) on the AECR site.

Steps	APS Action - For protested non-docketed cases:
1	For non-docketed cases, the TE will access the AECR **site** page and the Case Carding Check Sheet attachment to create an ACDS Work Unit Number (WUNO).
2	TE will enter ACDS Feature Code "PL" (paperless workstream) which generates a notification in ACDS 2.0 (in Notification and Tools) to the ATM when a new paperless case is available to assign.
3	If there are case-related documents attached to the Case Carding Check Sheet, the TE will attach them on ACDS.
4	ATM will review the case in Appeals CEAS View and assign case in ACDS to the ATE.
5	The ATE will be notified of a new case assignment in ACDS 2.0.
	APS Action - For docketed cases (to ATM for assignment):
1	The TE will perfect the ACDS record by making sure all fields contain accurate information (including type codes, statutes, etc.)

2	The TE will enter ACDS Feature Code "PL" (paperless workstream), which generates a notification in ACDS 2.0 (in Notification and Tools) to the appropriate ATM when a new paperless case is available for assignment to an ATE.
3	If there are case-related documents attached to the Case Carding Check Sheet, the TE will attach them on ACDS.
4	The TE will enter the DKTAD Original Date. (Note: Do not enter action code "Answer" or "DCJUR" for cases being sent to the ATM for assignment.)
5	The TE will enter "ECFI" in the LOC 7 Field in ACDS
	APS Action: For docketed cases – To Counsel when admin file is requested
1	Upon receipt of a case, the TE will identify in the ACDS notes field if Counsel has requested the admin file for Answer or Delayed/No consideration by Appeals.
2	The TE will perfect the ACDS record by making sure all fields contain accurate information (including type codes, statutes, etc.). If needed, the TE enters ACDS Feature Code "PL" (paperless workstream), which generates a notification in ACDS 2.0 (in Notification and Tools) to the appropriate APS PTM, ATM or ATE.
3	The TE will enter the DKTAD Original Date
4	The TE will enter the applicable ACDS Action Code: DCJUR – Counsel has requested the admin file for Delayed/No Consideration by Appeals. Answer – Counsel has requested the admin file for Answer. DCOTHER – Non-docketed related cases associated with a docketed case also updated to Counsel (i.e., MFT 31 non-petitioning spouse) Note: Do not enter these action codes if the case is going to an ATM for assignment
5	For paperless cases updated to Counsel, notification will be sent through the Chief Counsel Portal alerting them the ECFI case has been received. All related documents can be found on the originator's source system (IMS, CEAS, RCCMS, etc.)
6	The TE will enter "ECFI" in the LOC 7 Field in ACDS

Procedures for ATEs to work and close cases

Steps	ATE Action
1	ATE will be notified of a new case in ACDS 2.0. The ATE will no longer receive a paper file. The ATE will access the case in Appeals CEAS View and will review the documents. The ATE will verify that ACDS feature code "PL" (for paperless) was entered in ACDS. If not, the ATE adds this feature code.
2	ATE will access Employee User Portal (EUP), IDRS or AMS to obtain copies of tax returns if necessary. The ATE will work the case using normal case procedures.
3	ATE will scan, if necessary, and upload to ACDS any Appeals generated documents and correspondence, using the ACDS existing case file naming convention. For example, an Appeals Case Memorandum (ACM) is uploaded as WUNO-XXXXXXXXXX-ACM (using the actual case WUNO in place of the X's). Other attachments that are uploaded will have a brief descriptive name following the WUNO.
4	The ATE will close the case to the ATM.

After the ATE uploads the required closing documents to ACDS and places the case in AC/FR status, the ATM will receive a notification in ACDS 2.0. The ATM will follow normal case closing procedures as listed below.

NOTE: If "ECFI" is not present in LOC 7, the ATE will enter "ECFI" in the LOC 7 field.

Procedures for ATMs to Close Cases

Steps	ATM Actions
1	Sign and date Form 5402 and any agreement form(s) (e.g., Form 870-AD). Sign the closing letter(s) if applicable.
2	Upload the signed and dated Form 5402, the agreement form(s), and the signed closing letter to ACDS.
3	Enter ACDS ACAP date.

After the ATM enters the ACAP date, it will generate an ACDS 2.0 Paperless Notification to the APS PTM. The PTM will assign the case to a TE for final processing. Each TE will identify the ECFI paperless case using their ACDS 2.0 Paperless Notifications. The TE will follow the established closing procedures under IRM 8.20.7 including performing the Appeals feedback loop procedures along with the items below.

Procedures for APS to close cases

Steps	APS Actions
1	Appeals assessments to IDRS will have a Document Locator Number (DLN) with blocking series 77X to identify them as electronic.
2	If the case is agreed/settled and non-docketed, APS will close the case in ACDS and IDRS.
3	If the case is unagreed and non-docketed: • the ATE will prepare a Statutory Notice of Deficiency (SND) as needed. • APS will date, mail (by certified mail), and upload the SND to ACDS. If the taxpayer doesn't petition the Tax Court: • APS will close the case in IDRS. If the taxpayer petitions the Tax Court: • APS will notify Counsel via SharePoint and will update the ACDS action code to DCJUR using the "CC 42/32 update screen". • For Appeals-issued notices (e.g., SND), Counsel will complete their work on the case (e.g., settle or try the case) and submit the case to APS via SharePoint. APS will then fully close the case in IDRS using the attorney's instructions included in the case file. • APS will update DKTNO, DC OFFICE, and Attorney fields - combine all ACDS attachment to PDF File and upload it to Counsel's Portal.
4	If the case is agreed/settled and docketed: • The ATE will upload signed documents in ACDS following normal case procedures. Chief Counsel will continue to upload decision documents to ACDS for Docketed EZ Close cases. Counsel will upload the Form 1734, Transmittal Memorandum, decision, and other closing documents to ACDS and submit a closing/assessment request to the APS SharePoint Portal. If Counsel has the admin file, they will keep it. Once the case is closed, APS will send a Form 3210 to either Counsel through their SharePoint Portal or the ATE with information to send the case to Files. • APS will notify Counsel through the Counsel SharePoint site. • Once a decision is entered with the Tax Court, Counsel will upload closing documents to ACDS and submit an intake request for closure and assessment through the portal. • APS will close the case in ACDS and IDRS following normal case procedures.
5	If the case is unagreed and docketed: • APS will forward the case to Counsel for trial preparation via SharePoint site. • The closed case will be stored electronically in ACDS.

	Counsel will upload the Form 1734, Transmittal Memorandum, decision, and other closing documents to ACDS and submit a closing/assessment request to the APS SharePoint portal. If Counsel has the administrative file they will keep it.
6	If the case is selected for Appeals Quality Measurement System (AQMS): - APS will receive a pop-up notification advising which AQMS reviewer is assigned. - APS will email the selection sheet to the AQMS reviewer. - AQMS reviewer will access the case using Appeals CEAS View and ACDS. - APS will close case in Processing Employee Automated System (PEAS) upon confirmation of case receipt by AQMS reviewer. - APS will verify IDRS postings.