



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

1.4.51

AUGUST 9, 2016

EFFECTIVE DATE

(08-09-2016)

PURPOSE

- (1) This transmits a revised IRM 1.4.51, *Resource Guide for Managers, Insolvency*.

MATERIAL CHANGES

- (1) Editorial changes have been made and citations have been updated where appropriate.
- (2) Organizational names and titles have been changed where appropriate.
- (3) Throughout this IRM, information about Doc 12109, *The IRS Supervisors Guide to Conduct and Discipline and Related Topics*, has been removed since that document is now obsolete.
- (4) Throughout the IRM references to Form B10 have been changed to B410 to reflect the new Proof of Claim form number.
- (5) IRM 1.4.51.2.2 was updated to include a reference to the Consolidated Appropriations Act, 2016, Pub. L. No. 114-113, Division Q, Title IV, §7803(a)(3).
- (6) IRM 1.4.51.11(4) was updated to clarify the Secured Period Flag should be worked within 10 calendar days of issuance in all Chapters except Chapter 7.
- (7) IRM 1.4.51.14.2 was updated to clarify that the CSED field on the AIS screen should be updated with the correct CSED, when necessary.
- (8) IRM 1.4.51-25 was clarified to indicate that if it appears the release will be delayed due to a Discharge Determination Report (DDR), mirroring, etc., and all statutory liens for periods listed on the Notice of Federal Tax Lien (NFTL) are satisfied as required under IRC § 6325, a manual lien release should be requested.
- (9) IRM 1.4.51-45 was updated to include a link to the OIC Pre-Qualifier tool.

EFFECT ON OTHER DOCUMENTS

This supersedes IRM 1.4.51 dated August 11, 2015.

AUDIENCE

Small Business/Self-Employed, Speciality Collection Insolvency Management

RELATED RESOURCES

- (1) IRM resources:
 - IRM 1.4.1.3, *Administrative Responsibilities*
 - IRM 1.5.2, *Uses of Section 1204 Statistics*
 - IRM 1.15, *Records and Information Management*
 - IRM 5.9.5, *Opening a Bankruptcy Case*
 - and 5.9.12, *Insolvency Automated Processes*
 - IRM 5.13.1, *Embedded Quality Administrative Guidelines*

- IRM 6.430.2, *Performance Management Program for Evaluating Bargaining Unit and Non Bargaining Unit Employees Assigned to Critical Job Elements (CJEs)*
- IRM 6.751, *Discipline and Disciplinary Actions*
- IRM 6.800.2, *Telework (Flexiplace) Program*
- IRM 10.4.1, *Managers Security Handbook*
- IRM 25.1.8, *Field Collection*

(2) Web Resources:

- Critical Job Elements (CJE): <http://hco.web.irs.gov/apps/cje/>
- Embedded Quality: <http://mysbse.web.irs.gov/sbseorg/eq/default.aspx>
- Human Capital Office (HCO) : <http://hco.web.irs.gov/>
- iManage: <http://ss.ds.irsnet.gov/sites/MRC/Pages/COPsDefault.aspx>.
- My SBSE: <http://mysbse.web.irs.gov/default.aspx>
- 2016 National Agreement with NTEU: <http://hco.web.irs.gov/lrer/negotiations/natagree/index.html>
- New Manager Orientation (NMO) Support Center: *New Manager Support Center website*
- Section 1203/RRA 98: <http://hco.web.irs.gov/lrer/conperf/1203issues/index.html>
- Telework: <http://hco.web.irs.gov/Telework/>
- UNAX: <http://irweb.irs.gov/AboutIRS/bu/pipds/pip/privacy/unax/default.aspx>
- Office of Professional Responsibility: <http://irweb.irs.gov/AboutIRS/bu/opr/default.aspx>

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1.4.51
Insolvency

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1.4.51.1
(08-11-2015)
Chapter Overview

- (1) This chapter discusses responsibilities of managers in Field Insolvency (FI) and Centralized Insolvency Operation (CIO). While many topics are touched upon in this chapter, comprehensive guidance about all of them cannot be included here. Remain alert for references to other resources, such as related IRMs and websites and access that guidance to ensure a thorough understanding of topics.

1.4.51.1.1
(08-09-2016)
Role of the Field Insolvency Manager and Centralized Insolvency Manager

- (1) Fundamental responsibilities for all managers are discussed in IRM 1.4.1, *Management Roles and Responsibilities*. An Insolvency manager must provide oversight and direction in a number of areas, which will result in accomplishing the mission of the Internal Revenue Service. Oversight responsibilities include, but are not limited to:
 - a. Ensuring employee case actions are timely and in accordance with current law, policies, and procedures.
 - b. Ensuring employees maintain high standards of professionalism in all their contacts with the public, internal customers and coworkers.
 - c. Ensuring employees observe taxpayer rights.
 - d. Ensuring employees are aware of ongoing changes to the laws, policies, and procedures that relate to their responsibilities (preferably during group meetings).
 - e. Addressing systems issues that impact either internal or external customer needs.
 - f. Ensuring cases are assigned timely and employee workload:
 - Reflects current priorities.
 - Reflects employee experience and skill level.
 - Addresses Servicewide objectives.
 - Protects public interests.
 - Allows for effective case processing.
 - g. Helping employees make the appropriate next case decision.
 - h. Ensuring employees are accountable for the appropriateness of their actions.
 - i. Providing ongoing employee feedback that is candid and meaningful and will establish a basis for determining an accurate assessment of performance and developmental needs.
 - j. Issuing the Critical Job Elements (CJE) timely in accordance with the current 2016 National Agreement and evaluating employees' performance against their CJE.
 - k. Creating and maintaining a work environment that will promote team work, positive working relationships, and increased employee satisfaction.
 - l. Ensuring employees have necessary functioning equipment and supplies.
 - m. Overseeing the time reporting process and ensuring that the group's End of Month (EOM) time and inventory data are accurate and timely.
- (2) Responsibilities also include:
 - a. Developing employees.
 - b. Evaluating employee performance and providing counseling.
 - c. Addressing employee conduct issues.
 - d. Fostering good working relationships.
 - e. Defining goals and course of action.
 - f. Assigning and directing work.
 - g. Instructing employees in the application of procedures and guidelines.
 - h. Displaying integrity in all actions.

- (3) Managers are empowered to address performance deficiencies within their group. This may be accomplished through reviews and/or by requiring concurrence with performing specific actions.

Example: It is found that Notice of Federal Tax Lien (NFTL) re-filing determinations are not being made in accordance with IRM 5.9.5.9.2, *Refiling Notices of Federal Tax Lien (NFTLs)*. The manager can require the employee to notify him or her at case closure of Automated Insolvency System (AIS) history documentation of the NFTL refiling determination.

For additional direction regarding performance issues see Exhibit 1.4.51-1, *Suggested Action Steps for Unacceptable Performance*.

- (4) Managers also oversee group remittance processing activities, including monitoring Form(s) 5919, Teller's Error Advice, sent to their group. See IRM 5.1.2.4.6, *Responding to Form 5919*.

1.4.51.1.2
(08-09-2016)
**Communicating
Expectations**

- (1) When a new group is established or a new manager is assigned to an existing group, a meeting with the employees must be held within the first 30 days. At this meeting the manager will communicate expectations to include the following topics:

- Group procedures
- Case work
- Use of time - office/field/Telework
- Timeliness of case activity
- Reasonable time frames for case actions. (See IRM 5.9.5.5, *Initial Processing Actions*, IRM 5.9.5.4, *AIS Documentation*, and IRM 5.9.16, *Insolvency Case Monitoring* for timeliness and time frames.)
- Case Review Schedule

These expectations should also be reviewed at the beginning of each fiscal year.

Note: This meeting is considered a 7114 meeting. Local National Treasury Employees Union (NTEU) chapter(s) must be notified of the meeting in accordance with Article 8, Union Rights, of the IRS/NTEU 2016 National Agreement.

- (2) When a new employee is assigned to an existing group, the group manager must meet with the new employee to discuss managerial expectations (see (1) above) and ensure appropriate on-line Forms 5081 are completed and processed. This meeting is considered a 7114 meeting. See the Note in (1) above.

1.4.51.1.3
(08-09-2016)
Group Meetings

- (1) Regular group meetings will be held as necessary to review items such as the following:
- Directives from the Territory Manager, Department Manager, Operation Manager, Director, and Headquarters
 - Procedural memoranda
 - IRM changes
 - Case resolution techniques
 - Changes in condition of employment
 - Automation issues

- Mandated topics not available on other media
- General group (employee) concerns

Note: Regular group meetings are not ordinarily considered 7114 meetings. The Union entitlement arises where there is a discussion of a personnel policy, practice or other general condition of employment.

Example: A discussion at a group meeting on the need to make timely TFRP determinations or how to handle a particular type of case would not ordinarily be considered 7114 issues. A group meeting addressing changes in condition of employment would ordinarily be considered a 7114 meeting.

Managers should seek guidance and advice from their servicing Labor Relations (LR) Section if they are unsure whether an agenda item for a group meeting constitutes a 7114 issue. Article 8, Section 1 of the 2016 National Agreement also provides guidance on 7114 Meetings.

1.4.51.1.4
(08-11-2015)
**End of Month (EOM)
Processing**

- (1) Managers are responsible for reviewing time reported by their employees to ensure accuracy. Using Collection Time Reporting System (CTRS), verify time prior to End of Month (EOM) processing (i.e., no later than close of business on the last Friday of the monthly reporting period). Consider the following:
 - a. Be alert for, and/or address as appropriate issues such as potentially excessive administrative time, discrepancies related to credit/compensatory/ holiday/training time, etc.
 - b. Perform weekly time verification and checks for all employees.
 - c. Refer to IRM 5.2.1, *Collection Time Reporting*, for specific information about Group Manager (GM) responsibilities related to time reporting.

1.4.51.1.5
(08-09-2016)
Functional Role

- (1) The Insolvency function is comprised of two operations, Field Insolvency (FI) and the Centralized Insolvency Operation (CIO), which must work together to provide customer service while addressing employee satisfaction in delivering improved business results. Three separate business units are directly involved in bankruptcy processing:
 - Specialty Collection Insolvency (Field Insolvency and CIO)
 - Collection Policy, Insolvency
 - SBSE Counsel
- (2) **FI.** Field Insolvency has many offices throughout the country. FI:
 - Works all aspects of Chapter 11, Chapter 12, Assignments and Receiver-ships.
 - Completes initial case review of Chapter 7 Asset (7A) and Chapter 13 cases.
 - Works Chapter 7 No Asset (7N) Large Dollar cases referred to them from CIO.
 - Refers Chapter 9 and Chapter 15 cases to Counsel for procedural guidance after clerical processing has been completed.
 - Responds to “complex issues” on any case regardless of chapter. (See IRM 5.9.1.4(3), *Complex Issues*.)
- (3) **Centralized Insolvency Operation (CIO).** The CIO is located in Philadelphia. The CIO:

- Performs initial clerical processing on cases for all bankruptcy chapters.
- Works Chapter 7 No Asset cases from 341 notice to closure including screening large dollar cases for exempt and abandoned property.
- Works Chapter 7A and Chapter 13 cases after initial case review until closure.
- Forwards Chapter 9 and Chapter 15 Insolvency Interface Program (IIP) reports and Chapter 11 Status 22 reports to FI to work.
- Completes mirroring of accounts.
- Reinstates all installment agreements at case closure, when the case meets IA reinstatement criteria.
- Sends complex issues to FI to work.

- (4) **Collection Policy.** Collection Policy, Insolvency establishes and oversees policy for the entire Insolvency program. Collection Policy, Insolvency:

- Owns IRM 5.9, IRM 5.17.8 - 5.17.11 and IRM 1.4.51.
- Prepares Interim Guidance.
- Owns AIS and all associated subsystems (APOC, ENS, EPOC, ADS, and IIP).
- Makes all policy decisions affecting Insolvency as an enterprise covering both the CIO and Field.
- Reviews FI and CIO procedures, alerts, training materials and job aids.
- Owns the Bankruptcy Law Advisory Rules Engine (BLARE) information system and participates on the BLARE rules committee.
- Submits requests for systems updates.
- Responds to suggestions made through Form 13380, *I Suggest*, Service-wide Electronic Research Program (SERP) Feedback and the Employee Suggestion Program.
- Interacts with other National Office analysts on issues that impact bankruptcy processing.
- Clears IRM bankruptcy sections written for other programs, such as Field Collection and Examination.
- Handles technical questions from FI and CIO.
- Performs program reviews of FI and the CIO.

- (5) **SBSE Counsel Coordination.** If an issue arises jeopardizing the government's best interests that cannot be resolved by Insolvency's contacting the debtor's attorney directly, Insolvency, depending on IRM criteria, may coordinate action(s) with Area Counsel, Department of Justice or other legal functions. (See IRM 5.9.4.14, *Referrals-Representing IRS in Bankruptcy Court*, IRM 5.9.4.14.1, *Direct Referrals*, IRM 5.9.4.14.2, *Referrals to Counsel (Non-Direct Referrals)*, and IRM 5.9.4.14.3, *Significant Bankruptcy Case Referrals*.)

1.4.51.2
(08-09-2016)
**General Managerial
Responsibilities**

- (1) IRM 1.4.1.3, *Administrative Responsibilities*, contains information about general managerial responsibilities. Place special emphasis on responsibilities shown in the following sections.

1.4.51.2.1
(08-09-2016)
Administrative

- (1) Group managers are responsible for oversight of certain administration functions for their employees including but not limited to:
- a. Maintenance of time and attendance records.
 - b. Certifying overtime records.
 - c. Approving scheduled and unscheduled leave.

- d. Controlling and approving travel.
- e. Maintaining safe working conditions.
- f. Holding group meetings.
- g. Keeping employees current on all applicable policies and procedures.

Other Administrative tasks include, but are not limited to:

- Ensuring group End of Month reports are completed correctly (verified, generated, and approved) by the due date.
- Completing quarterly 1204 self certifications.
- Oversight of supply procurement.
- Maintaining Employee Performance File (EPF) and Drop files for each employee.

Caution: Managers may delegate certain duties to a secretary/ administrative assistant; however, they retain oversight responsibility for those tasks.

- (2) Items managers must update individually with each employee annually include, but are not limited to:

- Form 6774, *Receipt of Critical Job Elements and Fair and Equitable Treatment of Taxpayers Retention Standard*
- Form 11386, *IRS Telework Agreement for Bargaining Unit (BU)*
- Form 7995, *Outside Employment or Business Activity Request*
- Form 10094, *Career Learning Plan- Employee*
- Form 6850-BU, *Bargaining Unit Performance Appraisal and Recognition Election*

- (3) Resources:

- IRM 1.4.1.3, *Administrative Responsibilities*
- Document 12990, *Records and Information Management Record Control Schedules*
- New Manager Orientation, <http://hco.web.irs.gov/apps/leads/nmo.html>
- iManage, <http://ss.ds.irsnet.gov/sites/MRC/Pages/COPsDefault.aspx>

1.4.51.2.1.1
(08-09-2016)

Employee Performance File (EPF)

- (1) Managers are responsible for establishing and maintaining an EPF for each of their employees.

- (2) Managers are responsible for ensuring the effective use of the EPF by:

- a. Ensuring that the proper documents are included in each EPF.

Note: See IRM 6.430.2.3.5, *Employee Performance File (EPF)*.

- b. Ensuring that filing and purging of performance related documents and records are in compliance with requirements.
- c. Keeping all performance records and documents secured.
- d. Forwarding EPF records of employees transferring to other Treasury Bureaus or to a different post of duty or manager within the Service.

- (3) Form 6774, *Receipt of Critical Job Elements and Fair and Equitable Treatment of Taxpayers Retention Standard*, is maintained in the EPF. Managers must update the form annually and ensure it is signed and dated. (See IRM 1.5.3.7, *Retention Standard for the Fair and Equitable Treatment of Taxpayers*.)

- (4) Recordations are included in the EPF. A recordation is defined as a manager's written record evaluating an employee in a positive or negative manner. For BU employees, a recordation must be furnished to an employee within fifteen (15) workdays of the time the manager becomes aware, or should have been aware, of the event that it addresses. If it is not furnished within fifteen (15) workdays, it cannot become part of the EPF.
- (5) Form 6850-BU, *Bargaining Unit Performance Appraisal and Recognition Request*, is maintained in the EPF. Electronic signatures may be used on Form 6850-BU, processed through HR Connect, however paper copies of the form must be maintained in the EPF.
- (6) The EPF is maintained in addition to and **separate** from the Employee Drop File (EDF). The EPF is not the same as the Official Personnel File (OPF). See IRM 1.4.1.8.4, *Official Personnel File (OPF)*.
- (7) For additional information regarding the specific items to be placed in the EPF and the retention period, refer to:
 - Human Capital Office website at: <http://hco.web.irs.gov/>
 - IRS/NTEU 2016 National Agreement, Article 12: <http://hco.web.irs.gov/lrer/negotiations/natagree/index.html>
 - IRM 6.430.2.3.5, *Employee Performance File (EPF)*
 - The assigned Labor Relations Specialist
 - HR Connect: <https://www.hrconnect.treas.gov/psp/hrprod/?cmd=login>

1.4.51.2.1.2
(08-11-2015)
Employee Drop File (EDF)

- (1) In addition to the EPF, a second file should be established for each employee. This is referred to as the drop file. The Employee Drop File is for other documentation *not related to performance*.
- (2) The drop file should contain anything that is not performance related, such as leave counseling and copies of disciplinary actions. Questions about the use of a drop file can be directed to the Labor Relations office.

1.4.51.2.1.3
(10-04-2013)
Medical Information

- (1) Employee medical information must be maintained separately from the EPF and EDF.
- (2) For more information, see IRM 6.630.1.5.4, *Safeguarding Medical Information*, and the HCO website: <http://hco.web.irs.gov/>.

1.4.51.2.2
(08-09-2016)
Protecting Taxpayer Rights

- (1) A primary responsibility of managers is to monitor employee practices and actions to ensure that taxpayer rights are always observed. In fact, Congress has now directed the IRS to ensure that all employees are aware of taxpayer rights. See Consolidated Appropriations Act, 2016, Pub. L. No. 114-113, Division Q, Title IV, §7803(a)(3).
- (2) The Taxpayer Bill of Rights contains the ten basic taxpayer rights. (See Pub 1, *Your Rights as a Taxpayer*):
 - a. The Right to Be Informed.
 - b. The Right to Quality Service.
 - c. The Right to Pay No More than the Correct Amount of Tax.
 - d. The Right to Challenge the IRS's Position and Be Heard.
 - e. The Right to Appeal an IRS Decision in an Independent Forum.
 - f. The Right to Finality.

- g. The Right to Privacy.
 - h. The Right to Confidentiality.
 - i. The Right to Retain Representation.
 - j. The Right to a Fair and Just Tax System.
- (3) Section 1203 of the Internal Revenue Service Restructuring and Reform Act of 1998 (RRA 98) calls for the termination of any employee of the Internal Revenue Service if there is a final administrative or judicial determination that the employee willfully committed any act or omission described below:
- a. Failing to obtain required approval signatures when making a seizure.
 - b. Providing a sworn false statement in a "material matter" concerning a taxpayer.
 - c. Violating the constitutional rights of or discriminating against taxpayers, taxpayer's representatives or employees.
 - d. Falsifying or destroying documents to cover a mistake concerning a taxpayer.
 - e. Receiving a criminal conviction or civil judgment for assault or battery on a taxpayer, taxpayer's representative or employee.
 - f. Violating the Internal Revenue Code (IRC), IRS regulations or policies to retaliate against or harass taxpayers, taxpayer's representatives or employees.
 - g. Willful misuse of IRC § 6103 to conceal information from Congressional inquiry.
 - h. Failing to file a federal tax return on or before its due date, unless it is due to reasonable cause.
 - i. Understating federal tax liability, unless it is due to reasonable cause.
 - j. Threatening an audit for personal gain or benefit.
- (4) There is an important distinction between evaluating performance under CJE 2, *Taxpayer Rights*, and evaluating compliance with the Retention Standard for the Fair and Equitable Treatment of Taxpayers. See the Human Capitol Office website <http://hco.web.irs.gov/perfmgmt/evaluation/evalperf/nonmgrpolicy.html> for more information.
- (5) Resources:
- *Form 6774, Receipt of Critical Job Elements and Retention Standard*
 - IRM 6.430.2.4.7, *Rating Performance Against The Retention Standard for the Fair and Equitable Treatment of Taxpayers*
 - IRM 6.430.2.2.5, *Discussing The Retention Standard for the Fair and Equitable Treatment of Taxpayers*
 - 1203 Issues: <http://hco.web.irs.gov/lrer/conperf/1203issues/index.html>
 - Retention Standard Resources: <http://hco.web.irs.gov/perfmgmt/evaluation/evalperf/nonmgrpolicy.html>
 - Office of Professional Responsibility website: <http://irweb.irs.gov/AboutIRS/bu/opr/default.aspx>
 - *Publication 947, Practice Before the IRS and Power of Attorney*
 - IRM 5.1.23, *Taxpayer Representation*
 - Taxpayer Bill of Rights: <http://irweb.irs.gov/AboutIRS/tbor/default.aspx>

1.4.51.2.2.1
(08-11-2015)

**Direct Contact For
Taxpayers With/or
Requesting
Representation**

- (1) Managers should ensure that their group is in conformance with IRC § 7521, *Procedures Involving Taxpayer Interviews*. It is also important to ensure that employees comply with guidelines about direct contact with taxpayers with representatives. Specifically, employees are required to:
 - a. Stop the interview with a taxpayer (unless required by court order) whenever a taxpayer requests to consult with a representative (e.g., accountant, CPA, attorney or enrolled agent, who is permitted to represent taxpayers before the IRS).
 - b. Obtain managerial approval to contact the taxpayer instead of the representative, if the representative is responsible for unreasonably delaying or hindering the completion of a collection action. See IRM 5.1.23.5, *By-passing a Taxpayer's Representative*.

Exception: Per IRM 5.1.23.5(6), *By-Passing a Taxpayer's Representative*, the IRS may work directly with a taxpayer to resolve an issue on the taxpayer's account if:

- 1) The taxpayer initiates the contact to resolve the issue on the account,
- 2) The taxpayer expresses a specific desire to resolve the issue without the involvement of the representative after the IRS employee has advised the taxpayer of the current representation, and
- 3) The taxpayer's desire to have the IRS work directly with the taxpayer instead of the representative is properly documented in the case file.

- (2) Examples of steps managers can take to ensure compliance by their employees are:

- Group meetings
- Case reviews
- Workload reviews
- Field visitations
- Office visitations
- Taxpayer/representative inquiries (if necessary)

1.4.51.2.2.2
(08-11-2015)

**Recording Taxpayer
Interviews**

- (1) A taxpayer or representative may request to use audio or video equipment to record an in-person interview. See IRM 5.1.12.3, *Taxpayer Recording of Interviews*, for information on responding to such requests. The right to make an audio recording does not extend to telephone interviews.

1.4.51.2.2.3
(08-11-2015)

**Fair Tax Collection
Practices**

- (1) Internal Revenue Code § 6304, *Fair Tax Collection Practices*, imposes certain restrictions with respect to tax collection. During a case review or upon receiving a complaint from a taxpayer, managers may identify a potential violation of those restrictions. Potential employee violations of IRC § 6304 must be reported to the assigned Labor Relations (LR) Specialist by the close of the next business day following notification of the alleged violation.
- (2) To ensure collected data is complete and accurate, use the following IRC § 6304 issue codes when reporting the potential violation. Labor Relations uses these codes for tracking on the Automated Labor and Employee Relations Tracking System (ALERTS).

- **141 - Contact with TP at Unusual Time/Place:** Contacting a taxpayer before 8:00am or after 9:00pm, or at an unusual location or time, or location known or which should be known to be inconvenient to the taxpayer.
- **142 - Contact TP without Rep:** Contacting a taxpayer directly without the consent of the taxpayer's Power of Attorney.
- **143 - Contact at a TP Employer, Prohibited:** Contacting a taxpayer at their place of employment when it is known or should be known that the taxpayer's employer prohibits the taxpayer from receiving such communication.
- **144 - Taxpayer Harassment:** Any allegation of taxpayer harassment should be reviewed along with the Internal Revenue Code (IRC 6304) because the provision is intended to be applied in a general manner when evaluating the alleged employee misconduct. Conduct which is intended to harass a taxpayer, or conduct which uses or threatens to use violence or harm is an absolute violation of the IRC.
- **145 - Taxpayer Abuse:** Any allegation of taxpayer abuse should be reviewed along with the Internal Revenue Code (IRC 6304) because the provision is intended to be applied in a general manner when evaluating the alleged employee misconduct. The use of obscene or profane language towards a taxpayer is an absolute violation of the IRC.
- **146 - Continuous Phone Harassment:** Causing a taxpayer's telephone to ring continuously with harassing intent.
- **147 - Phone Call without ID Disclosure:** Contacting a taxpayer by telephone without providing a meaningful disclosure of the IRS employee's identity.

(3) If violations are confirmed, work with a LR Specialist to determine the next appropriate action.

(4) Resources:

- IRM 5.1.10.6, *Fair Tax Collection Practices*
- IRM 1.5.3.7, *Retention Standard for the Fair and Equitable Treatment of Taxpayers*
- IRM 6.430.2.4.7, *Rating Performance Against The Retention Standard for the Fair and Equitable Treatment of Taxpayers*

1.4.51.2.2.4
(08-09-2016)

Ex Parte Communication With Appeals/Managerial Oversight

- (1) An "ex parte communication" is a communication that takes place between any Appeals employee and employees of other IRS functions, without the taxpayer/representative being given an opportunity to participate in the communication. Rev. Proc. 2012-18, *Ex Parte Communications Between Appeals and other Internal Revenue Service Employees*, applies to communications that take place after May 15, 2012, and clarifies the rules regarding ex parte communications.
- (2) Prior to approving Collection Due Process (CDP) cases for transmittal to Appeals, review Form 14461, *Transmittal of the CDP/EH Hearing Request*.
 - Ensure that narrative statements are limited to a neutral list of documents and neutral statements regarding actions taken and documented in the case history without any further discussion regarding the strengths and weaknesses of the taxpayer's appeal.
 - Ensure that no prohibited ex parte communications are included before approving the transmittal of the case to Appeals.

- (3) Managers must also ensure that no prohibited ex parte communications are included in Trust Fund Recovery Penalty (TFRP) case files or the AIS/ATFR case history before approving the transmittal of the case to Advisory.
- (4) If a taxpayer submits a written appeal after a (non-TFRP) Penalty Abatement Request is denied, and Appeals consideration is necessary, employees will forward the appeal to their manager for review and concurrence. The manager ensures that the AIS history is attached to the appeal request and that no prohibited ex parte communications are included before approving the transmittal of the case to Appeals. If the case history contains commentary that is determined to violate the ex parte communication rules, take appropriate action, which could include sharing the information with the taxpayer, and affording the taxpayer a reasonable period of time within which to respond, or other remedy within the discretion of Appeals at the time it is sent to Appeals.
- (5) If the appeal contains new information that requires additional investigation or Integrated Collection System (ICS) documentation, the caseworker must secure managerial concurrence of the decision to sustain penalty abatement denial. If the caseworker is unable to make contact with the taxpayer within a reasonable time period, the caseworker will forward the case file to the GM and the GM will take the following actions:
 - Prepare a letter to the taxpayer that identifies the new information and a brief summary of the results of the additional investigation.
 - Document issuance of the letter to the taxpayer in the case history and attach a copy of the letter to the taxpayer appeal.
 - Ensure that the case history is attached to the appeal request and that no prohibited ex parte communications are included before approving the transmittal of the case to Appeals.
- (6) Fast Track Mediation (FTM) can be used for TFRP protests as well as CDP and Equivalency Hearings (EH). The prohibition against ex parte communications between Appeals employees and originating function employees does **not apply** to FTM because the Appeals employees are not acting in their traditional Appeals settlement role. Ex parte communications, such as a private caucus between the Appeals mediator and Collection employees during the course of the mediation session, are permissible under the ex parte communication rules.
- (7) Resources:
 - IRM 5.1.9.5, *Communications with Appeals*
 - IRM 5.1.9.3.3.2, *Sending Hearing Request to Appeals*
 - IRM 5.1.9.3.8, *CDP and Equivalent Hearing Fast Track Mediation (FTM)*
 - IRM 8.1.10.4, *Opportunity to Participate*
 - IRM 5.1.15.16.4, *Penalty Relief Denial and Appeals*
 - IRM 5.7.6, *Trust Fund Penalty Assessment Action*

1.4.51.2.3
(08-11-2015)
IDRS Security

- (1) Integrated Data Retrieval System (IDRS) security briefings are included in the mandatory Annual On-Line Briefings. IDRS security should also be reinforced through discussions at group/unit meetings.
- (2) Employees should be reminded to complete *Form 11377, Taxpayer Data Access*, if an account is inadvertently accessed or otherwise applicable.

- (3) IRM 10.8.34, *IDRS Security Controls*, requires managers to review periodic IDRS Security reports for their groups. In Insolvency, primary responsibility for those reviews rests with Collection Information Technology & Security (CITS). Managers may be contacted by a CITS representative if they are unable to resolve a potentially questionable access made by an employee.
- (4) Generally, CITS will contact the manager via secure email. If contacted, the manager should take the following steps:
 - Take appropriate action to determine whether or not there was a business reason for the access. Actions may include conversations with the employee, review of case inventory, review of IDRS case controls, use of IDRS Online Reports Services (IORS) queries, review of audit trails, determining if access was by automated process, etc.
 - Provide feedback about their findings to CITS within five business days of their request
- (5) Resources:
 - IRM 10.8.34, *IDRS Security Controls*
 - *Form 11377, Taxpayer Data Access*
 - *UNAX Resources*: <http://irweb.irs.gov/AboutIRS/bu/pipds/pip/privacy/unax/default.aspx>

1.4.51.2.4
(08-11-2015)
**Employee
Safety/Security**

- (1) Safety and security is a high priority. Managers must become familiar with their responsibilities to ensure workplace safety for everyone.
- (2) See IRM 5.1.3, *Safety, Security, and Control* for information about safety and security topics.
- (3) Resources:
 - *Employee Resource Center* (ERC)
 - Safety and Health Information Management System (SHIMS) *EClaims Processing Center*

1.4.51.2.5
(08-09-2016)
Working With NTEU

- (1) Group Managers who supervise bargaining unit (BU) employees must:
 - a. Notify the requisite chapter(s) regarding 7114 meetings when they plan to discuss changes in personnel policies, practices and working conditions with their employees. Generally, *five workdays notice* is provided. See Article 8 of the 2016 National Agreement at: <http://hco.web.irs.gov/lrer/negotiations/natagree/index.html>
 - b. Make sure employees have the opportunity to be represented at formal discussions regarding employee grievances. See IRM 6.771.1, *Agency Grievance System (AGS)*, and IRS/NTEU 2016 National Agreement, other personnel matters, and conduct issues.
- (2) See Article 8 of the 2016 National Agreement for more information about how to identify 7114 meetings. Contact a LR Specialist if assistance is needed to determine if a meeting is a 7114 meeting.
- (3) Resources:
 - IRM 1.4.1.4, *Agreements with NTEU*, or contact the assigned Labor Relations Specialist.

- IRM 6.771.1, *Agency Grievance System (AGS)*
- 2016 National Agreement with NTEU: <http://hco.web.irs.gov/lrer/negotiations/natagree/index.html>.

1.4.51.2.6
(10-04-2013)
**Functional Security
Reviews**

- (1) Insolvency managers (or their designated representative) will conduct annual security reviews per guidance in IRM 10.4.1.8.1, *Functional Reviews*. The review must be documented and a copy of the documentation provided to the next level of management. Insolvency managers may use a *Form 12149, Functional Security Reviews for Managers*, to document their review. If another form of documentation (such as a memo) is used, managers should ensure that it covers all items shown on Form 12149 and contains the printed name/ title of reviewer, signature of reviewer and date of review.
- (2) Managers should refer to IRM 10.4.1, *Managers Security Handbook*, for Servicewide guidance about their responsibilities.
- (3) If a manager's reviews reflect that an employee repeatedly fails to observe security protocols, the manager should contact the LR specialist to determine the next appropriate action.

1.4.51.2.7
(08-11-2015)
Case Related

- (1) **Casework.** Managers must ensure Insolvency case actions comply with the requirements of the Bankruptcy Code Compliance Program (BCCP) while protecting the government's interest and educating debtors on their payment and filing responsibilities.
- (2) **Stay Violations.** Insolvency managers oversee resolutions of Bankruptcy Code stay violations ensuring corrective actions are initiated no later than **two work days** after identification by Insolvency caseworkers or notification from taxpayers, their representatives, other government agencies, or other IRS functions. IRM 5.9.3.6, *Automatic Stay*, gives an in depth discussion of the nature of stay violations.
- (3) **Discharge Violations.** When violations of the discharge injunction are identified, Insolvency managers must ensure caseworkers initiate resolutions of the violations no later than **two work days** after identification or notification. If the IRS receives adequate notice of the bankruptcy discharge, violations may occur after Insolvency has adjusted an account through the Automated Discharge System (ADS) or has made a manual adjustment. Violations can also arise while Insolvency's adjustment requests are pending. IRM 5.9.17.8, *Discharge Injunction*, provides more information on this topic.
- (4) **Review of Closed Cases.** Referrals from other IRS functions must be reviewed by Insolvency when a taxpayer facing collection claims a liability is no longer due because of a bankruptcy discharge. Insolvency must provide guidance concerning the dischargeability of periods to all other IRS functions.
- (5) **AIS Documentation.** Insolvency managers must direct subordinates to document all actions related to IRS's involvement in a bankruptcy proceeding in the AIS history, also known as the "History Screen." Insolvency is the primary repository of bankruptcy-related case actions for all functions of the IRS. (See IRM 5.9.5.4, *AIS Documentation*.)
- (6) **Objections.** Whenever possible Insolvency administratively resolves objections to IRS's actions in bankruptcy, usually involving proofs of claim, that otherwise would be handled by the US Attorney, Department of Justice, or Area Counsel.

Case specific matters that cannot be resolved administratively, such as objections to plan confirmation or requests for conversion or dismissal, are referred to Area Counsel, the US Attorney, or the Department of Justice (DOJ).

- (7) **Damage Claims.** Insolvency managers must process administrative damage claims pursuant to Treas. Reg. §§ 301.7433-2. (See IRM 1.4.51.2.7.1, *Payment of Damages*, below.)

1.4.51.2.7.1
(08-11-2015)
Payment of Damages

- (1) **Overview.** The Commissioner of the IRS has authority to pay damages and attorney's fees from general appropriations in the settlement of the Service's liabilities on claims for violations of the automatic stay and discharge injunction. Awards are categorized as either:
- Litigative - an award in the form of a settlement or judgment resulting from a lawsuit; or
 - Administrative - an award premised on an agency's claim authority.

Payment requests are processed through the Financial Management Service (FMS), and the treatment of the two categories of awards differs slightly. (See paragraphs (17) and (18) below.)

- (2) **Processing Office.** The processing office (FI or CIO) assigned to the case when the violation occurred will be responsible for processing claims for payment of damages up until a referral to Counsel is required. At that point the case becomes a complex issue and will be handled to conclusion by the assigned Field Insolvency office.
- (3) **Who May File a Claim.** The debtor, debtor's representative, or trustee may file a claim with the Service. The Service will directly pay the damages and/or attorney's fees if certain criteria are met.
- (4) **Willfulness.** The Service can only be held liable for damages and attorney's fees if it commits a "willful violation" of the stay or discharge injunction. "Willful" in this context means an act that was committed intentionally or knowingly. A willful violation occurs when the Service has received notice of a voluntary bankruptcy filing or of the court's granting of a discharge, and the Service does not respond timely to stop its collection activities.
- (5) **Identifying Willfulness.** To determine if a willful violation has occurred, Insolvency must verify the Service received notice of the bankruptcy or discharge order and:
- Subsequently engaged in collection activities, or
 - Failed to halt its collection activities.

Note: If the Service does not receive notice of the bankruptcy, action to collect may not be a violation of the automatic stay or the discharge injunction.

- (6) **Time frames.** Generally for a claim to be considered, the Service must have failed to take appropriate action within the time frames of the Bankruptcy Code Compliance Program (BCCP). Those time frames are reflected in the chart below:

Time Limits	Required Actions
Two work days	Initiate corrective action on violations of the automatic stay or discharge injunction.
Five work days	Process initial bankruptcy petition information and ensure input of TC 520.
10 work days	Review damage claim applications for damages and attorney's fees for completeness and willfulness determination.
30 calendar days	Process discharge/dismissal notices and initiate closing procedures.
60 calendar days	Provide the debtor with a written response concerning the acceptance or denial of the claim application.

- (7) **Exceptions to Time frames.** Regardless of general time frames, if an IRS employee initiates a collection action with knowledge of the stay or discharge, the action is a willful violation.

Example: If a debtor tells an employee he is in bankruptcy, and the employee proceeds with a seizure, the collection action is a willful violation.

- (8) **Claim Applications.** Because no standard IRS form for requesting payment of a claim has been published, a claim request must be submitted by letter. Field Insolvency offices must provide a claimant the nature of the information to be included in the application letter. To be considered complete, a claim must be in writing and include the following:

- The name, taxpayer identification number, current address, and current home and work telephone numbers (with an identification of any convenient times to be contacted) of the taxpayer making the claim;
- The location of the bankruptcy court in which the underlying bankruptcy case was filed and the case number of the case in which the violation occurred;
- A description, in reasonable detail, of the violation (include copies of any available substantiating documentation or correspondence with the Internal Revenue Service);
- A description of the injuries incurred by the taxpayer filing the claim (include copies of any available substantiating documentation or evidence);
- The dollar amount of the claim, including any damages that have not yet been incurred but which are reasonably foreseeable (include copies of any available documentation or evidence); and
- The signature of the taxpayer or duly authorized representative.

Note: Administrative costs, as defined in Treas. Reg. § 301.7433-1(b)(2)(ii), including attorneys' fees, are not recoverable as actual, direct economic damages, but these costs may be recoverable under IRC § 7430. See criteria in Treas. Reg. § 301.7430-8.

Note: Pro se debtors may not claim attorney's fees.

- (9) **Evaluating Claims.** The Service evaluates all claim applications for damages and attorneys' fees arising from willful violations of the automatic stay (11 USC § 362) or the discharge injunction (11 USC § 524). Claims must be evaluated within ten work days from the date of the claim's receipt by the Service. Insolvency must review the claim to determine:
- The completeness of information provided;
 - Evidence the Service's actions were willful; and
 - Damages and attorneys' fees are reasonable and adequately substantiated. (Guidance from Counsel may be required.)
- (10) **Incomplete Claims.** Incomplete claims must be returned to the claimant with a letter of explanation identifying the incomplete items. See Exhibit 1.4.51-2, **Pattern Letter for Incomplete Claim for Damages and/or Attorney's Fees..**
- (11) **Non-Willful Violations.** When Insolvency determines a willful violation of the automatic stay or discharge injunction did not occur, processing of the claim must halt. Insolvency must promptly forward its recommendation for rejection to Counsel.
- Note:** Claims for violations are generally rejected when the claimant has not established actual damages or attorney's fees.
- (12) **Delegated Authorities.** Delegation Order 25-10 found in IRM 1.2.52.11, *Delegation Order 25-10 (formerly DO-254)*, outlines approval authorities based on dollar amounts.
- (13) **Referral to Counsel.** Any claim for more than \$1,000 must be referred to Counsel for a legal opinion prior to its final disposition. A claim for any dollar amount that has been denied in part or in whole must be referred to Counsel for a legal opinion.
- (14) **Denied Claims.** If payment of a claim is denied wholly or partially by Insolvency, the rejecting office must prepare a rejection recommendation stating the reasons for the rejection and refer the claim application to Counsel. If Counsel renders an opinion contrary to the rejection recommendation, only a Territory Manager or the CIO Program Manager has the authority to disregard the Counsel opinion.
- (15) **Written Notification.** Upon receipt and evaluation of a complete application, Insolvency must send the claimant a written response within 60 calendar days of the receipt date stating the claim has been either rejected or accepted. See Exhibit 1.4.51-3, *Pattern Letter for Approval of a Claim for Damages and/or Attorney's Fees* and Exhibit 1.4.51-4, *Pattern Letter for Denial of a Claim for Damages and/or Attorney's Fees* for the applicable pattern letters.
- (16) **Civil Damages.** If a taxpayer's administrative damage claim is disallowed by Insolvency, or six months pass without a decision by the IRS or Insolvency, the taxpayer may file a civil action for the damages as provided for in IRC § 7433. If the debtor is an individual, the debtor may also request damages for violations of the bankruptcy automatic stay, whether or not an administrative claim has been filed.
- The maximum damage award for reckless and intentional disregard of the code is \$1 million.
 - Negligent disregard carries a maximum award of \$100,000.

- (17) **Payment of Administrative Claims.** When the claim application for administrative damages and/or attorney's fees is approved in whole or in part, Insolvency must follow the procedures set forth in IRM 25.3.3.9.4, *Reimbursement of Damages and Costs*, with the exception of using the letters named in that citation. Pattern letters applying specifically to Insolvency must be substituted. (See paragraph 15 above.)
- (18) **Payment of Litigative Claims.** Procedures in IRM 25.3.3.9.4, *Reimbursement of Damages and Costs*, should be followed when the claim application is for litigative damages and/or attorney's fees with the exception of the forms to be used. For litigative award funding FMS Forms 194, 196, and 197A should be used.
- (19) **Separate Payment Requests for Damages and Attorney's Fees.** When both payment of damages and attorney's fees have been authorized, Insolvency must request funding separately. For example if FMS Forms 196 and 197 are used for the damages award, then FMS Forms 196 and 197 must be used for payment of attorney's fees.
- (20) **Documentation.** The AIS history must include detailed information on all aspects of claims for damages and/or attorney's fees including:
- The date the claim was received by the IRS;
 - A summary of the issues cited in the claim;
 - The dollar amount being sought broken down by damages and attorney's fees;
 - A listing of documentation received by from the claimant;
 - Results of the review for claim application completeness;
 - Dates of correspondence sent to the claimant along with a summary of the correspondence's content;
 - Names of management officials involved in approving/denying the claims along with the dates of their involvement;
 - Date referral sent to Counsel;
 - A summary of Counsel's opinion(s);
 - Delegated authority's final determination to approve or deny the claim;
 - The dollar amount(s) to be paid broken down by damages and attorney's fees if claim approved;
 - Date appropriate forms are prepared and forwarded to FMS for funding if claim approved;
 - Date denial letter sent to claimant if claim denied;
 - Date check mailed to claimant if direct deposit not requested;
 - Claimant's response if received; and
 - Any other information relevant to the claim application and review process.

In addition, paper or electronic files of all forms and correspondence pertaining to the claim must be retained until the possibility of litigation expires. For partially or wholly denied claims, this is two years from the date of the violation.

1.4.51.3
(08-09-2016)

**Employee
Development/Training**

- (1) See IRM 1.4.1.6, *Employee Development*, for a full discussion of managerial responsibilities.
- (2) Group Manager roles and responsibilities in the area of employee development and training include but are not limited to:
- Overseeing orientation of new employees

- b. Overseeing training for new employees (formal and on-the-job)
 - c. Training and developing other employees including professional/technical and clerical staff
 - d. Assisting and advising employees preparing a Career Learning Plan (CLP)
 - e. Delegating acting managerial assignments
 - f. Continuing education for employees to maintain and update knowledge and proficiency in technical areas
 - g. Providing opportunities such as details to facilitate career development
 - h. Ensuring employees have a working knowledge of tools to perform their duties, (e.g., AIS, ATFR, ALS, etc.)
- (3) More information can be found at the Human Capital Office website: <http://hco.web.irs.gov/>
- Servicewide Training and Briefing Programs
 - Policy and Procedural Guidance
 - Other related training resource sites, IRS Learning Center etc
- (4) For BU employees, also see the IRS/NTEU 2016 National Agreement, <http://hco.web.irs.gov/lrer/negotiations/natagree/index.html>. (Articles 7, 12, 16, and 30) or contact a Human Resources Specialist.
- (5) Resources:
- IRM 1.4.1.6, *Employee Development*
 - Enterprise Learning Management System (ELMS): <https://elms.web.irs.gov/>
 - HCO website: <http://hco.web.irs.gov/>

1.4.51.4
(10-04-2013)
**Performance
Management**

- (1) The three balanced measures are: Employee Satisfaction, Customer Satisfaction and Business Results. These three balanced measures are part of every individual and organizational performance evaluation system within IRS.
- (2) IRM 6.430.2, *Performance Management Program for Evaluating Bargaining Unit and Non Bargaining Unit Employees Assigned to Critical Job Elements (CJEs)*, contains detailed guidance about evaluating performance. Refer to that IRM as well as the information following when evaluating performance.

1.4.51.4.1
(08-09-2016)
**Performance
Evaluations**

- (1) Preparing performance evaluations is one of a manager's most important responsibilities. In carrying out this task, the manager will observe how the employees are performing their duties and responsibilities to ensure that they are working efficiently and effectively to accomplish assigned tasks.
- (2) Because managers are responsible for implementing the policies and directives relative to performance evaluations, they should thoroughly familiarize themselves with all facets of performance appraisal/evaluation information including, but not limited to:
- a. Performance expectations
 - b. Mid-year and periodic performance reviews
 - c. Annual ratings
 - d. Acceptable level of competence
 - e. Unacceptable/ minimally successful performance
 - f. Competitive promotion appraisals
 - g. Employee performance folders (EPF)
 - h. Performance and recognition awards

- (3) A formal performance evaluation serves:
 - a. As a record of performance to support, recommend and initiate actions such as within-grade increases, promotions, award recommendations, re-assignments, details and adverse actions such as demotion or separation.
 - b. To provide an employee with a basis for additional training and development.
 - c. As a tool to improve the performance of individual employees.
 - (4) For employees new to the government, the first year of employment is a probationary period during which the employee must demonstrate successful performance and the capability to be promoted to the next grade level (if applicable). See IRM 6.430.2.4.3, *Employees Serving Probationary Periods*.
 - (5) Work closely with employees who are performing poorly, including probationary employees. Provide them with guidance/direction designed to assist them in improving performance. If performance improves, document the improvement accordingly. If performance fails to improve, refer to IRM 6.430.2, *Performance Management Program for Evaluating Bargaining Unit and Non Bargaining Unit Employees Assigned to Critical Job Elements (CJEs)*, and seek appropriate advice to determine next steps.
 - (6) Documentation of performance:
 - a. Providing feedback to the employee (positive and constructive) is essential to maintaining and/or improving their performance.
 - b. Keep an employee's overall performance in mind when discussing work and other activities. Let them know when some aspect of performance may influence their performance rating, a promotional opportunity or other personnel action.
 - c. Recordation serves as a snapshot of employee performance. Adequate documentation will be a reminder of changes in performance over the rating period.
- Reminder:** Notify employees of decreased work performance per guidance in IRM 6.430.2.3.3, *Acknowledging Decreased Work Performance*.
- (7) When writing review narratives be concise, but descriptive enough to provide an accurate picture of the strengths, developmental needs, and accomplishments of the employee in each CJE. (See IRM 6.430.2.4.6, *Completing Appraisal Narratives*.)
 - (8) Performance evaluations provide a uniform means for a written evaluation and rating of each employee's proficiency.
 - IRM 1.5, *Managing Statistics in a Balanced Measurement System*, describes how balanced measures are used to support individual as well as organizational performance. The three balanced measures are: Employee Satisfaction, Customer Satisfaction and Business Results. These three balanced measures are part of every individual and organizational performance evaluation system within IRS.
 - IRM 1.5.2, *Uses of Section 1204 Statistics*, provides specific guidance for SB/SE use of measures. This IRM provides information about the prohibition on the use of records of tax enforcement results (ROTERRs) to evaluate employees or to impose or suggest production quotas or goals.

- (9) Formal employee evaluations represent the sum of what managers have observed in each employee's work, using feedback, reviews, field visitations and other techniques discussed in this manual. Consider the following when evaluating performance for an annual appraisal:
- Position description
 - Critical Job Elements (CJEs)
 - Mid-year and other progress reviews
 - Employee's work products (management briefings, memos)
 - Employee's self-assessment
 - Feedback from taxpayers and other customers
 - Team assignments and contributions to work group
 - Special Achievements
- (10) Each employee will receive an annual performance evaluation. See information about Performance Appraisal Due Dates in the 2016 National Agreement, Article 12, Exhibit 12-1.

Note: A sample Annual/Mid-year Review Schedule has been provided in Exhibit 1.4.51-5, *Sample Annual/Mid-year Review Schedule*. Managers can tailor this sample to the criteria for their group to ensure appraisals are completed timely.

- (11) Employees may submit a self-assessment, limited to four (4) pages in length, no later than the last workday of his or her annual appraisal rating period. See IRM 6.430.2.4.5, *Self-Assessments*, and IRM 6.430.2.6(3), *Conducting the Performance Appraisal Meeting*.
- (12) Use only the work requirements of the particular position or specific work standards established by the Service to make Acceptable Level of Competence Determinations (i.e. determination that employee is performing at a fully successful level.)
- (13) For information on the suggested steps to make unacceptable performance determinations see Exhibit 1.4.51-1, *Suggested Action Steps for Unacceptable Performance*.
- (14) Resources:
- Human Capital Office website: <http://hco.web.irs.gov>. This website houses the CJE Resource Center, Manager Guide for Employee Performance Awards information, forms etc.
 - IRS/NTEU 2016 National Agreement <http://hco.web.irs.gov/lrer/negotiations/natagree/index.html> Articles 7,12,17,18 and 40
 - IRM 1.4.1, *Management Roles and Responsibilities*
 - IRM 6.430.2.3.3, *Acknowledging Decreased Work Performance*
 - IRM 6.432.1, *Reduction in Grade and Removal Based on Unacceptable Performance*
 - IRM 6.451, *Employee Performance and Utilization*
 - Other portions of IRM, Part 6, *Human Resources Management*
 - The assigned Labor Relations specialist

1.4.51.4.2
(08-11-2015)
Reviews (Overview)

- (1) Providing ongoing employee feedback that is candid and meaningful is essential to employee satisfaction and is an integral part of the group manager's responsibilities. Reviews of employee work should serve to:

- a. Assess the employee's effectiveness in meeting the expectations established in their Critical Job Elements.
 - b. Determine the employee's efficiency in carrying out the laws, procedures, and policies of the Service.
 - c. Identify and address performance problems.
 - d. Evaluate the employee's ability to properly plan and schedule field, office, and Telework activity.
 - e. Ensure the employee is taking timely and appropriate actions to bring the case to a prompt and proper resolution.
 - f. Assess employee effectiveness in developmental case assignments.
 - g. Determine the employee's effectiveness in meeting the IRS Retention Standard for the Fair and Equitable Treatment of Taxpayers.
 - h. Ensure taxpayers' rights are observed. See IRM 1.4.51.2.2 above.
- (2) All reviews relating to an employee's case work must be in writing. Managers must use EQRS to review individual cases, but other types of performance observation lend themselves to other methods. For reviews that consider employee activity across multiple cases (e.g., time utilization, office/field observation) a summary narrative, such as a memorandum, may be substituted. The EQRS Individual Feedback Report provides a record of ratings and the narrative comments in which the employee's performance is summarized. Become familiar with IRM 5.13.6, *Field Insolvency/Embedded Quality Attribute Definitions*, and Document 12656, *Field Insolvency Embedded Quality AIQ Collection Field Insolvency Job Aid*, which provides specific guidance related to Embedded Quality attributes and how to use them.
- (3) At the beginning of the fiscal year, group managers will develop a review schedule for the group that includes all mandatory reviews and optional reviews. Optional reviews may include additional office or field visitations, time and workload reviews, etc. The review schedule should provide for a fair and accurate assessment of the employee's overall performance throughout the rating period.
- (4) Mandatory reviews represent the minimum review requirements that must be completed for each employee. It is intended that the minimum requirements will provide managers with an opportunity to spend more time reviewing and developing employees that need additional feedback and assistance. Mandatory reviews include:
 - a. One or more annual field visitations or observation at a 341 hearing, whenever applicable and possible.
 - b. One or more time utilization reviews with each employee.
 - c. Mid-Year appraisals/reviews. The mid-year appraisal should occur at the midpoint (six-months) of the employee's appraisal period.
 - d. Annual performance case reviews. See IRM 1.4.51.4.2.2, *Requirements for Annual Performance Case Reviews*.
- (5) When necessary, based on case reviews, other forms of review, field or office observation, etc., managers have the authority to require their employees to obtain their approval before taking subsequent case actions.

Example: Employees who inappropriately extend deadlines or delay case actions can be required to obtain managerial approval of their extensions in the future so as not to delay timely case resolution.

- (6) Group managers will continually review information gathering activities by their employees.
- (7) For additional guidance on preparing reviews, narratives and appraisals see:
 - IRM 1.4.1.8, *Evaluating Performance*
 - IRM 5.1.3.7.1, *Information Gathering Guidelines*
 - IRM 6.430.2, *Performance Management Program for Evaluating Bargaining Unit and Non Bargaining Unit Employees Assigned to Critical Job Elements (CJEs)*

Note: Operational review aids for Territory Managers and the Area Director are presented in, Exhibit 1.4.51-45, *Operational Review Plan Guide* and Exhibit 1.4.51-46, *Director Operational Aid*.

1.4.51.4.2.1
(08-11-2015)
Case Reviews

- (1) Choose a sufficient number of cases for review to ensure a thorough evaluation of each employee's performance. Reviews should be tailored to individual needs. Scheduling of the analysis may be announced or unannounced at the option of local management.

Note: See IRM 1.4.51.4.2.2, *Requirements for Annual Performance Case Reviews*.

- (2) Ensure case selection contains a mix of cases representative of the employees assigned inventory.
- (3) Work submitted for approval or closure also provides an opportunity to evaluate individual performance as well as the overall quality of the group's product. When reviewing cases submitted for approval or closure, look for performance that reflects an employee's adherence to IRM standards as well as other established policies and procedures.

Caution: Confine written reviews to work performed during the employees rating period.

- (4) Use the *Embedded Quality Review System (EQRS)* for individual case reviews. The review items on the EQRS Individual Feedback Report correspond with the performance standards of an employee's critical job elements. In general, deficiencies relating to a critical job element should be noted as an area of special concern if found in 25 percent or more of the cases reviewed. There may be instances where a single deficiency (e.g., expired statute) is critical. The attribute narrative should summarize the employee's performance for each individual case reviewed.
- (5) Managers must also summarize the employee's overall performance on all cases reviewed, including the results of time utilization reviews, field/office visitations, etc., as part of the mid-year and/or annual performance assessment. Narrative feedback should address positive aspects, as well as areas for improvement, of an employee's performance. See Exhibit 1.4.51-6, *Insolvency Group Managers' EQRS Review Documents, Form 6850, and Narrative, General Guide*.
- (6) As part of the case review, prepare the EQRS Individual Feedback Report in duplicate and include all applicable case data. Both the manager and the employee must sign it. Give the original Individual Feedback Report to the employee for action on case recommendations. Retain the duplicate in the

EPF for follow-up. Discuss all recommended actions entered on the Individual Feedback Report with the employee to ensure that there is a complete understanding regarding the observations and direction.

- (7) If managers have directed specific case actions, a follow-up review should be scheduled 60-90 days after the initial review to ensure their instructions are being followed and the case is moving toward resolution. The follow-up review will generally be limited to the cases in which a follow-up review has been scheduled unless there is need to see other cases to document a performance trend. Using EQRS, prepare a narrative conveying the results of the follow-up review.
- (8) Written performance feedback (Individual Feedback Report, 6067, memorandum, etc.) must be provided to the employee within 15 work days. The 15 day time frame starts from the time the supervisor becomes aware of, or should have been aware of, the event addressed in the recordation/feedback item.
- (9) Although managers may suggest or request specific actions in the case history, they should avoid making numerous case decisions for the employee. Documentation of an evaluative nature should not be entered in the case history.
- (10) As part of any case review, determine if the assigned grade level is still accurate. See IRM 1.4.51.8, *Case Assignment Guide*.
- (11) It is important to ensure that employees comply with guidelines about direct contact with taxpayers with representatives. During case reviews ensure that taxpayer rights have been observed, particularly with respect to direct contact provisions. See IRM 5.1.23.3.2.3, *Written Communication to a Taxpayer's Representative*, and IRM 5.1.23.5, *By-Passing a Taxpayer's Representative*.
- (12) Resources:
 - Embedded Quality: <http://mysbse.web.irs.gov/sbseorg/eq/default.aspx>
 - CJE Resource Center: <http://hco.web.irs.gov/apps/cje/>
 - IRM 5.13.1, *Embedded Quality Administrative Guidelines*
 - IRM 6.430.2.4.9, *Rating CJE's*

1.4.51.4.2.2
(08-11-2015)
**Requirements for
Annual Performance
Case Reviews**

- (1) For employees GS-09 and below and all employees rated less than fully successful, select a sufficient number of cases for review that meet the criteria in IRM 1.4.51.4.2.1, *Case Reviews*. Review at least half of the cases prior to the mid-year progress review.
- (2) For employees GS-11 and above that are rated fully successful or higher, select a sufficient number of cases for review that meet the criteria in IRM 1.4.51.4.2.1, *Case Reviews*. Review at least half of the cases prior to the mid-year progress review.
- (3) Review plans should be tailored to fit the needs of individual employees.
- (4) Use EQRS attributes, case summary narratives and performance summaries for all reviews conducted during the rating period to create performance feedback. Feedback must indicate to the employee how they are meeting or not meeting the EQRS attributes and aspects of the critical job elements.
- (5) Provide the employee with the narrative within 15 work days and place a copy of the document in the EPF.

1.4.51.4.2.3
(08-09-2016)
**Field and Office
Observations**

- (1) Observing the employee during face-to-face contacts, either at 341 hearings or office meetings, provides an excellent opportunity for the manager to assess an employee's:
 - a. Ability to conduct interviews.
 - b. Ability to communicate and interact with taxpayers.
 - c. Knowledge of policies and procedures, including observance of taxpayer's rights listed in IRM 1.4.51.2.2, *Protecting Taxpayer Rights*, above.
 - d. Ability to deliver fair and courteous treatment to all taxpayers.
- (2) Conduct one or more annual field visitations, 341 observations, or office observations with each employee, whenever applicable and possible.
- (3) During observations, managers will evaluate the employee for:
 - a. Ability to secure material information necessary to determine appropriate case direction.
 - b. Delivery of fair and courteous treatment of taxpayers.
 - c. Ability to address the various rights of the taxpayer (Pub. 1, Pub. 594, IRC 6320 and 6330, Collection Appeals Program).
 - d. Ability to recognize and respond to taxpayer concerns, issues and interests.
 - e. Pre-contact preparation including appropriate questions at the 341 hearing.
 - f. Itinerary planning.
 - g. Effective use of time.
 - h. Ability to manage difficult, unexpected, complex or unusual circumstances.
 - i. Ability to appropriately recognize and address "Third Party Contact" situations.
 - j. Observation of proper *Disclosure* requirements.
- (4) Provide feedback based on all observations using a summary narrative, such as a memorandum.
- (5) Resources:
 - CJE Resource Center: <http://hco.web.irs.gov/apps/cje/>
 - IRM 5.1.1.10, *Third Party Contacts*
 - IRM 25.27.1 , *Third Party Contact Program*

Note: Refer to IRM 25.27.1, *Third Party Contact Program* for general servicewide guidance on third party contacts. Refer to IRM 5.1.1.10., *Third Party Contacts* for third party contact information specific to Collection casework.

- IRM 6.430.2.2.1, *Retention Standard for the Fair and Equitable Treatment of Taxpayers*
- IRM 11.3.1, *Introduction to Disclosure*

1.4.51.4.2.4
(08-09-2016)
Time Utilization Reviews

- (1) Conduct one or more Time Utilization Review annually with each employee. Use the Time Utilization Review to measure the overall effectiveness of the employee's office, field, and/or Telework. Make observations regarding work quality as appropriate, but the purpose of this review is to evaluate employee performance in effective use of time and accuracy of documentation.
- (2) Conduct the Time Utilization Review within fifteen (15) workdays of the day selected.

- (3) Time Utilization Reviews should be unannounced. Document the review with a memorandum or Form 6067, *Employee Performance Folder Record*, to summarize the observations.

TECHNIQUE

- Evaluate whether time spent on case actions matches the time charged as well as the nature and complexity of what is required in each case.
 - Evaluate whether the case actions taken are likely to move the case toward resolution.
 - Identify unproductive/inefficient activity and make recommendations for improvement.
- (4) Documents should be shared with the employee and maintained as part of the EPF to be used in preparation of the Mid-Year/Annual Appraisal.
- (5) IRM 5.1.30, *Resolution-directed Approach to Casework* and IRM 5.1.31, *Workload Management*, may assist in formulating guidance during these reviews.

1.4.51.4.2.5
(08-11-2015)
**Work Submitted for
Approval/Closure**

- (1) When work is submitted for approval, managers have an opportunity to evaluate an employees' performance. This also enables the manager to prevent deficiencies. Check for accuracy and level of quality before approving reports of currently not collectible taxes, installment agreements, requests for adjustment, seizure documents, TFRP investigations and recommendations, fraud referrals, and any other document prior to submission to another function. The quality of the work that leaves a manager's group is a reflection on the group manager.

1.4.51.4.3
(08-11-2015)
**Use of Statistical
Data/Section
1204/ROTERTs**

- (1) Section 1204 of the Internal Revenue Service Restructuring and Reform Act of 1998 (RRA 98) prohibits the use of Records of Tax Enforcement Results (ROTERTs) to evaluate employees or to impose/suggest production quotas/goals for any employee.
- (2) IRM 1.5.1, *The IRS Balanced Performance Measurement System*, provides guidance to prevent the use of statistics to:
- a. Evaluate employees, or
 - b. Impose or suggest production quotas or goals with respect to such employees.
- (3) ROTERTs are data, statistics, compilations of information or other numerical or quantitative recordings of the tax enforcement results reached in one or more cases. Managers are prohibited from using records of tax enforcement results to evaluate any employee who exercises judgment with regard to determining tax liability or ability to pay. This prohibition includes:
- Required or requested performance ratings (annual, mid-year, ad hoc)
 - Award recommendations
 - Assessment of an employee's qualifications for promotion, reassignment, or other change in duties
 - Assessment of an employee's eligibility for incentives, allowances or bonuses
 - Ranking for release/recall and reduction in force

Note: ROTERs **do not include** tax enforcement results of individual cases when used to determine whether an employee exercised appropriate judgment in pursuing enforcement of the tax laws based upon a review of the employee's work on that individual case.

(4) Managers are also prohibited from using ROTERs to impose or suggest production goals or quotas for employees or groups of employees. Examples of prohibited ROTERs include:

- Number of Proofs of Claim filed
- Number of delinquent returns secured
- Number of delinquent returns secured with full payment
- Number of seizures made
- Number of levies issued

(5) Resources:

- IRM 1.5.1, *The IRS Balanced Performance Measurement System*
- IRM 1.5.2, *Uses of Section 1204 Statistics*
- IRM 1.5.3.8, *Section 1204 Quarterly Certification Requirements*
- Internal Controls/Sec 1204: http://cfo.fin.irs.gov/CPIC/CPIC_Home.htm
- Section 1204: <http://mysbse.web.irs.gov/opsupport/hc/workforceplanningrelations/laborrelations/sect1204/default.aspx>

1.4.51.4.3.1
(08-11-2015)
**Tax Enforcement
Results (TER)s**

- (1) A TER is the outcome produced by an IRS employee's exercise of judgment in recommending or determining whether or how the IRS should pursue enforcement of tax laws.
- (2) TERs may be discussed in employee reviews (but not employee evaluations) to determine if the employee exercised appropriate judgment, used time efficiently and applied the laws in one or more cases properly. See IRM 1.5.2.10.1, *Permitted Use of TERs*.

1.4.51.4.3.2
(08-11-2015)
**Regulation 801/ Quantity
& Quality Measures**

- (1) Regulation 801 (9/1999 Rev 10/17/2005) implements the provisions of Section 1204 of the Internal Revenue Service Restructuring and Reform Act of 1998 (RRA 98), provides rules relating to the establishment of a balanced performance measurement system and sets forth rules governing the use of ROTERs.
- (2) *Quantity* measures consist of outcome-neutral production and resource data that do not contain information regarding the tax enforcement result (TER) reached in any case involving particular taxpayers. Examples of quantity measures include, but are not limited to:
- Cases started
 - Cases closed
 - Time per case
- (3) Performance measures based in whole or in part on quantity measures will not be used to evaluate the performance of any non-supervisory employee who is responsible for exercising judgment with respect to tax enforcement results.

- (4) The *quality* review of the handling of collection cases focuses on such factors as whether employees devoted an appropriate amount of time to a matter, properly analyzed the facts, complied with statutory, regulatory and IRS procedures, etc.
- (5) Resources:
 - IRM 1.5.2.12, *Quantity Measures*
 - IRM 1.5.2.13, *Quality Measures*

1.4.51.4.4
(08-11-2015)
Retention Standard

- (1) Regulation 801 provides that, in addition to all other criteria required to be used in the evaluation of employee performance, all employees of the IRS will be evaluated on whether they provided fair and equitable treatment to taxpayers.
- (2) Form 6774, *Receipt of Critical Job Elements and Fair and Equitable Treatment of Taxpayers Retention Standard*, is maintained in the EPF.
- (3) Resources:
 - IRM 1.5.3.7, *Retention Standard for the Fair and Equitable Treatment of Taxpayers*
 - IRM 6.430.2.4.7, *Rating Performance Against The Retention Standard for the Fair and Equitable Treatment of Taxpayers*
 - Retention Standard resources: <http://hco.web.irs.gov/perfmgmt/evaluation/evalperf/nonmgrpolicy.html>

1.4.51.4.5
(08-09-2016)
Within Grade Increase

- (1) An employee shall be advanced in pay to the next higher step of their grade upon meeting the following requirements:
 - a. Required waiting period completed;
 - b. No equivalent increase in pay received during the required waiting period; and
 - c. Fully successful performance in each of the critical job elements of their position.
- (2) Use only the work requirements of the particular position or specific work standards established by the Service to make Acceptable Level of Competence Determinations (i.e. determination that employee is performing at a fully successful level.).

Reminder: See IRM 6.430.2.5.4, *Within-Grade Increase (WGI) Determination*.

- (3) For information on steps to follow when an employee is not meeting an acceptable level of competence, Exhibit 1.4.51-7, *Action Steps for Acceptable Level of Competence Determination if an Employee Within Grade Increase (WGI) is Due*.

1.4.51.4.6
(08-09-2016)
Evaluation Due Dates

- (1) Each employee will receive an annual performance evaluation. The due date of an evaluation for any particular employee is based upon the last digit of the employee's Social Security Number (SSN). Refer to the 2016 National Agreement, Article 12, Exhibit 12-1 at: <http://hco.web.irs.gov/lrer/negotiations/natagree/index.html>.

1.4.51.4.7
(08-09-2016)
**Discipline/Disciplinary
Actions**

- (1) Discipline is defined as measures taken by management that are intended to correct employee misconduct, and encourage employee conduct in compliance with the standards of conduct, policies, goals, work procedures, and office practices of the IRS and the Federal Service. Employees must adhere to all known conditions and standards of conduct established to provide for the orderly and efficient administration of the Internal Revenue Service.
- (2) Employees who fail to comply with standards of conduct, work procedures and office practices will be subject to disciplinary action designed to correct the violation and motivate the employee to become a productive member of the Internal Revenue Service.
- (3) Managers are responsible for establishing *and maintaining* effective discipline within their work group. Managers must explain the work requirements and other standards employees are expected to meet.
- (4) When disciplinary action is required, it must be fair, equitable, impartial and as timely as possible.
- (5) A guide to assist managers in determining appropriate penalties to correct improper conduct can be found in IRM Exhibit 6.751.1-1, *Internal Revenue Service Guide to Penalty Determinations*.
- (6) Ensure to discuss and coordinate all proposed disciplinary actions with a Labor Relations Specialist.
- (7) Resources:
 - IRM 6.751, *Discipline and Disciplinary Actions*
 - IRM 6.752, *Disciplinary Suspensions and Adverse Actions*
 - The IRS/NTEU 2016 National Agreement, Articles 38 and 39 <http://hco.web.irs.gov/lrer/negotiations/natagree/index.html>

1.4.51.5
(08-09-2016)
Telework

- (1) Telework is a program that permits employees to work at home or at other approved locations other than the assigned post of duty.
- (2) There are three (3) forms of Telework:
 - a. Frequent
 - b. Recurring
 - c. Ad Hoc
- (3) See Article 50, Section 1B of the 2016 National Agreement for more information about the types of Telework.

1.4.51.5.1
(08-09-2016)
Managing Telework

- (1) Managing an employee participating in Telework is essentially no different than managing an employee in the office. Managers should ensure that their actions are in compliance with the 2016 National Agreement. The employee on Telework is still held accountable for the Rules of Conduct, Critical Job Elements, Time and Attendance, Ethics, and all other regulations applicable to their position.

Note: Per Article 50, Section 1F of the 2016 National Agreement: Telework is not a replacement for dependent/family care.

- (2) Managers should ensure that employees are responsive to all customers. Employees must check voice mail (VMS) and email (when accessible) to ensure external as well as internal customers (including managers) receive responses timely. It is appropriate for an employee to check their VMS and email prior to going to lunch and some time prior to ending their day. Employees supplied with pagers and cell phones should be expected to be more responsive.
- (3) Managers have the right to direct a Telework employee to report to the office when necessary. For example, when having meetings, which include group meetings, case reviews, training, etc. This should be planned so that the employee has ample time to report to the office during their regular commute time. When an employee plans or decides to make field calls during a Telework day the manager should be informed. This is referenced under Section 5A-2 of the 2016 National Agreement.
- (4) Article 50 of the 2016 National Agreement addresses Telework issues. Sections pertinent to the management of employees in a Telework environment are listed below:
 - a. A supervisor's official relationship with, authority over, and accountability for an employee participating in the Service's Telework Program (Frequent or Recurring/Ad Hoc basis) is no different than his or her relationship with, authority over, and accountability for employees who are not participating in said program. In this regard, the supervisor retains the authority to review, determine, and approve participation in this program. (Article 50/ Section 1A-5).
 - b. Employees may work more than 80 hours each month if they have elected to participate in Frequent Telework. Employees approved for a Frequent Telework arrangement will be provided equipment consistent with Article 50/Section 7A.
 - c. Employees approved for a Recurring Telework arrangement may work at the approved telework site for 80 hours or less per month (Article 50/ Section 1B).
 - d. Employees may participate in an "Ad Hoc" Telework Program. This allows the employee on a case-by case or daily basis to work at a Telework location, subject to approval by their supervisor. (Article 50/Section 2F-1).
 - e. Participants may be permitted to work at home or other Telework work sites full days or a portion of a day.

Reminder: Unless as otherwise provided by Article 50 Section 1C of the 2016 National Agreement: there is no limitation on how the work schedule may be configured as long as the scheduling is not disruptive to the work that remains in the office or cause an unreasonable burden on those who choose not to work a Telework arrangement.

- f. Management has the right to meet with employees to give assignments and to review work as necessary at either the official duty station, approved Telework location, or a mutually agreed upon site. (Article 50/ Section 4C.) This does not mean that 24 hour notification or union presence is required, but 24 hour notification is suggested.
- g. Employees must provide the supervisor and/or clerk in advance with all the specific information regarding their work schedule, type of work to be performed and location of the alternate work place. This includes the obligation to inform the supervisor when they are unable to perform work due

- to illness or other circumstances during the Telework TOD and requesting appropriate leave. (Article 50/Section 5A-1.)
- h. Employees must call the office to report time, to retrieve messages, and to notify the supervisor and/or clerk of changes in work locations. (Article 50/Section 5A.)
 - i. In order to ensure accountability, a participating employee and his/her supervisor must communicate at least one time during each pay period to verify the employee's time and attendance. (Article 50/Section 6F.)
- (5) If it is determined that an employee's work appears to be degrading from "Fully Successful" or is below a "Fully Successful" rating, managers should review Article 50 Section 2 of the 2016 National Agreement to determine whether the employee's continuation on Telework is appropriate. This occurs when any Critical Job Element (CJE) rating equals "2" or below.

Note: When considering removing an employee from Telework, ensure that the reasons for removal are well documented. This documentation may include but is not limited to EQRS Individual and/or Cumulative Feedback Reports, Form 6850 or memoranda. Managers must ensure that the employee is aware of the situation and should then monitor the employee's work product closely and develop a plan for improving that employee's work, just as would be done for an employee not on Telework. There is no prohibition per the 2016 National Agreement on any type of performance review following a period in which an employee has worked at their Telework site. Reviews may include "Time Utilization", "Time and Activity", or other performance based review. Ensure this also conforms with any applicable local Area agreement as well. The types and amount of time expended on Telework should be comparable to time in the office. For example, there should not be increased amounts of administrative or miscellaneous time, or increased time charged to cases with minimal actions taken.

(6) Resources:

- IRM 6.800.2, *Telework (Flexiplace) Program*
- Document 12524, *IRS Telework (Flexiplace) Program, Managers' Desk Guide* <http://core.publish.no.irs.gov/docs/pdf/50988c10.pdf>
- IRS Telework Program website: <http://hco.web.irs.gov/telework/>

1.4.51.5.2
(08-09-2016)
**Interaction With
Employees On Telework**

- (1) **A manager's official relationship with, authority over, and accountability for an employee participating in the Service's Telework Program is no different than that for employees who are not participating in the program.**
- (2) Manager responsibilities include:
- a. Meeting with employees at least once a year for the purpose of discussing, reviewing and updating the Telework Agreement.
 - b. Directing Telework employees to report to the office due to special circumstances.
 - c. Meeting with employees to give assignments and review their work as necessary at the official duty station, approved work site that includes their home, or mutually agreed upon site.
 - d. Inspecting the employee's work site when appropriate. Managers may visit the Telework site, with twenty four (24) hours notice, to ensure that Information Systems (IS) and sensitive information procedures are in place.

Reminder: Work site inspections are not expected to be routinely conducted. Inspect as necessary to verify IS/sensitive information procedures are in place.

- e. As with all employees, be proactive in identifying opportunities to rate CJE 1, Workplace Interaction/Involvement/Environment.
- (3) For an employee to remain on the Telework program, they must:
- a. Remain “Fully Successful” or above.
 - b. Not be subject to a conduct investigation in which management has sufficient evidence of serious wrongdoing that would impact the integrity and efficiency of the Service.
 - c. Continue to stay in compliance with Article 50, Section 2 of the 2016 National Agreement.

If any of the above circumstances do not apply, the employee may be suspended from Telework pending resolution of the performance and/or conduct investigation situations.

For further information, contact the assigned Labor Relations Specialist. Refer to IRS/NTEU 2016 National Agreement, Article 50. Coordinate proposed changes to Telework arrangements with a LR specialist.

1.4.51.6
(08-09-2016)

Recognition and Awards

- (1) Awards are opportunities for group managers to recognize and reinforce positive performance and behavior.
- (2) Managers are responsible for maintaining a working knowledge of the awards process.
- (3) Complete information regarding awards can be found on the Human Capital website at: <http://hco.web.irs.gov/perfmgmt/awards/index.html>
- (4) Resources:
 - IRM 6.451.1, *Policies, Authorities, Categories and Approvals*
 - IRM 1.4.1.8.3, *Recognition and Awards*
 - IRS/NTEU 2016 National Agreement, Article 18, <http://hco.web.irs.gov/lrer/negotiations/natagree/index.html>
 - The Human Resources Specialist

1.4.51.7
(08-11-2015)

Insolvency Workload Management

- (1) Managers are responsible for effectively managing the group’s workload. To accomplish this he or she must:
 - a. Ensure priority cases are worked.
 - b. Assign cases based on grade and priority level.
 - c. Balance inventories within the group.
 - d. Ensure case activity is progressing toward resolution.
 - e. Initiate methods to improve production, work processes, and/or to increase the quality of the work directed.
- (2) Managers must monitor key Insolvency processes to minimize the risk of damage claims by ensuring bankruptcy freeze codes are input and released on IDRS timely.
- (3) Managers should review the number of cases on the Court Closure Follow-up Report needed to monitor inventories identified as “at risk” for backlogs or lack of timely processing. Closure actions on discharged and dismissed cases must

be initiated within 30 days of notice. As a part of closing actions, managers must ensure liens are released timely when release is appropriate. IRM 5.9.17.17, *Release of Federal Tax Liens* provides procedures for lien releases which may include requests for manual lien release.

Note: When collection is being pursued on dischargeable liabilities after case closure, Notices of Federal Tax Lien (NFTL) should not be released.

- (4) Adherence to the following areas can promote efficiency in the flow of Insolvency work:
- Educating caseworkers to the range of information available in the AIS database and explanation of the screens and fields AIS reports access to format reports
 - Eliminating unnecessary or low value tasks to streamline processing as long as the elimination does not violate IRM requirements
 - Delegating management duties to GS-12 advisors and GS-12 specialists whose ratings exceed fully successful (Field Insolvency)
 - Delegating of management duties to team leads (Centralized Insolvency Operation)
 - Identifying potential or actual bottlenecks in workflow
 - Developing contingency plans to prioritize work during predictable seasonal increases in receipts and manual refund processing
 - Accessibility of all cases to the group
 - Respecting assignment of duties by operation established in IRM 5.9 and IRM 1.4.51
 - Elevating system change requests through the management chain up to Collection Policy

1.4.51.7.1
(08-11-2015)
**Total Inventory
Management (TIM)**

- (1) Strive for currency of inventory by encouraging employees to take the right action at the right time on each case.
- (2) Communicate to employees that it is expected that they work their inventory as a whole.

1.4.51.7.2
(08-09-2016)
Using AIS

- (1) AIS is the primary case management system for Insolvency managers. Managers should familiarize themselves with the AIS reports.
- (2) Use AIS to:
- a. Assist employees in managing their inventories.
 - b. Identify cases with which the employees may need assistance such as listed in IRM 1.4.51.7.3(3), *Case Management Tools*.
- (3) **Assigning Permissions.** Permissions for all AIS activities must be requested using the 5081 system. When submitting the Online 5081 the user should request the appropriate level of access based on their assigned duties. Manager's should review these requests and approve/deny them as necessary. After approval, an email will be sent to the User Administrators for the system and the user's information will be added/deleted/updated. At least once per year, managers should review their employees' permissions on the Employee Information screen on AIS to ensure the correct level of permissions. To access the Employee Information screen from the AIS Main Menu:
1. Under Misc Options, select "Support Menu".

2. Select "Employee Data".
3. "Query" the employee to be viewed.
4. Select "Execute".

Reminder: It is critical that the AIS profile accounts of employees that leave Insolvency, either through separation or transfer to a new operation, be inactivated immediately. When they are not inactivated quickly, there is potential for new and old case inventory to go un-monitored and un-worked. An AIS User Admin can inactivate the employee's profile account, when working submitted or systemic 5081 Delete User requests, as soon as the employee's manager reassigns the employee's CAG and transfers the employee's inventory.

1.4.51.7.3
(08-09-2016)

Case Management Tools

- (1) Managers are expected to use tools available to ensure cases in their inventory are handled with professionalism according to both the IRC and bankruptcy laws and rules and with the intent of protecting the rights of the debtor and the interests of the government.
- (2) AIS and other automated systems provide reports to help manage required actions. Use of certain AIS reports (or their equivalent) is mandatory. Use of the remaining reports to control case load is discretionary. Specially devised reports, prepared through My Eureka or other IRS approved software, may be substituted for standardized AIS reports.
- (3) Reports are tools for managing inventory. The Director determines which AIS reports are required to be worked, and how often they should be worked by employees. For managers, reviewing most AIS reports is optional and up to the discretion of the Territory manager; however, reviewing the following AIS reports or their equivalents is "Mandatory".
The following reports are required to be reviewed "**Weekly**" (Field Insolvency only):

- Automated Proof of Claim (APOC) Credits Posted After the Petition Date flag report. Exhibit 1.4.51-8, *Guide for APOC Reports*.
- APOC Lien Recorded Date Blank or > Petition Date flag report. Exhibit 1.4.51-8, *Guide for APOC Reports*.

The following report is required to be reviewed "**Bi-weekly**" (Field Insolvency only):

- APOC Secured Period flag report. Exhibit 1.4.51-8, *Guide for APOC Reports*.

The following reports are required to be reviewed "**Monthly**":

- Bar Date report (Field Insolvency only). Exhibit 1.4.51-9, *Guide for Bar Date Follow-up (F/U)*.
- Proofs of Claim F/U (Field Insolvency only). Exhibit 1.4.51-10, *Guide for Proofs of Claim Follow-Up Report*.
- Litigation Transcript System (LTS) reports. Exhibit 1.4.51-11, *Guide for the Litigation Transcript System Reports*.
- Case Grade report (Field Insolvency only). Exhibit 1.4.51-12, *Guide for Case Assignment Guide (CAG) Case Grade Report*.
- APOC Flagged Cases report. Exhibit 1.4.51-8, *Guide for APOC Reports*.
- Court closure follow-up report. Exhibit 1.4.51-13, *Guide for Court Closure Follow-up*.

- GUF report (CIO only). Exhibit 1.4.51-34, *Guide for GUF Report*

The following reports are required to be reviewed “**Quarterly**”:

- Tech Review F/U report. Exhibit 1.4.51-14, *Guide for Tech Review F/U Report*.
- Tech Review No F/U report (Using “My Cases” option on AIS). Exhibit 1.4.51-15, *Guide for Tech Review No F/U Report*.
- LAMS Closed Case or “You think it’s closed” report. Exhibit 1.4.51-16, *Guide for LAMS Closed Case Listing*.
- Pending Refunds report. Exhibit 1.4.51-17, *Guide for Pending Refunds Report*.
- ASED F/U. Exhibit 1.4.51-18, *Guide for ASED Report*.
- Unfiled Plans (Chapter 11 only). Exhibit 1.4.51-19, *Guide for Unfiled Plans Report*.
- Delinquent Case Report. Exhibit 1.4.51-20, *Guide for the Delinquent Case Report*.
- LAMS Post Petition. Exhibit 1.4.51-21, *Guide for Litigation Account Management System (LAMS)*.
- Refer To Counsel. Exhibit 1.4.51-22, *Guide for Referral to Counsel Report*.
- LAMS reports for Not Found on AIS. Exhibit 1.4.51-23, *Guide for LAMS Not Found on AIS Case Listing*.
- Non master file report. Exhibit 1.4.51-24, *Guide for Non Master File Listing*.
- Lien Research report. Exhibit 1.4.51-25, *Guide for Lien Research Report*.

The following reports are required to be reviewed “**Semi-Annually**”:

- CSED F/U. Exhibit 1.4.51-26, *Guide for CSED Report*.

The following reports are required to be reviewed “**Annually**”:

- Aged case report. Exhibit 1.4.51-27, *Guide for Aged Case Report*.

- (4) With Territory Manager’s or Department Manager’s approval, AIS reports may be replaced with reports designed with software products, such as My Eureka, that are compatible with the AIS operating system. To be approved the new reports must serve the purposes of the AIS reports and increase efficiency.
- (5) As each case on a report is worked, the caseworker should document the AIS history *if action is taken*. No AIS documentation is required if no action is taken on an account. Each case on a report should be checked off when action has been completed and the history is documented.
- (6) Minimum retention of completed reports be they optional or mandatory, unless specified otherwise by the Formal Retention Standards, for completed reports are as follows:
 - Weekly reports are retained for one month
 - Monthly reports are retained for one quarter
 - Quarterly reports are retained for six months
 - Annual reports are retained for two years

Note: When exceptions to these retention periods apply, the exceptions appear within the report exhibits found at the end of this IRM. Field Insolvency and CIO managers must establish controls to verify these reports are worked timely.

- (7) The chart below lists actions which are “Mandatory” in bankruptcy case processing. The chart separates duties overseen by managers in Field Insolvency, overseen by managers at the CIO, and duties which are supervised by managers in both functions. The links to exhibits and IRM references cited within the chart provide cross references to report tools or IRM procedures for meeting those actions.

Field Insolvency	Both	CIO
Meet bar dates. See Exhibit 1.4.51-9, <i>Guide for Bar Date Follow-Up (F/U)</i>	Resolve stay violations timely. See IRM 5.9.3.6, <i>Automatic Stay</i> .	Work DDRs timely. See IRM 5.9.17.3, <i>Time Frames for Required Actions</i>
Monitor plan filings and review plans. See Exhibit 1.4.51-20, <i>Guide for the Delinquent Case Report</i> See Exhibit 1.4.51-19, <i>Guide for Unfiled Plans Report</i> .	Monitor post-petition compliance. See Exhibit 1.4.51-21, <i>Guide for Litigation Accounts Management System (LAMS)</i> See Exhibit 1.4.51-11, <i>Guide for the Litigation Transcript System Reports</i> .	Run IIP processes C and D. See IRM 5.9.12.5, <i>Insolvency Interface Program (IIP)</i>
Attend 341 hearings when appropriate. See IRM 5.9.2.5, <i>First Meeting of Creditors</i> .	Protect collection statutes. See Exhibit 1.4.51-26, <i>Guide for CSED Report</i>	Run IIP process J. See IRM 5.9.12.5, <i>Insolvency Interface Program (IIP)</i> .
Protect assessment statutes. See Exhibit 1.4.51-13, <i>Guide for Court Closure Follow-Up</i> . See Exhibit 1.4.51-18, <i>Guide for ASED Report</i> .	Ensure timely responses to the Taxpayer Advocate. See IRM 5.9.3.9, <i>Taxpayer Advocate Service (TAS)</i> .	Download ENS. See IRM 5.9.12-1, <i>Tables for ENS Processing</i> .
Respond to claim objections timely and follow-up. See Exhibit 1.4.51-22, <i>Guide for Referral to Counsel Report</i> .	Generate and work litigation transcripts. See Exhibit 1.4.51-21, <i>Guide for Litigation Accounts Management System (LAMS) Case Listing</i> . See Exhibit 1.4.51-11, <i>Guide for the Litigation Transcript System Reports</i> .	Work IIP error reports and PIT reports. See IRM 5.9.12.5.2, <i>Potentially Invalid TIN (PIT) List</i> .
Submit plan objection referrals timely and follow-up. See Exhibit 1.4.51-22, <i>Guide for Referral to Counsel Report</i> .	Generate and work Aged Case Report annually. See Exhibit 1.4.51-27, <i>Guide for Aged Case Report</i> .	Work IIP status reports. See IRM 5.9.12.5.1, <i>IIP Status Reports</i> .
Address adequate protection when appropriate. See IRM 5.9.8.5, <i>Adequate Protection</i> . See IRM 5.9.9.5, <i>Adequate Protection in the Chapter 12 Case</i> .	Work LAMS Not Found on AIS report. See Exhibit 1.4.51-23, <i>Guide for LAMS Not Found on AIS Case Listing</i> . Work LAMS Closed Case List. See Exhibit 1.4.51-16, <i>Guide for LAMS Closed Case Listing</i> .	Run IIP 2 (ADS). See IRM 5.9.12.6, <i>Automated Discharge System</i> .

Field Insolvency	Both	CIO
File administrative claims. See IRM 5.9.8.12, <i>Post-petition/Pre-confirmation BMF Monitoring</i> . See IRM 5.9.8.12.1, <i>Post-petition Debts - Chapter 11 Individuals</i> . See IRM 5.9.8.16.4.2, <i>Post-Confirmation Tax Liabilities of the Individual Debtor (Post-BAPCPA)</i> . See IRM 5.9.13.11, <i>Administrative Claims</i> .	Release NFTLs timely. See Exhibit 1.4.51-25, <i>Guide for Lien Research Report</i> . See IRM 5.9.17.4.2, <i>Collection from Exempt, Abandoned or Excluded Property (EAEP)</i> .	Work ADS process K and L errors. See IRM 5.9.12.6, <i>Automated Discharge System</i> .
Monitor plan payments. See Exhibit 1.4.51-20, <i>Guide for the Delinquent Case Report</i> .	Load cases to AIS and ensure TC 520 input timely. See IRM 5.9.12.5, <i>Insolvency Interface Program (IIP)</i> . See IRM 5.9.12.7, <i>Electronic Noticing System</i> . See IRM 5.9.12-1, <i>Tables for ENS Processing</i> .	Distribute time sensitive mail timely. See IRM 5.9.11.3.2, <i>Time Sensitive Mail</i> .
Address delinquent plans. See Exhibit 1.4.51-19, <i>Guide for Unfiled Plans Report</i> . See Exhibit 1.4.51-28, <i>Guide for Plan Review Report</i> .	Address follow-up actions timely. See Exhibit 1.4.51-14, <i>Guide for Tech Review F/U Report</i> .	Mirror MFT 31 accounts for all chapters. See IRM 5.9.17.22, <i>Mirrored and Non-master File Modules</i> .
When incomplete prompt determination request received, advise requester of missing documentation when all documentation received, submit package to Exam. See IRM 5.9.4.8.1, <i>Processing Prompt Determination Requests</i> .	Review and sign manual refund requests. See IRM 5.9.16.4, <i>Manual Refunds</i> .	Receive and review prompt determination requests for acceptable submission; send complete packages to Exam and incomplete packages to Field Insolvency. See IRM 5.9.4.8.1, <i>Processing Prompt Determination Requests</i> .
Pursue exempt, abandoned, or excluded property when appropriate. See IRM 5.9.17.4, <i>Exempt Abandoned or Excluded Property (EAEP)</i> .	Balance inventories among caseworkers and/or groups. See Exhibit 1.4.51-12, <i>Guide for Case Assignment Guide (CAG) Case Grade Report</i> .	Work trustee refund turnover requests. See IRM 5.9.6.2.3, <i>Chapter 7 Tax Refunds to Trustees</i> .
Submit fraud referrals. See IRM 5.9.4.11.1, <i>Fraud Referrals</i> .	Identify cases mis-assigned by CAG or left unassigned by CAG and assign them manually. See Exhibit 1.4.51-29, <i>Guide for Case Assignment Reports</i> .	Post all payments received at the CIO regardless of chapter. See IRM 5.9.15, <i>Payments in Bankruptcy</i> .

Field Insolvency	Both	CIO
Secure delinquent returns. See IRM 5.9.4.15, <i>Unfiled Pre-petition Returns</i> . See IRM 5.9.4.16, <i>Unfiled Post-petition Returns</i> . See Exhibit 1.4.51-30, <i>Guide for 1714 Letter Follow-up Report</i> .	Verify correct case grade assignments through CAG. See Exhibit 1.4.51-29, <i>Guide for Case Assignment Reports</i> .	
Initiate referrals to Field Collection when applicable. See Exhibit 1.4.51-31, <i>Guide for Other Investigation (OI) F/U Report</i> . See Exhibit 1.4.51-32, <i>Guide for ICS Inventory Report</i> .	Identify fraud. See IRM 5.9.4.11, <i>Bankruptcy Fraud</i> .	
Request TFRP investigations from Field Collection timely or begin in-house TFRP investigations timely. See IRM 5.9.3.11, <i>Trust Fund Recovery Penalty</i> . See Exhibit 1.4.51-31, <i>Guide for Other Investigation (OI) F/U Report</i> .	Work Non-Master File (NMF) listing. See Exhibit 1.4.51-24, <i>Guide for Non Master File Listing</i> .	
Post Chapter 7 Asset, 11, and 12 payments. See IRM 5.9.15, <i>Payments in Bankruptcy</i> .		
Address significant cases. See IRM 5.9.4.14.3, <i>Referrals on Significant Bankruptcy Cases</i> . See Exhibit 1.4.51-33, <i>Guide for Large Dollar</i> .	Initiate case closure timely. See Exhibit 1.4.51-13, <i>Guide for Court Closure Follow-Up</i> .	
Take appropriate actions on post-petition liabilities. See Exhibit 1.4.51-11, <i>Guide for the Litigation Transcript System Reports</i> . See Exhibit 1.4.51-21, <i>Guide for Litigation Accounts Management System (LAMS)</i> . See IRM 5.9.16.3.2, <i>New Assessments Reports</i> .		

1.4.51.8
(08-11-2015)

Assigning Work

- (1) Managers are responsible for ensuring that cases are assigned at the proper grade, based on all indicators of case difficulty.

1.4.51.8.1
(08-09-2016)

Case Assignment Guide

- (2) Review reports monthly to ensure employees are not working over 25 percent direct time above grade.
- (1) The Case Assignment Guide (CAG) was developed to promote consistency in the assignment of graded Insolvency cases.
 - (2) AIS automates the grading and assignment of new cases received by Insolvency. The level of difficulty or grade of a case is based on characteristics apparent upon initial receipt. The pre-assignment grade is only an initial prediction and should be adjusted when post-assignment factors justify a change. See Exhibit 1.4.51-35, *CAG Pre-Assignment Factors*, and Exhibit 1.4.51-36, *CAG Pre-Assignment Difficulty Indicators*. Automated CAG uses the following four factors in the pre-assignment process:
 - Business Operating Division (BOD)
 - File source
 - Chapter
 - Balance due information
 - (3) Post-assignment factors are used either to reassign a case or to assign certain issues or tasks to an appropriately graded employee. Managers should be familiar with the post-assignment factors and take steps to reassign cases to the appropriate grade level of employee when the following post-assignment factors are identified:
 - Case action
 - Communication
 - Supervisory control

See Exhibit 1.4.51-37, *Post-Assignment Difficulty Indicators Factor 5: Case Action*, Exhibit 1.4.51-38, *Post-Assignment Difficulty Indicators Factor 6: Communication*, and Exhibit 1.4.51-39, *Post Assignment Difficulty Indicators Factor 7: Supervisory Control*.
 - (4) The post-assignment checklist, designed to perfect the post-assignment grade of an Insolvency case, is a guide for documenting final assignment. Managers are to measure cases against the three post-assignment factors before reassigning cases. While meeting all three factors is not necessary, cases will generally not be graded at a higher level unless a majority of the factors are met at the higher level or the case contains a difficulty indicator with significant impact. See Exhibit 1.4.51-40, *Post-Assignment Checklist Factor 5: Case Action*, Exhibit 1.4.51-41, *Post-Assignment Checklist Factor 6: Communication* and Exhibit 1.4.51-42, *Post-Assignment Checklist Factor 7: Supervisory Control*.
 - (5) Managers must designate employee assignment numbers for the inventories under their responsibility. All bankruptcy court jurisdictions must have an employee number assigned for every combination of chapter, case grade and alpha assignment. Once the inventory assignments have been designated, the manager must ensure the employee assignment information is entered in AIS for Automated CAG to work effectively. The Case Assignment Profile Matrix stores employee information so Automated CAG can assign cases to the appropriate employee. Employee assignment information cannot overlap. Exhibit 1.4.51-43, *Case Assignment Profile Matrix*, contains a template to be used as a guide in preparing the matrix. A template should be prepared for each court jurisdiction.

- (6) Automated CAG generates a suite of reports to assist Insolvency managers in monitoring the flow of newly assigned cases and in balancing inventories. These reports identify unassigned cases that may have to be manually assigned and are tools for selecting cases for review. (See Exhibit 1.4.51-29, *Guide for Case Assignment Reports*.)
- (7) CAG has a Manager Only menu option whose access is limited to Level 1 users. This option allows Insolvency managers to supervise the assignment of work and facilitates conducting case reviews. Managers, particularly those in Field Insolvency, play a pivotal role in both the pre-assignment and post-assignment processes. They must monitor inventory receipts to ensure new cases are properly graded and assigned. They must also verify previously assigned cases are reassigned and re-graded timely when appropriate. Corrective actions must be taken immediately by the manager or designated employee in the following situations:
 - a. When case dockets are ungraded, managers must input the appropriate information to grade and/or assign cases.
 - b. When cases are converted from one chapter to another, the cases must be manually reassigned and re-graded.
 - c. Errors from IIP Processes C & D must be resolved promptly because these errors can prevent Automated CAG from grading and assigning cases. Once the errors are resolved, CAG assigns the case when IIP is next run.
- (8) The Case Grade Report should be reviewed by Insolvency managers at least monthly to identify the distribution of graded case assignments. The report provides a list of employee assignment numbers and reflects the inventory distribution for each including the percentage of cases for each grade assignment. Reviewing this report will assist managers in monitoring inventories to ensure graded cases are assigned at the appropriate levels. (See Exhibit 1.4.51-12, *Guide for Case Assignment Guide (CAG) Case Grade Report*.) Review of this report may also identify ungraded cases that require grading. In order to see the specific cases that need grading run the Ungraded Case Follow Up Report. See Exhibit 1.4.51-29, *Guide for Case Assignment Reports*, for more information.

1.4.51.8.2
(08-11-2015)
Case Grade

- (1) Cases are issued with a case grade of GS -07, -09, -11, or -12. These case grade levels reflect the anticipated level of difficulty. Exhibit 1.4.51-36, *CAG Pre-Assignment Difficulty Indicators* reflects the criteria used to determine the case difficulty level.
- (2) Managers are responsible for reviewing and maintaining the correct case grade. Case grade levels can be either increased or decreased. There are systemic processes in place to predict the grade level of a case. If the predicted case grade does not appear to be accurate, the manager may re-grade the case per the Case Assignment Guide criteria in Exhibit 1.4.51-44, *CAG Post-Assignment*. This can be done at any time: upon receipt, upon assignment to an employee and during case reviews. Employees should be encouraged to bring mis-graded cases to their manager's attention.
- (3) Managers will not normally change the grade of a case unless it meets factors at the lower or high level. Document in the case history the reason for changing the grade of a case.

- (4) Managers should change the grade of a case if receipt of additional information or case circumstances warrant. If additional explanation is needed, the manager should write a narrative history as well.
- (5) When it is determined that the difficulty level of a case has changed, the manager may adjust the grade level.
- (6) Managers may need to consider a reassignment of the case if a grade level change is made.

1.4.51.8.3
(10-04-2013)
Maintaining Inventories

- (1) Group managers are responsible for monitoring inventory levels to ensure each employee has an appropriate number of cases that can be resolved most effectively and efficiently based on his/her grade level, experience and expertise.

1.4.51.8.3.1
(08-11-2015)
Inventory Adjustments

- (1) An inventory adjustment is a percentage-based adjustment to the standard range. It is based on an evaluation of time spent on activities other than work on assigned cases (direct case time) and normal overhead. Examples of situations where a manager may consider an inventory adjustment are:
 - a. Collateral assignments (e.g., NTEU Representative, EEO Counselor/ Investigator, details out of office, instructing assignments, coaching, etc.).
 - b. Customer Service assignments (e.g., Servicing walk-in taxpayers during filing season, ACS walk-in taxpayers).
 - c. Automation support.

When an adjustment to an employee's inventory is warranted because of any of these circumstances, use the projected time expenditure by the employee to determine the appropriate adjustment.

Example: A manager reviews a GS-12 employee's time over the last six months and determine the employee appropriately spent 25% of her/his time on collateral assignments. An adjustment of 25% is indicated in this case.

Inventory levels may be re-adjusted as warranted. Managers should perform quarterly reviews of actual time their employees spend on collateral assignments and make adjustments as needed. Adhere to these guidelines when considering any adjustments to employee inventories.

- (2) When additional cases need to be assigned, managers should look to the following sources for additional work:
 - Other employees
 - Other groups (with concurrence from the Territory Manager)

1.4.51.8.4
(10-04-2013)
Reassignment of Departing Employee Inventory

- (1) Where inventory will be abandoned for periods of 90 days or more (for example an employee is reassigned, on extended leave, or long term detail) the group manager will consider performing the following actions:
 - a. Holding assignment of additional work (after confirmation of the employee's effective date for detail, reassignment, retirement, etc.).
 - b. Reviewing all inventory with the departing employee (including cases on the AIS system) and identifying those which can be resolved prior to the employee leaving, or reassigned to the remaining employees in the group. The transfer of these cases should be completed within a reasonable

period of time, normally within 45 days. When appropriate, re-grade cases based on the post assignment criteria.

1.4.51.9
(08-11-2015)

Initial Case Processing

- (1) ***Insolvency Interface Program (IIP).*** The CIO must run IIP processes C and D daily to ensure new cases are processed timely. If IIP is unavailable the manager must direct employees to input bankruptcy freeze codes (TC 520s) with appropriate closing codes manually within **five work days** of receiving notification of new bankruptcies. (See IRM 5.9.5.6.1, *Closing Codes*, for TC 520 closing codes.)
 - a. Caseworkers must add bankruptcy court case information into AIS as soon as Insolvency receives electronic notice, paper notice, or referral information from other internal sources (e.g., ACS, Customer Service, or Accounts Management). Adding new cases to AIS is a CIO duty. However, Field Insolvency specialists and advisors are not prohibited from loading new cases that come to their attention through the identification of a stay violation.
 - b. The Potentially Invalid TIN (PIT) and Cross-Reference TIN Reports must be worked daily. The court debtor name and TIN data must match the master file information to allow the TC 520 to post to the correct taxpayer's account. The CIO will work all of these reports except for those pertaining to Chapter 9 and Chapter 15 cases. Cases that cannot be resolved by the CIO must be transferred to Field Insolvency for resolution.
 - c. IIP generates reports identifying cases in status 22 (ACS), status 24 (Federal Payment Levy Program - FPLP), status 60 (installment agreements), status 26 (field revenue officer), and status 71 (OIC). The CIO works all status reports except those pertaining to Chapter 9 cases, Chapter 15 cases, and some Chapter 11 cases. Cases that cannot be resolved by the CIO must be transferred to Field Insolvency for resolution. (See IRM 5.9.12.5.1, *IIP Status Reports*.)
 - d. TC 520 closing codes in the 60 - 67 series and 81, and 83 - 85 series are input taking into consideration court rules, standing orders, and the IRS's mission to increase compliance. Only the CIO is authorized to change closing code designations on IIP and may only do so with approval from Collection Policy.
 - e. Managers are to analyze the impact on work processes when the TC 520 closing code used by their group changes.

1.4.51.10
(10-04-2013)

Protection of the Government's Interest

- (1) ***Receipt of Notices.*** Insolvency must protect the interests of the government during bankruptcy proceedings. Following the procedures listed below will increase appropriate and timely processing actions.

1.4.51.10.1
(08-09-2016)

Proofs of Claim Filing

- (1) ***Timely Claims.*** In most cases to be timely, a proof of claim (POC) must be filed before 180 days (the government bar date) from after the date of the order of relief (which is the date the bankruptcy petition was filed in voluntary cases). (See 11 USC § 502 and Federal Rules of Bankruptcy Procedure Rule 3002.) Claims prepared through APOC processing should be filed prior to the first meeting of creditors. A full discussion of time frames for filing claims can be found in IRM 5.9.13.7, *Bar Dates*.
- (2) ***"Proof Required" and "Bar Date" fields on AIS.*** The "Proof Required" field on AIS is not protected. Anyone with update capabilities can change the field from "Y" (a claim is required) to "N" (a claim is NOT required). Caseworkers

can also alter the bar date field. Inappropriate alteration of the bar date may give the impression more time is available to file a POC than legally exists. The audit trail available in the CAG Manager's Only menu records information when the Proof Required or Bar Date fields are updated.

- (3) **Missed Bar Dates.** If a bar date has expired, the person identifying the missed bar date will, within 10 days, complete Part A of Form 14167, *Bar Date Expiration Report* and will enter a statement in the case history indicating that a preliminary Form 14167 has been prepared. If not prepared by the group manager, the completed Form 14167 should be forwarded to the group manager for review. Within 60 days of identification, the group manager will review the case history, and any other relevant information, determine if further administrative action is warranted, and whether disciplinary action is appropriate. The group manager will complete Part B of Form 14167 with the results of the investigation. If disciplinary action is warranted, the manager will prepare a memo that details why the Bar Date expired, and why disciplinary action is warranted. The Form 14167 and memo should be prepared and routed as follows:
- a. Field Insolvency- from group manager to Territory Manager. The Territory Manager will review the memo and determine if disciplinary action is warranted. Form 14167 will be forwarded to the Director, Specialty Collection Insolvency for signature. After signature, the case history will be updated to indicate that the final Form 14167 has been processed and the investigation completed.
 - b. Centralized Insolvency- from unit manager to Department Manager. The Department Manager will review the memo and forward to the Operation Manager for concurrence of no action/potential disciplinary action. The Operation Manager will forward the Form 14167 to the Director, Specialty Collection Insolvency for signature if disciplinary action is warranted.

Note: The report will not be required for expired bar dates in cases where the Service did not receive notification of the bankruptcy prior to the last day for filing a proof of claim as defined in Bankruptcy Rule 3002(c) or 3003(c), whichever is applicable.

Reminder: All Forms 14167 will be retained for 2 years.

1.4.51.10.2
(10-04-2013)
Adequate Protection

- (1) **Secured Assets.** Where valid NFTLs have been filed and the criteria in IRM 5.9.4.14.4, *Referral Tolerances*, are met, Insolvency should pursue adequate protection of the government's interest in assets that will lose significant value during the life of the plan.

Note: Adequate protection primarily concerns Chapter 11 and 12 cases, because debtors in those cases are generally operating an ongoing business and using property subject to liens such as inventory or accounts receivable. Pursuit of adequate protection is possible in Chapter 13 cases, but requesting a lift of the stay is often a more appropriate tactic.

1.4.51.10.3
(08-11-2015)
341 Hearings

- (1) **Attendance by Insolvency.** Representatives from Insolvency should attend § 341 first meeting of creditors when appropriate and staffing allows. (See IRM 5.9.2.5, *First Meeting of Creditors*.)

1.4.51.10.4
(08-09-2016)
Plan Review

- (1) **Significant Cases.** Significant cases must be referred to Counsel regardless of chapter. (See IRM 5.9.4.14.3, *Significant Bankruptcy Case Referrals*.) The AIS history must annotate if Counsel has assumed the responsibility for plan review.
- (2) **Review and Documentation.** IRM 5.9 provides detailed text and procedures for reviewing and documenting plans. (See IRM 5.9.5.4(3), *Chapter 13 Plan Documentation*, IRM 5.9.5.4(4), *Chapters 11 and 12 Plan Documentation*, IRM 5.9.8.14.2, *The Plan of Reorganization*, IRM 5.9.9.6, *Chapter 12 Plans*, IRM 5.9.9.6.2, *Plan Modification*, IRM 5.9.9.7, *Reasons to Object to the Plan*, and IRM 5.9.10.5, *The Chapter 13 Plan*.)

Note: If review of a plan is not documented in the AIS history, it is considered not to have been done.

- (3) **Confirmed and Amended Plans.** If proposed plan provisions affecting the treatment of the Service are deemed inadequate by the Insolvency specialist or advisor, the AIS history must include documentation of the confirmed plan or a statement that an inadequate plan has been confirmed. When a confirmed plan is amended, where the amendment affects the interests of the Service, the amended plan must be documented in the AIS history and the confirmed plan screen updated.

1.4.51.10.5
(08-11-2015)
Compliance Monitoring

- (1) **Multiyear Plans.** Insolvency caseworkers should monitor post-petition compliance by the debtor when long term plans are confirmed. Some debtors make high payments mandated by trustees by lowering their withholding or by failing to make federal tax deposits, leading to unpaid post-petition taxes. The Bankruptcy Abuse Prevention and Consumer Protection Act (BAPCPA) added provisions to address post-petition tax compliance in bankruptcy cases.
 - Any case filed on or after October 17, 2005, under any chapter, is subject to dismissal or conversion if the debtor fails to file a post-petition return. (See 11 USC § 521(j).)
 - In Chapter 11 cases filed on or after October 17, 2005, failure to file a post-petition return is an express ground for dismissing or converting a case. (See 11 USC § 1112(b)(4)(I).)
 - Because fewer options are available to address post-petition compliance in Chapter 12, (e.g., no provision in the Bankruptcy Code for filing post-petition claims), Insolvency should seek guidance from Counsel when appropriate.

See IRM 5.9.8.12, *Post-petition/Pre-confirmation BMF Monitoring*, IRM 5.9.8.12.1, *Post-petition Debts - Chapter 11 Individuals*, IRM 5.9.9.11, *Monitoring Compliance*, and IRM 5.9.10.9, *Post-petition Tax Liabilities*, for more information.

1.4.51.10.6
(08-11-2015)
Bankruptcy Fraud

- (1) **Fraud Detection.** All caseworkers, regardless of grade or position title, should review cases with an eye for indications of bankruptcy fraud. However, Field Insolvency is responsible for referring accounts to the Fraud Technical Advisor (FTA) or to Counsel when warranted. (See IRM 5.9.4.11, *Bankruptcy Fraud*, and IRM 5.9.17.7.2, *The Fraud or Willful Evasion Exception*.)

1.4.51.10.7
(08-11-2015)
NFTL Refiles

- (1) **NFTL Refile.** Procedures outlining the issues involved and the reviews required for potential NFTL refiles are found in IRM 5.9.5.9.2, *Refiling Notices of Federal Tax Lien*, IRM 5.9.8.16.2, *Monitoring the Plan and Reviewing for Refiling of the Notice of Federal Tax Lien (NFTL)*, and IRM 5.9.17.4.3(12), *Notice of Federal Tax Lien (NFTL) Refiles*.

1.4.51.10.8
(10-04-2013)
Unfiled Returns

- (1) **Estimated Claims.** Estimated claims for unfiled, unassessed tax periods impact collection of the correct amount of tax, because estimated claims prompt delinquent debtors to file tax returns. However, estimated claims filed by the Service can be the source of objections if debtors and their representatives are not aware of the unfiled returns.
- (2) **BAPCPA Change.** The Service has addressed compliance requirements brought about by BAPCPA by including annotations on claims and sending courtesy copies of Letter 1714 to trustees to provide information regarding unfiled returns. The Letter 1714 courtesy copy alerts the trustee that the Service may be amending its POC or filing a motion to dismiss or convert the bankruptcy. The trustee may wish to delay distributions or plan confirmation until this tax administration issue has been resolved.
- (3) **Correcting the AIS Plan Screen.** Managers must ensure estimated claims are amended when debtors' returns are filed and assessed if the debtors' returns do not reflect the amounts shown on our estimated claim. Whenever a claim is amended, the AIS plan payment screen must be adjusted to reflect the amended claim period(s), so collected funds are appropriately applied to tax rather than transferred to unidentified remittance.

1.4.51.11
(08-09-2016)
Automated Proof of Claim (APOC)

- (1) The APOC program systemically calculates and classifies liabilities to populate AIS proofs of claim fields so Forms B410 can be produced for the bankruptcy court. A full discussion on employee instructions for generating and perfecting APOC data is found in IRM 5.9.14, *Automated Proofs of Claim*. This IRM 1.4.51 subsection deals with manager reports and APOC permissions, topics not covered in IRM 5.9.14.
- (2) Managers can access the APOC program by selecting the "APOC" button from the AIS Home Page located under the AIS Interfaces option.
- (3) Cases that were selected for APOC processing but did not make it through the process will need to be "Restored to AIS" by an Insolvency Manager. Managers should select the "Restore Cases" button located on the APOC Case/Query Report screen to restore these cases when necessary. The *Restore X Cases* screen requires a Case Number and Court Key before the case can be restored to the AIS for APOC processing.
- (4) **APOC Reports.** The following is a list of APOC reports that should be reviewed by managers:
 - a. Flagged Cases Report. The Flagged Cases report lists all cases that have unresolved flags. Most flags should be worked at least **five** calendar days before the 341 meeting.
 - b. Credits Posted After Petition Date Report. The Credits Posted After Petition Date Flag report lists all modules with a TC designated as Pay in the Payment Designation Tables and the TC date is greater than the Petition Date. Since these credits could be in "**Violation of the Automatic**

Stay” caseworkers should work the cases on this report within **“five”** calendar days of APOC identifying the flagged condition.

- c. Lien Recorded Date Blank or After the Petition Date Report. The Lien Recorded Date Blank or After the Petition Date report lists all modules with a notice of lien date that is either not recorded on AIS, or the date recorded is greater than the Petition Date. Since these liens could be in **“Violation of the Automatic Stay”**, the caseworker should work the cases on this report within **“five”** calendar days of APOC identifying the flagged condition.
- d. Secured Period Report. The Secured Period report lists all modules classified by APOC as “Secured” based on AIS Lien records. The caseworker should work the cases on this report within **“10”** calendar days of APOC identifying the flagged condition for all chapters other than Chapter 7.
- e. Summary Report. This report provides the manager with statistical data relating to the processing of cases through APOC.

(5) **Permissions**. APOC permissions are defined as:

- Allow APOC Normal which is needed to work in APOC and must be assigned before any other access can be granted.
- Allow APOC Operator which is limited only to users approved to initiate APOC.
- Allow APOC Manager which allows the user access to the APOC Manager Menu.

Note: Only users with User Admin privileges will be able to add or change permissions in APOC. See IRM 1.4.51.7.2, *Using AIS*, for more information on obtaining AIS privileges.

1.4.51.12
(08-11-2015)
Insolvency and IDRS

- (1) Group managers are responsible for ensuring that their employees have access to the IDRS command codes necessary to perform their assigned tasks and required research.
- (2) Examples of the tasks Insolvency performs on the Integrated Data Retrieval System (IDRS) are:
 - a. Account research for a filing compliance check
 - b. Assigning a case to another area (e.g., assign a case to a revenue officer or the Automated Collection System (ACS))
 - c. Resolving incompatible data (e.g., matching data from the bankruptcy petition to a taxpayer’s name and social security number on IRS’s master file)
 - d. Accessing account information to prepare adjustment requests
 - e. Inputting or reversing bankruptcy freezes
 - f. Inputting account adjustments other than bankruptcy freeze actions (CIO only)
- (3) Whenever practical, Insolvency groups should not be included with IDRS data security work groups from other functions within SBSE (for example, Advisory or Field Collection). If the physical office accommodates two or more Insolvency groups, all of the Insolvency groups in the same office can be under the same IDRS group code. To change, consolidate, or request a new group code, the IDRS-Unit Security Representative (USR) or the Functional Security Coor-

dinator (FSC) must be contacted. By keeping Insolvency separate from other groups, managers can identify and oversee command codes needed to perform Insolvency specific duties.

- (4) Managers must ensure required security measures are in place regarding on-line IDRS account adjustments.
- (5) Managers should monitor command code usage by all members of the group. Suggested profiles for Insolvency employees are listed below:

Clerical Staff (303, 318) (used for running IIP, ADS, and resolving all correspondence reports)				
BMFOL	IMFOB	NAMES	TXMOD	BMFPG
IMFOL	REQ77	TRDBV	INOLE	SFDISP
RTVUE	INTST	SINOF	EMFOL	IRPTR
SINON	ENMOD	MFREQ	COMPA	FRM77
MFTRA	SUMRY	IADIS	NAMEE	TERUP
ACTON	AMDIS			

Note: The command codes listed for the clerical staff *must* be in their profiles for the corresponding programs to work properly. This is true for anyone running IIP or ADS.

Specialists, Advisors, (GS Series 1101, 1169) and Technicians (GS Series 592)				
ACTON	COMPA	INTST	SINON	UPDIS
SINOF	INOLE	ENMOD	IRPTR	STAUP
UPTIN	SFDISP	UPCAS	ESTAB	MFREQ
SUMRY	BRTVU	UNLCE	AMDIS	FRM77
MFTRA	TERUP	CFINQ	IMFOL	BMFOL
IADIS	NAMEE	TSIGN	TRDBV	REQ77
IMFOB	NAMES	TXMOD	EMFOL	FRM49
RTVUE				
Technicians (GS Series 592)				
ADC24	REQ54	ADD24	ENREQ	INCHG
ADJ54	DRT24	BNCHG	IAREV	IAORG

Note: Per local practice some Field Insolvency offices may opt to include command codes that deal with account adjustments other than bankruptcy freezes in the specialists' and advisors profiles. Assigned command codes must reflect the user's duties.

- (6) A command code is considered “sensitive” if it can be used to adjust account balances, change the status of a tax module or account, or affect the tax liability. Sensitive command code combinations give an employee the ability to perform more than one type of transaction where the intentional mishandling of a taxpayer’s account may occur (e.g., change the entity or address information of an account and transfer payments).

Managers who sign manual refunds are restricted from having these command codes in their personal profiles:

ADC24	DRT48	ADC34	FRM34	ADD24
INCHG	ADD34	REFAP	ADD48	RFUND
ADJ54	URAPL	AMCLS	URREF	BNCHG
XSAPL	DRT24	XSREF		

- (7) The following chart lists common IDRS command codes and their functions.

Insolvency Activity	Research Command Code	Action Command Code
Address Change	ENMOD	ENREQ, INCHG, BNCHG
Adjustments to Tax, Penalty, Interest, and Credit Reference Changes to IDRS Accounts	TXMOD	REQ54/ADJ54 REQ77/FRM77
Controlling a Case	TXMOD	ACTON
Credit Transfers	TXMOD	ADD24/ADC24/DRT24 ADD34/ADC34/FRM34 ADD48/ADC48/DRT48
Delinquent Account Issues	IMFOLI, TXMOD	
Delete Transactions, Same Day Input	TXMOD	TERUP
Dummy Account	SUMRY	MFREQ
Entity Information and/or Changes	ENMOD, INOLET	ENREQ, INCHG, BNCHG
Exam Issues	AMDISA	
Fact of Filing	IMFOLI	FFINQ
History Items	TXMOD	ACTON
Installment Agreements	IADIS	IAORG, IAREV
Interest and Penalty Bal Due Computations	TXMOD	INTST, COMPA

Insolvency Activity	Research Command Code	Action Command Code
Reassigning an Account	TXMOD	TSIGN
Requesting Returns, Transcripts	TXMOD, IMFOLI	ESTAB, MFTRA
Social Security Number Research	INOLET	NAMES
Tax Module Research	TXMOD SUMRY IMFOL BMFOL RTVUE BRTVU	
Unpostables	TXMOD	UPTIN, UPCAS, UPDIS
Display Taxpayer Name, Address, Spouse Cross Reference Data, Filing Requirements, DOB, BOD, etc.	INOLE	
Request IRP Transcripts for Specific TIN and Tax Year	IRPTR	
EIN Research	INOLET	NAMEE
Online Display of Tax Return Information	RTVUE, BRTVU	
Employee Master File Online	EMFOL	
Update the Status of Modules that Are or Have Been Bal Due Modules	STAUP	
Research for Trust Fund Recovery Penalty Assessment	UNLCE	
Enter IDRS	SINON	
Exit IDRS	SINOF	
Display All Command Codes in Your Profile	SFDISP	

(8) Resources:

- Document 6209, *IRS Processing Codes and Information*
- IRM 10.8.34, *Integrated Data Retrieval System (IDRS) Security Controls*

- IRM 2.3, *IDRS Terminal Responses*
- IRM 2.4, *IDRS Terminal Input*

1.4.51.13
(08-11-2015)
Closed Cases

- (1) Dismissal actions must be initiated within 30 calendar days of the Service's receiving notification of dismissal.
- (2) Managers must ensure case discharge processing begins no later than 30 calendar days after receipt of the discharge notice for all cases except non-liquidating corporate Chapter 11 cases or individual Chapter 11 cases commenced prior to October 17, 2005. Discharge actions on non-liquidating corporate Chapter 11 cases or individual Chapter 11 cases commenced prior to October 17, 2005, must be initiated within 30 calendar days of plan completion.

Note: Investigation into the pursuit of exempt, abandoned, or excluded property is considered to be an initiation of the discharge process.

- (3) The Service will initiate closing actions required for the release of liens on discharged taxes within 30 days of receipt of notice of the discharge order. The NFTL will systemically release once all adjustments have posted to IDRS. Generally, a manual release of the NFTL is not required. However, if a systemic release of the NFTL will not be issued, a manual release of the NFTL should be requested. Quarterly checking of the Lien Research report will identify liens that have not been released so corrective actions can be taken. See Exhibit 1.4.51-25, *Guide for Lien Research Report*. In the instance of individual Chapter 11 cases filed prior to BAPCPA or non-individual Chapter 11 cases filed at any time, closing actions will be initiated within 30 calendar days from plan completion. In these Chapter 11 cases, a manual release of NFTL may be required if the adjustments will not result in a systemic release of the NFTL within 30 days of receipt of the final plan payment.

Note: Under IRC 6325, if the assessments for any periods are fully satisfied via full payment, were abated other than due to a bankruptcy discharge, or have become legally unenforceable because the CSED has expired, the Service must release any liens securing these periods within 30 days.

- (4) If exempt, excluded or abandoned assets are identified, Insolvency managers should ensure prompt action is taken to determine if such assets are worth pursuing, including appropriate investigation and valuation of the assets. (See IRM 5.9.17.4.3, *Addressing Lien Issues* for specific time frames.) Once a determination is made not to pursue such assets, managers should ensure that caseworkers are initiating closing actions to adjust the dischargeable modules within 30 days of the determination, which will result in a systemic release of the NFTL. Generally, a manual release of the NFTL is not required. However, if a systemic release of the NFTL will not be issued, a manual release of the NFTL should be requested. Quarterly checking of the Lien Research report will identify liens that have not been released so corrective actions can be taken. See Exhibit 1.4.51-25, *Guide for Lien Research Report*.
- (5) Chapter 7 and Chapter 13 cases discharged by the court will be run through ADS by the CIO twice a week. ADS processing allows all discharged cases in these chapters to be reviewed by the same standards. Some circumstances may warrant a case's remaining open even though the court has entered a discharge. IRM 5.9.5.4(6), *Classifications and Summary Histories*, explains

procedures for these cases. A majority of cases are closed systemically as either non-dischargeable and a TC 521 is input, or dischargeable and a TC 971 is input followed by a TC 521 after a two-cycle delay. Discharge determination reports (DDR) are generated for cases that cannot be fully processed without caseworker intervention. Insolvency caseworkers must begin resolving DDRs within 30 calendar days of the Service's receiving notification of discharge. (See IRM 5.9.17.3, *Time Frames for Required Actions*.) Those DDRs for accounts assigned to the CIO and involving complex issues should be forwarded to the appropriate Field Insolvency office for resolution. The review frequency for DDR resolutions on specific cases is set by the CIO Operations Manager. IRM 5.9.18, *Automated Discharge System (ADS)* outlines procedures for running ADS and resolving DDRs.

- (6) A specialist or advisor evaluates the government's interest in exempt, excluded, or abandoned property if an NFTL:
- Was filed before the bankruptcy action began;
 - Is valid; and
 - Contains Unpaid Balance of Assessments (UBA) that exceed the established tolerance.

Attempts to collect the value of the interest may be made through direct contact with the taxpayer or taxpayer's representative, or the case may be referred to Field Collection via an Other Investigation (OI).

Reminder: Excluded property in the form of ERISA-style pension plans with anti-alienation clauses does not require the Service to have an NFTL on file before pursuing collection action. Insolvency specialists work these cases themselves usually eliminating the need to issue an OI. (See IRM 5.9.17.4.4, *Insolvency Levy Procedures for Excluded Retirement Plans*.)

1.4.51.14 (08-11-2015) Controls

- (1) An important aspect of workload management and quality control for Insolvency managers is the establishment of group controls and reviews. Use the EQ managerial review process to conduct case reviews.
- (2) Use AIS to monitor and maintain controls in these areas:

- Pyramiding
- CSED
- ASED
- Large Dollar
- No touch/activity for specific time period
- Higher graded duties

Take corrective actions when warranted. Any negative trends identified should be addressed on an employee by employee basis. Managers should also utilize the Tech Review Follow-up report to monitor ongoing case activities.

- (3) Insolvency must protect assessment statute expiration dates (ASEDs) and collection statute expiration dates (CSEDs). For information on ASEds and CSEDs including the effect of BAPCPA on cases filed on or after October 17, 2005, see IRM 5.9.5.7, *Serial Filers*, IRM 5.9.4.2.1, *BRA 94 and BAPCPA's Effect on Assessments*, and IRM Exhibit 5.9.6-6, *TC 520 Input Guide for Trustee Turnover Requests*.

Note: Statutes, while usually suspended for the debtor during the pendency of a bankruptcy, are not suspended for the non-debtor spouse, with exceptions occurring in community property states. If action is warranted against a non-petitioning spouse and time allows, consideration should be given to creating MFT 31 mirror modules so assessment or collection may proceed.

- (4) Once established, these control reports can be utilized to identify cases needing regular review and follow-up by the manager. Reviews should address issues such as:
 - a. Are timely and effective actions being taken to appropriately resolve the case?
 - b. Is the accuracy of high priority cases (CSED, ASED) being verified?
 - c. Are taxpayer rights being observed?
 - d. Is the employee providing good customer service?

1.4.51.14.1
(08-11-2015)
ASED Accounts

- (1) A TFRP ASED is generally three years from the date a return is filed or the due date of the return, whichever is later, for quarterly periods involving trust fund 941s, collected excise taxes, and annual 943s and 944s with trust fund tax. (See IRM 5.19.14.1.5, *Trust Fund Recovery Penalty Statute of Limitations*.)
- (2) Generate the ASED FU report from AIS at least quarterly to identify accounts where the Assessment Statute Expiration Date (ASED) for the Trust Fund Recovery Penalty (TFRP) will expire within the next twelve months.
- (3) Caseworker identification and history documentation of debtors with trust fund liabilities upon initial case review is essential because the ASED may be imminent. (See IRM 5.9.6.11.3, *Initial Case Review of the 7A Business Case by FI*, IRM 5.9.8.4, *Initial Case Review for Chapter 11*, and IRM 5.9.9.4.2(7), *TFRP Actions for Debtors*.)
- (4) Where trust fund taxes are an issue and a TFRP investigation has not been initiated by Field Collection, Field Insolvency must identify and document potentially responsible officers for the IRC § 6672 penalty. (See IRM 5.9.5.4(2) *History Documentation*.)
- (5) Managers must ensure information concerning in-business individuals and entities responsible for paying trust fund taxes are documented on AIS and tracked appropriately throughout the life of the bankruptcy.
- (6) If an ASED is identified as having expired while a case is governed by the bankruptcy freeze, the procedures in IRM 5.7.3.8, *Reporting Expiration of the TFRP Statute*, should be followed by Insolvency caseworkers.
- (7) The automatic stay indirectly prevents the IRS from assessing non-agreed proposed deficiencies on pre-petition periods because the time to file a Tax Court petition is tolled by the stay against the commencement or continuation of a Tax Court case. Examination staff monitor these unagreed proposals via a computer system called the Insolvency Noticing System (INS) generated by the Examination Returns Control System (ERCS). The Bankruptcy Exam Coordinator (BEC) in Technical Services, normally a revenue agent, coordinates with the Insolvency function to ensure the "open examination" field on the AIS entity screen indicates "Y" when an examination is pending.

- (8) Revenue agents and office examiners are instructed to contact the BEC when they identify TC 520s on audit transcripts or learn through the audit process a taxpayer is in bankruptcy. The information is passed on to Insolvency so the case can be added to AIS or updated and monitored until the proposed deficiency may be assessed.

Note: Assessment is allowed if the debtor agrees with the proposed deficiency, the court closes the bankruptcy case thereby lifting the automatic stay, or the court establishes the liability.

- (9) A process similar to that of field Examination governs Campus controlled cases. Campus exam cases are usually controlled by Campus correspondence units and the Automated Underreporter (AUR) units. Insolvency must coordinate actions with the lead of each SBSE Campus group for correspondence cases and with the lead of each Campus AUR group.
- (10) Campus Examination employees have access to AIS to monitor modules with open controls on IDRS. Campus employees contact Insolvency caseworkers with the status of underreporter proposed deficiencies if they have not received agreements to their statutory notices of deficiency. Cases pertaining to pre-petition periods receiving no response are classified as unagreed cases and are barred from assessment during the pendency of the bankruptcy if the bankruptcy petition was filed prior to the expiration of the time period for filing a petition in tax court.
- (11) Some Campus Exam units have been provided with read-only access to AIS and have received sufficient training to allow them to determine the status of a case without contacting Insolvency. Other Campus Exam units without AIS access or skills may monitor the proposed assessments in suspense status and contact Insolvency periodically for an update of the bankruptcy status.
- (12) TEFRA applies to partnership examinations. After a partner files a bankruptcy petition, the Service has at least one year to assess a TEFRA deficiency. While the bankruptcy rules provide the Service is to receive notice of all Chapter 11 cases, no specific requirement exists for the debtor to provide the government notice of the bankruptcy in all TEFRA cases. These cases require immediate Insolvency attention when they are identified. Insolvency should consult the Bankruptcy Exam Coordinator for guidance.
- (13) Insolvency caseworkers are charged with:
- Recognizing imminent ASEDs (See Exhibit 1.4.51-18, *Guide for ASED Report*);
 - Initiating actions to ensure ASEDs are protected;
 - Monitoring trust fund ASEDs as long as the taxpayer is complying with the terms of a Chapter 11 plan (See IRM 5.9.8.10, *Trust Fund Considerations in Chapter 11*);
 - Coordinating with Field Collection if appropriate (See IRM 5.9.6.15, *Trust Fund Recovery Penalty* and IRM 5.9.8.10, *Trust Fund Considerations in Chapter 11*); and
 - Notifying the BEC when a bankruptcy case with a pending deficiency assessment closes allowing the BEC to proceed with the assessment before the ASED expires.

1.4.51.14.2
(08-09-2016)
CSED Accounts

- (1) Generate a report from AIS at least semi-annually to identify accounts for which the Collection Statute Expiration Date (CSED) will expire within the next twelve months. (See Exhibit 1.4.51-26, *Guide for CSED Report*.) Review those cases to:
 - a. Verify the accuracy of the CSED, and take corrective action if needed, including updating the CSED field on the AIS screen with the correct CSED, and/or taking actions as described in paragraph (2) below.
 - b. Ensure that timely and effective action is taken.
- (2) The CSED displayed may be invalid in certain cases. The CSED shown is always for the earliest assessment on the module. If that assessment is paid, the true CSED is for a later assessment (for example, an adjustment or deficiency assessment). If that is the case, request command code CSEDR to eliminate erroneous CSEDs from future monthly reports.
- (3) **CSED Extensions.** Typically the time for which a bankruptcy stay is in effect plus six months is added to the collection statute after the stay of collection is terminated. IRM 5.9.4.2, *ASED/CSED*, provides more information on CSED computations.
- (4) **Imminent and Expired CSEDs.** The procedures outlined in IRM sections 5.1.19.5 through 5.1.19.5.6 should be followed when addressing imminent (CSED will expire in 12 months or less) or expired CSEDs under the bankruptcy freeze, substituting the words "Insolvency caseworker(s)" for "revenue officer(s)."
 - If the statute expires, see IRM 5.16.1.2.2.5, *Report of Statute Expiration*.
 - Should a CSED expire without prior approval, follow procedures in IRM 5.1.19.5.5, *Collection Statutes That Expire Without Prior Approval*. The memo should be prepared and routed as follows:
 - a) Field Insolvency from group manager to Territory Manager, and, if warranted, to the Director.
 - b) Centralized Insolvency from unit manager to Department Manager, and, if warranted, to the Operation Manager.

1.4.51.15
(08-11-2015)
Quality

- (1) The IRS vision focuses on three high level goals: service to each taxpayer, service to all taxpayers, and productivity through a quality work environment. IRS has developed a set of Balanced Measures in three major areas: Customer Satisfaction, Employee Satisfaction and Business Results. Business Results is comprised of measures of quality and quantity. In reaching our goals we consider our impact on customer and employee satisfaction while we strive to improve quality and achieve quantifiable results. The Embedded Quality (EQ) process was developed to support Balanced Measures objectives.
 - a. EQ is a tool designed to assist managers in identifying areas of strength and need in their employees' individual performance. Employee performance is evaluated against attributes that are designed to identify actions that move cases toward closure through appropriate and timely case activity. The attributes link individual performance to organizational goals and are used by both managers and National Quality Reviewers to assess significant case actions.
 - b. EQ enables the manager to measure the quality of both individual and group performance. It allows National Quality Review to assess the quality

- of the function to facilitate recommendations for improvement through policy changes, training and updated procedural guidelines.
- c. The focus of EQ is on improving performance while the performance occurs. The attributes can be measured on open or closed cases. EQ is designed to identify gaps in quality case work at the earliest point in activity. It assists the manager in targeting corrective steps that positively impact performance.
 - d. To conduct employee case reviews, managers use the Embedded Quality Review System (EQRS) to rate case actions against the attributes. EQRS also provides managers with tools to capture and share review feedback to show employees how they performed in relation to both the attributes and their CJE's. This should assist managers in providing employees with specific examples of how to sustain or enhance their performance.
- (2) An important aspect of workload management and quality control for Insolvency managers is the establishment of group controls and reviews. Use the EQ managerial review process to conduct case reviews.
 - (3) Managers are responsible for the quality of all work assigned to their group and for all work which leaves their group regardless of the methods used. Managers must devise a system of quality control which works for them. Consider:
 - a. Encouraging employees to work with their manager to improve the quality of their work.
 - b. Devising a plan to ensure a high level of quality in the group.
 - c. Using National Quality Review System (NQRS) reports available through EQ systems as diagnostic tools to focus attention on specific quality issues. The EQRS application used by front line managers and the NQRS application used by centralized reviewers mirror each other and feature numerous reporting capabilities that will facilitate comparison of results from both reviews at various levels of the organization.
- Example:** If specific aspects of NQRS reports for a certain Area Office start to decline, area, territory and even group results for the same aspect measured under the managerial EQ review can be viewed to help isolate potential root causes.
- (4) In planning a program, keep in mind that the best use of a manager's time is coaching employees and assisting them in the successful resolution of cases, especially those that are more complex.
 - (5) Reviews can help determine an employee's needs for training and development. This will help decide how much time to devote to each employee.
 - (6) Choose from the following reviews and controls in designing a plan:
 - a. Field visitations.
 - b. Office observations.
 - c. Spot reviews of open and closed cases.
 - d. Formal inventory analysis.
 - e. Time utilizations.
 - f. Reviews of work submitted for approval.
 - g. Initial contact reviews.
 - h. TFRP cases pending determination or recommendation.

- i. Regular reviews of high priority cases (ie. pyramiding, CSED, ASSED, large dollar and in-business accounts).

1.4.51.15.1
(08-11-2015)

NQRS

- (1) National quality reviewers use a similar web-based system called the National Quality Review System (NQRS). A cornerstone of EQ is that quality reviewers and managers use the same basic set of attributes. This should minimize the concern that national reviewers are applying different criteria than managers when reviewing cases. However the national quality reviews will **not** be used to evaluate individual employee performance. NQRS attributes are not linked to employee CJE's; instead each attribute is mapped to one of five Quality Measurement Categories:

- a. Timeliness
- b. Professionalism
- c. Procedural Accuracy
- d. Regulatory Accuracy
- e. Customer Accuracy

1.4.51.15.2
(08-11-2015)

EQ Consistency Reviews

- (1) Consistency Reviews will be conducted to assist users in rating EQ attributes consistently by using the Attribute Job Aids, EQ website guidance, Critical Job Elements and IRMs. Managers may participate in one or more EQ consistency reviews each year. The goal of consistency reviews is to improve the understanding and application of the EQ rating guidelines. Group managers and Territory managers within a territory will review the same case, compare attribute results, and discuss how rating guidelines can be applied to achieve consistency on attributes where significant rating inconsistencies occurred.
- (2) Territory managers will schedule and conduct EQRS consistency reviews with group managers annually. The Area Director may add additional reviews when consistency among managers needs improvement. Consistency reviews require all managers within a territory to review the same case to compare attribute results and discuss how rating guidelines can be applied to achieve consistency. Refer to IRM 5.13.1.5.3, *Territory Office Responsibility*, for review procedures and guidelines.
- (3) Document the review by preparing a written narrative to include the date the review was completed, observations and actions taken to achieve consistent application of EQ attributes.
- (4) Refer to IRM 5.13.1, *Embedded Quality Administrative Guidelines*, for information and guidance about EQ.

1.4.51.15.3
(08-11-2015)

Employee Case Documentation

- (1) It is extremely important that case documentation is timely, clear, accurate and complete.
- (2) Managers must direct subordinates to document all actions related to IRS's involvement in a bankruptcy proceeding in the AIS history, also known as the "History Screen." Insolvency is the primary repository of bankruptcy-related case actions for all functions of the IRS. (See IRM 5.9.5.4, *AIS Documentation*.)
- (3) Incomplete documentation will negatively affect:
 - a. Subsequent employee case actions.
 - b. Ability to review and evaluate case activity.

- c. Actions by other employees.
- d. Quality Review System results.
- e. Cases presented in legal proceedings.

Example: Ensure that employees clearly document the reason(s) why they have determined that the filing of a NFTL is not appropriate.

1.4.51.16
(08-11-2015)
**Territory Manager
Operational Aid**

- (1) Guidance in this section is for Insolvency Territory Managers. An optional template to assist with planning operational reviews can be found in Exhibit 1.4.51-45, *Operational Review Plan Guide*.

1.4.51.16.1
(10-04-2013)
**Role of the Territory
Manager**

- (1) TMs have oversight responsibility for program delivery as well as administrative/compliance conformance.
 - **Program Delivery** focuses on group operations and ensuring appropriate guidance and direction is given to Group Managers to assist them in successfully delivering the program outlined in the Business Plan and Letters of Engagement.
 - **Administrative/Compliance Conformance** focuses on ensuring adherence to servicewide managerial requirements and law, regulation and policy. Such items may or may not seem directly related to program delivery. Examples include: 1204 certifications, hiring, travel authorizations/vouchers, remittance control reviews, etc.

1.4.51.16.2
(10-04-2013)
Operational Review

- (1) Operational reviews are used to monitor and document progress toward achieving organizational goals and objectives.
- (2) Operational Reviews have two components: Program reviews and Administrative/Compliance Conformance reviews.
- (3) While oversight responsibility is ongoing, TMs must periodically conduct appropriate reviews and document findings with a memorandum.
- (4) Conduct follow-up reviews when appropriate.
- (5) These procedures apply to all Insolvency groups.
 - **Program Review Purpose.** The program review of individual groups is intended to evaluate the effectiveness of the manager, assess the group's performance and to provide guidance and direction intended to improve business results, foster effective casework and managerial engagement. The program review will assess the group's progress in areas such as performance efficiencies and quality. Use the review to identify trends, assess skills, training needs and overall performance. GM communication and leadership of the group are addressed in this process. Program reviews should focus on assisting the group manager to improve performance and quality of case actions.
 - **Administrative/Compliance Conformance Review Purpose:** The purpose of the administrative and compliance review is to ensure conformance with service-wide managerial requirements and compliance with guidance related to law, regulation and policy.

1.4.51.16.3
(10-04-2013)
Frequency

- (1) Program and/or administrative/compliance reviews may be conducted during the fiscal year as a **single phase** comprehensive review or may take the form of an on-going series of **multi-phased** reviews that focus on specific aspects of the group's performance.
- (2) Information from periodic GM briefings could also be incorporated in a multi-phased approach. Briefings are an optional method used to ensure periodic communication on group progress and other areas of interest.
- (3) Feedback about program review findings is expected to occur continuously throughout the review cycle.

1.4.51.16.4
(08-11-2015)
Documentation

- (1) When using a comprehensive review option, one narrative will be prepared to document findings.
- (2) When using the multi-phase approach, prepare a narrative to document each component at the time the review is completed.

Example: Territory Managers may conduct reviews of specific program aspects, such as NFTL determinations, or providing group specific feedback.

- (3) When using the multi-phase approach, Territory Managers may choose to review program aspects across the territory and provide group specific feedback or review targeted aspects for a specific group.
- (4) The narrative should be written with the GM as the intended audience. Attachments that provide additional detail may be used as appropriate.
- (5) Share review documentation with the group manager within **60 days** of completing the actual review.

1.4.51.16.5
(08-11-2015)
Program Reviews

- (1) When developing a group program review plan, consider the experience level of the GM and the Group's overall current performance. Additionally, TMs that are new to the existing groups should conduct a review that would ensure complete familiarity to the groups in the territory.
- (2) Provide a framework for the group operational reviews at the beginning of each fiscal year based on the above criteria.
- (3) Exhibit 1.4.51-45, *Operational Review Plan Guide*, may be used to develop the framework for the Operational review.
- (4) Confer with the Director for concurrence on a plan that is tailored for each group's unique circumstances.
- (5) Plan the review based on analysis of territory and group performance results and program trends. A variety of management information systems (MIS) reports should assist in determining areas of focus for the review.
- (6) The review plan will be tailored to the needs of each group in order to assess progress on objectives and ensure employee skills are developed, customers serviced timely, and the group's performance is enhanced in both quality and productivity.

- (7) **Critical items** that should be addressed in each group program review include leadership, communication, case reviews, quality of case actions and employee performance feedback.

1.4.51.16.5.1
(08-11-2015)
**Program Review
Planning**

- (1) When planning the review, incorporate **mandatory review items** and consider including other group appropriate items.
- (2) The list below reflects commonly selected review components. Items annotated “mandatory” must be addressed in the annual operational review.

Reminder: Mandatory items could be added to oversight responsibility after this IRM is published. Incorporate these and any subsequent guidance issued into the reviews.

1.4.51.16.5.2
(08-11-2015)
**Commonly Selected
Review Components**

- (1) Items annotated “mandatory” must be addressed in the annual operational review:
- Case reviews - At a minimum, review 2 to 3 cases per employee in the group. The reviews should assess whether the case is moving toward a logical resolution, if the employee is using good workload management techniques, and whether there are any trends that may be adversely impacting group performance. The TM review is a higher level review that considers if actions taken on the case are appropriate and are effectively moving the case toward a logical resolution. As part of the case review process, customer service considerations may be assessed by determining if taxpayer contacts were timely and whether the employee has been responsive to taxpayer requests. In addition, confirm that employee has appropriately observed valid POAs on file. When case reviews are conducted, it is **mandatory** to ensure that managers are addressing TP rights, particularly with respect to direct contact provisions. Territory managers may also include “mirror” reviews of cases which the GM has already reviewed in order to assess the accuracy of the GM’s EQ attribute review and if proper direction was given by the GM as part of the review. TMs may use the EQ review reports to determine if the GM reviewed the appropriate number and mix of cases during both the mid and annual appraisal segments. This may also be accomplished at the mid-year approval if the TM has elected to approve the mid-year appraisal of each employee. (See IRM 1.4.51.4.2.2, *Requirements for Annual Performance Case Reviews*.) Additional considerations include annual field visit conducted, annual time utilization reviews conducted, follow-up review conducted, and whether the reviews were provided to employee timely.
 - NFTL determination accuracy - (**Mandatory**) TMs must review an adequate sample of cases to determine if the GM and TM approval of NFTL determinations was secured when necessary and if the NFTL determination decisions were appropriate. See IRM 5.12.2, *Notice of Lien Determinations*, for mandatory NFTL determination guidelines.
 - Quality - Group quality should be analyzed using available EQ/NQ reports. These resources can be used to identify trends that may need further attention.
 - Entity/MIS reports analysis - On an ongoing basis, conduct analysis of Entity and MIS reports in areas such as currency of inventory, NFTL filing determinations, activity lapses, pyramiding, large dollar, multiple modules and other performance indicators. Identify possible case trends and provide guidance designed to achieve area/territory targets/objectives. Observation and

results of the analysis may be addressed during periodic briefings with the group manager and then summarized in the program review narrative.

Note: A written narrative should be prepared and shared with the GM more frequently if any issues or concerns exist.

See <http://mysbse.web.irs.gov/Collection/collsystems/entity/default.aspx>.

- EPF review - Determine if the OPM guidelines for document retention and items included in EPF have been followed. Evaluate whether performance documentation supports the evaluation rating. Verify that the appropriate reviews have been conducted at the appropriate time.
- Communication - Look for indicators that GMs are effectively communicating procedure and policy changes affecting overall quality of work. Assess the quality of GMs guidance concerning effective case resolution. Review group meeting minutes to determine if area and territory information is shared as appropriate. TMs may also wish to conduct focus group or individual discussions to evaluate whether key information and message are delivered in a timely appropriate fashion.
- Employee satisfaction - These issues can be assessed by ensuring Survey or workgroup questionnaire issues are addressed and discussed on an ongoing basis. Ascertain if appropriate EEO and diversity practices are discussed, such as: Reasonable Accommodation, hardships, EEO etc. Discussion of training, employee development, Career Learning Plan (CLP), timely feedback to employee, timely evaluations, targeted inventory levels and inventory mix should be considered. Many of these areas are addressed during periodic briefings and can be confirmed through GM completion of online mandatory briefings.
- Customer satisfaction - Look for indicators that customers are receiving timely actions, and are receiving fair and equitable treatment from the employee to assist in bringing their case to an appropriate resolution.
- Group Time Reporting and Analysis - On a monthly basis review Form 4872b, *Collection Daily Time Utilization Report* to evaluate a group's use of Direct Time, Field Time, Administrative Time, etc. These items may be addressed during periodic briefings as well.
- Group Productivity and Efficiency - Conduct an analysis of the group's efficiency in case resolution using productivity and cycle time reports provided by Area analysts. Productivity measures are a result of case work efficiencies, including simultaneous case actions, closing cases in a timely manner and working cases with resolution in mind.
- Annual Appraisal/Performance Document Approval - TMs are responsible for ensuring timely feedback and appropriate ratings of employees. This should be an ongoing process during the year through approval of the annual rating. Ensure consistency between the Form 6850 critical job element rating/narrative and the performance documentation contained in the EPF. Review for potential 1204 violations/ ROTERs during this process. Ensure that the GM has a review schedule that includes all required reviews such as mid-year, field visits, etc. A mutually agreeable review schedule should be established the beginning of each fiscal year. Ensure that GMs conduct mid-year reviews between the 5th and 7th month of the rating cycle. Annual reviews/ratings should be completed at least 60 days prior to the end of the rating period so that employees have enough time to demonstrate improvement if necessary. Discuss GM compliance with review schedules during periodic briefings and document compliance in the program review annual narrative.

1.4.51.16.5.3
(10-04-2013)
**Suggested Optional
Components**

- (1) Suggested optional components that can be included in the Program review are shown below (this list is not all inclusive). These can be completed during the actual review or anytime throughout the year and included in the annual narrative:
- Fraud program/identification and Fraud Technical Advisor (FTA) involvement
 - Inventory ranges and assignment practices/inventory delivery process
 - Above grade work
 - Span of control
 - Attend a least one group meeting per year with each group
 - Field visitations to determine the effectiveness of the GM in ensuring TP rights and timely and appropriate actions taken by the employee

1.4.51.16.6
(08-11-2015)
**Administrative
/Compliance Reviews**

- (1) Administrative/Compliance Reviews are used to monitor and document oversight of operational items not included in program reviews. TMs are *required* to provide oversight for administrative/compliance review areas. These reviews may be conducted at anytime during the fiscal year.
- (2) Document results of mandatory Admin/Compliance review items in a clearly identified subsection of the annual comprehensive program review or prepare a separate narrative review (at least annually) to summarize results.
- (3) Documentation is required for those items noted as mandatory as well as items for which findings indicate non-compliance and/or a need for improvement.

1.4.51.16.6.1
(08-11-2015)
Common Components

- (1) Items to be reviewed during the fiscal year include, *but are not limited to*:
- a. EPF/Drop file reviews. Some components of the EPF maintenance are addressed under program reviews. However, for the administrative and compliance review, assess compliance with established guidance:
 - IRM 1.5.3.7, *Retention Standard for the Fair and Equitable Treatment of Taxpayers*
 - IRM 1.5.3.8.3, *Manager's Quarterly Self-Certification Review Components*
 - IRM 6.735.1.4, *Outside Employment and Business Activity, Interpretive Guidance, and Considerations*
 - IRM 1.15.1, *The Records and Information Management Program*
 - IRM 6.430.2.3.5, *Employee Performance File (EPF)*
 - Telework agreements
 - AWS request forms
 - b. Controls. Determine if appropriate and sufficient controls are in place for items such as:
 - Statutes, IRM 5.1.19.5, *Imminent CSEDs*
 - Trust fund, IRM 5.19.8, *Collection Appeal Rights*
 - CDP, IRM 5.7.10.2, *Case Review and Processing*
 - c. Timekeeping/SETR. Review the GM control timekeeping process to ensure that established timekeeping guidance is being followed IRM 6.630.1, *IRS Absence and Leave*.
 - d. Security. Responsibilities include, but are not limited to:
 - Verification of GM after hours security checks and subsequent remedies. (See IRM 10.2.2.3, *Compliance Reviews*.)
 - Verification that GM has reviewed Form 5081 accesses and need for access to all computer systems for their employees. (See IRM

10.8.1.4.1.1, *Account Management*.)

• Ensuring that taxpayer returns and other sensitive records are protected. (See IRM 10.5.1.5.1, *IRS Employees*.)

- e. Correspondence/File Retention. Identify the GMs correspondence and file retention procedures to ensure they comply with Document 12990, *Records and Information Management Record Control Schedules*.
- f. Travel Vouchers/Authorizations. Ensure that the GM is approving authorizations and vouchers timely and monitoring for correct coding, receipts and expenses that are appropriate. (See IRM 1.32.1, *Official IRS Local Travel Guide*.)
- g. Credit Bureau. Ensure the GM is approving credit bureau requests as required and has a system in place to monitor for proper documentation. (See IRM 5.1.18.18.2, *Limitations on Ordering Consumer Credit Reports*.)
- h. Purchase Cards/Supplies Orders. Review the groups purchase card procedures to verify they are in compliance with established guidance. (See IRM 1.35.3.10.2, *Documentation*.)
- i. 1204/ROTERTs. On an ongoing basis, screen case and performance documentation for inappropriate use of ROTERTs. Quarterly, complete the 1204 self certification and certify the group manager's completion of their self certification. (See IRM 1.5.3.7.4, *Retention Standard Documentation*.)
- j. EQ Consistency Reviews. Conduct an EQ consistency review at least annually to promote consistent application of EQ Attributes. Document the consistency review per IRM 5.13, *Collection Quality Measurement*.

1.4.51.17
(08-11-2015)

Director Operational Aid

- (1) Guidance in this section is for the Director. See Exhibit 1.4.51-46, *Director Operational Aid (DOA)*.

Exhibit 1.4.51-1 (08-09-2016)**Suggested Action Steps for Unacceptable Performance**

If...	And...	Then...
During a workload review it is noted a performance deficiency or deficiencies based on employee's Critical Job Elements (CJE) (e.g. Protection of Public Interest, issue: filing of notice of lien and/or extension of NFTL determination)		<p>The manager should...</p> <ul style="list-style-type: none"> •Take informal steps to correct performance deficiencies such as: 1. While reviewing employee documentation, the manager should see if he or she can determine other factors that may have caused the identified deficiencies. •Counsel employee as to what is considered appropriate action on cases reviewed. Indicate which CJE or CJE's are identified as not being met at this time. •Schedule additional dates to review employee casework . •Require employee to obtain managerial approval to extend NFTL determination date (if applicable). •Continue to use AIS to identify lien indicator cases and perform a query of the cases on AIS. Indicators to check are: <ol style="list-style-type: none"> 1. When case received 2. When case assigned to an employee 3. When NFTL filed •All discussion(s) with employee must be fully documented and a copy of the documentation is provided to employee with a copy placed their EPF. •Continue to closely observe/monitor employee performance using managerial tools.
The manager continues to closely observe, monitor, review and correct (if necessary) the performance deficiency or deficiencies	the employee's performance improves	•No additional action needed

Exhibit 1.4.51-1 (Cont. 1) (08-09-2016)**Suggested Action Steps for Unacceptable Performance**

If...	And...	Then...
The manager continues to closely observe, monitor review and correct the performance deficiency or deficiencies	the employee's performance does not improve	<ul style="list-style-type: none"> • Begin formal counseling. • Consult with Labor Relations regarding the issuance of an opportunity letter to establish a formal period to show improvement to acceptable level of performance. The opportunity letter must include: <ol style="list-style-type: none"> 1. Critical elements/performance standards that are not acceptable. 2. Exact nature of deficiencies. 3. Improvement expected. 4. Fact that failure to improve could result in proposal to remove employee from current grade or the Service. 5. A specific period of time to demonstrate acceptable level of performance (usually 90 days). 6. A stated commitment to work with employee. 7. If on Telework, suspension of Telework until performance improves. • With the continued assistance of Labor Relations, follow procedures outlined in Article 40 of the IRS/NTEU 2016 National Agreement for BU employees. • Plan a review schedule. At this planning session discuss: <ol style="list-style-type: none"> 1. Number of reviews planned; 2. Types of reviews; 3. Types of cases to be reviewed; 4. Number of cases at each review; 5. Time frames for review schedule (one a week, twice a month etc.) 6. In summary, tailor the planned reviews to the needs of both the manager and the employee. • May continue to use AIS to identify lien indicator cases and perform a query review of the cases on AIS. Indicators to continue to check are: <ol style="list-style-type: none"> 1. When case received. 2. When case assigned to an employee. 3. When NFTL is filed. • Review, approve or disapprove (with comments) NFTL extension determination(s) made by employee (if applicable). • Document all reviews, provide copy of documentation to employee and place in their EPF.

Exhibit 1.4.51-1 (Cont. 2) (08-09-2016)**Suggested Action Steps for Unacceptable Performance**

If...	And...	Then...
The manager continues to closely observe, monitor and review employee performance based on the provisions of the opportunity letter.	the employee's performance becomes minimally successful or fully successful	<ul style="list-style-type: none"> • Consult with Labor Relations personnel and issue a letter informing employee of this fact. • If employee's Telework was suspended during this period, consider resuming the schedule.
The manager continues to closely observe, monitor and review employee performance based on provisions of the opportunity letter.	the employee's performance does not improve	<ul style="list-style-type: none"> • Consult with Labor Relations regarding the issuance a 30 day advance notice of reduction in grade or removal. • Make sure all documentation is in order and copies provided to employee with copies filed in their EPF. • Follow procedures outlined in Article 40 of the IRS/NTEU 2016 National Agreement for BU employees with the continued assistance of Labor Relations. • Provide a written decision to the employee within 30 days after the date the advance notice period expires. — If no written decision is made within this 30 day period, then the advance notice period may be extended for one additional 30 day period only. • Provide a written decision to employee within extended 30 day advance notice period. • Initiate action to reduce in grade and/or removal based on unacceptable performance once the written decision is issued.
However, when a 30 day advance notice is being considered	reassignment, voluntary reduction in grade, retirement or disability retirement is also being considered in lieu of notice	<ul style="list-style-type: none"> • Consult with Labor Relations personnel. • Exercise options under consideration. — All but disability retirement option may preclude or delay processing of an action to reduce in grade or remove employee. — An application for disability retirement will not preclude or delay processing of an action to reduce in grade or remove the employee.
If written decision is issued to reduce in grade and/or removal based on unacceptable performance	the personnel action is effected	<ul style="list-style-type: none"> • The employee has appeal rights to Merit Systems Protection Board. • BU employee may alternatively choose to appeal through the negotiated grievance procedure.

Exhibit 1.4.51-2 (10-04-2013)**Pattern Letter for Incomplete Claim for Damages and/or Attorney's Fees**

Below is suggested text for a letter to a claimant asking for payment of damages from the Service because the Service has violated the automatic stay or the discharge injunction. This letter is to be used when the claimant fails to provide complete information with his claim application. Local Counsel may suggest changes in wording or content.

Dear *[Name of Claimant]*:

We have received your claim dated *[enter date of claim]* for damages and/or attorney's fees under Internal Revenue Code § 7433(e), civil damages for alleged violation(s) of the Bankruptcy Code. However, we are unable to process your claim because:

[Enter the reason(s) why the claim cannot be processed at this time. Describe any missing or incomplete information and/or additional information the claimant must provide to justify the claim. Be specific.]

We are not rejecting your claim at this time. But we do require the information requested above to process it. If we receive the information, we will evaluate your claim and send our decision on this matter to you within 60 days.

Sincerely,

[Your Name]

[Your Title]

Exhibit 1.4.51-3 (10-04-2013)**Pattern Letter for Approval of a Claim for Damages and/or Attorney's Fees**

Below is suggested text for a letter to a claimant asking for payment of damages from the Service because the Service has violated the automatic stay or the discharge injunction. This letter is to be used when the Service agrees to pay all or a portion of the claimant's application. Local Counsel may suggest changes in wording or content.

Dear *[Name of Claimant]*:

This letter is to advise you of our decision concerning the claim you filed. See the explanation below following the checked box.

☐ **We have approved your claim in full** for damages and/or attorney's fees under Internal Revenue Code § 7433(e), civil damages for violation(s) of the Bankruptcy Code.

☐ **We have approved a portion, \$ *[enter portion amount]*, of your claim** for damages and/or attorney's fees under Internal Revenue Code § 7433(e) civil damages for willful violation(s) of the Bankruptcy Code. However, we are denying the remaining portion of your claim for the following reason(s):

[Insert the specific reason(s).]

Please sign and date the enclosed voucher and return it to us in the enclosed envelope. We will send you a signed copy for your records. Your check will be sent to you within six to eight weeks after we receive your signed voucher.

You are not entitled to make an administrative appeal of this decision. However, if you wish to take further action, you may file a civil action in the bankruptcy court for damages under Internal Revenue Code § 7433(e) for the difference not agreed upon. The law allows you two years from the date of a violation to take your case to court.

If you have any questions, please contact *[insert the name of the contact person]* at *[insert the contact's phone number]*.

Sincerely,

[Signature of Delegated Authority]

[Title of Delegated Authority]

Exhibit 1.4.51-4 (10-04-2013)**Pattern Letter for Denial of a Claim for Damages and/or Attorney's Fees**

Below is suggested text for a letter to a claimant applying for payment of damages because the Service has violated the automatic stay or the discharge injunction. This letter is to be used when the Service denies payment of all portions of the claimant's application. Local Counsel may suggest changes in wording or content.

Dear *[Name of Claimant]*:

We have received your claim dated *[enter date of claim]* for damages and/or attorney's fees under Internal Revenue Code § 7433(e), civil damages for alleged violation(s) of the Bankruptcy Code.

We are denying your claim for the following reason(s):

[Enter the reason(s) why the claim has been denied. Be specific.]

You are not entitled to make an administrative appeal of this decision. However, if you wish to take further action, you may file a civil action in the bankruptcy court for damages under Internal Revenue Code § 7433(e). The law allows you two years from the date of a violation to take your case to court.

If you have any questions, please contact *[insert the name of the contact person]* at *[insert the contact's phone number]*.

Sincerely,

[Signature of Delegated Authority]

[Title of Delegated Authority]

Exhibit 1.4.51-5 (04-01-2006)**Sample Annual/Mid-year Review Schedule**

Group Review Schedule					
	SSN	6850 Employee	BU	Due	Mid-year
September	0	AA,BB		Oct 31	EE, FF
October	1			Jan 31	GG,HH,11
November	2	CC		Jan 31	
December	3	DD		Jan 31	JJ,KK
January	4			Apr 30	LL,MM
February	5	EE,FF		Apr 30	
March	6	GG,HH,II		Apr 30	
April	7			Jul 31	AA,BB
May	8	JJ,KK		Jul 31	
June	9	LL,MM		Jul 31	CC
July					DD
August					

Note: The letters in this chart, for example AA, BB, represent individual employees.

Exhibit 1.4.51-6 (08-11-2015)**Insolvency Group Manager's EQRS Review Documents, Form 6850, and Narrative, General Guide**

EQRS, Form 6850, and narratives are important in all actions regarding caseworker performance. The review documents should justify the numerical ratings and average indicated on the F 6850.

These documents will assist the manager in substantiating a decision to take any action regarding the performance of a caseworker. These actions can include awards, reduction of a rating of record, or removal from Telework. These documents should be clear and concise. They should provide the caseworker with a clear understanding of their level of performance.

EQRS review documents, narratives and other evaluative documents should provide positive feedback and specific strategies for improvement as applicable. The narrative should be specifically written to enhance performance, identify weaknesses, and explain potential consequences when warranted.

Ensure that the reviews are written and encompass a wide spectrum of cases from the caseworker's inventory.

When performing case reviews utilizing the Embedded Quality Review System :

- a. Review actual hard copy case file(s). This is to ensure documents that will expedite case resolution are included, (e.g., financial statements, bank records, etc.) and that an appropriate evaluation of case direction has been made.
- b. Ensure clear comments are included for each case reviewed. If the employee is performing well, document it in the comments.
- c. If case direction is needed, ensure directions are specific. If warranted, reference specific documents reviewed in the case file.

When preparing the review documentation the manager should:

- a. Ensure the employee's actions were appropriately documented on each case.
- b. Base comments on actions pertaining to the applicable CJE and subelement.
- c. Ensure conformity with the employees' CJE's by utilizing the employee's Performance Plan.
- d. When appropriate, reference relevant IRM sections, subsections, and case file documents.
- e. Document strategies for improvement.
- f. Be realistic in expectations.
- g. Prepare a narrative of the overall findings.

Meet with the employee and engage in an open dialogue. Be sure to discuss the positive as well as the negative aspects of the employee's performance. Discuss the comments on the EQRS Feedback Report given on each case and ensure the employee understands.

- a. Ask for their input regarding the interpretation of their actions.
- b. If warranted, discuss the documents included in the case file, and address any that are missing.
- c. If appropriate, add their proposed actions to the comments as additional action items.
- d. Ensure that time lines are realistic.
- e. Ensure that case direction is clear.

Discuss the EQRS Feedback Report narrative with the employee to ensure they understand the document and its possible impact on their annual appraisal/evaluation (positive or negative).

Managers should have the employee sign for receipt of both the Individual Feedback Report and any accompanying documents. Document and date the Individual Feedback Report and narrative if the employee refuses to sign.

Exhibit 1.4.51-6 (Cont. 1) (08-11-2015)**Insolvency Group Manager's EQRS Review Documents, Form 6850, and Narrative, General Guide****Annual Appraisal Document Form 6850:**

Form 6850 is the numerical representation of the employee's performance during the course of the evaluation period. It must be consistent with the employee's casework and evaluative documents prepared during the course of the evaluative period. Managers should ensure that the preparation of Form 6850 is in accordance with Article 12 of the 2016 National Agreement. Base the appraisal of the employee on documented materials:

- a. Evaluative documents retained in the caseworker's EPF, such as EQRS Individual Feedback and/or Cumulative Feedback Reports. Also IRM 1.4.51.4, *Performance Management* and IRM 1.4.51.4.2, *Reviews* for other considerations.
- b. Taxpayer correspondence .
- c. Internal customer correspondence.
- d. All awards received during the period.

Performance and Evaluative Narratives:

Narratives are an effective tool in documenting and informing a employee of their performance. They should be used to emphasize the positive as well as the negative aspects of the employee's performance. They can be used as either stand alone documentation (EQRS Individual and/or Cumulative Feedback Reports) and/or with the Form 6850 (when appropriate). See Article 12, Section 4P, of the 2016 National Agreement, regarding Form 6850 narratives. Effective narratives:

- a. Are clear and concise.
- b. Address each Critical Element and its accompanying sub-element (for Form 6850).
- c. Reference prior reviews and other evaluative documents completed during the course of the evaluation period and the dates completed or received.
- d. Are of sufficient length for the employee to have a clear understanding of their current level of performance and what is expected from them in the future.
- e. Summarize the findings during the course of a review or the overall performance during an evaluative period. may choose to use specific examples or sanitized case references.
- f. Refer to specific Critical Job Elements and sub-elements.
- g. Describe strengths and weaknesses found within specific element(s).
- h. Describe strategies for improvement (if necessary).
- i. Identify the level of performance (overall and within a specific CJE).
- j. Describe potential consequences if performance is at an unacceptable level or regressing.
- k. Note that the manager is available for assistance.

In conjunction with the steps to address employee performance ensure that:

- Prescribed actions are specifically documented and appropriately worded. Consult with the Territory Manager or Labor Relations Specialist as appropriate.
- Documentation includes a description of any problems and documentation of the discussion with the employee involved. Inform the employee of possible consequences if the issue is not resolved. Managers may inform the employee verbally, but confirm the discussion via memorandum. The proposed resolution of the issue should include a specific time period for completion. The resolution may include actions the employee must take and meetings between managers and the employee to resolve the problem.

Note: The employee is entitled to request representation by the Union when the employee and the supervisor or other management official meet to discuss action or potential action, based on unacceptable performance.

Note: When taking any performance action, managers should contact their servicing Labor Relations Representative and their direct supervisor.

Exhibit 1.4.51-7 (08-11-2015)

Action Steps For Acceptable Level Of Competence Determination if an employee Within Grade Increase (WGI) is due.

Within	and the employee's last rating is...	and the employee's performance is projected as...	Managers must.....
90 days	Fully successful or above	Fully successful or above	Do nothing. WGI will be automatically generated.
90 days	Fully successful or above	Below Fully successful	<ol style="list-style-type: none"> 1. Refer to WGI denial procedures in Article 17 for BU employees. 2. Consult with Labor Relations personnel and issue letter of intent to deny WGI 60 days prior to WGI due date. 3. If a fully successful rating is achieved after issuing intent letter, consult with LR regarding written notification to employee that WGI will become effective on original due date. 4. If a fully successful rating is not achieved after 60 days following issuance of intent letter: <ul style="list-style-type: none"> • Consult with LR regarding written notification to employee denying WGI. • Prepare Form 6850-BU as normally would happen at the end of the rating period except: – indicate period covered from last annual rating to date WGI was due and – annotate that “WGI Denied” – submit signed form to the Transactional Processing Branch (TPB) at least 15 days prior to WGI due date to ensure that the WGI is not processed.

Exhibit 1.4.51-7 (Cont. 1) (08-11-2015)

Action Steps For Acceptable Level Of Competence Determination if an employee Within Grade Increase (WGI) is due.

Within	and the employee's last rating is...	and the employee's performance is projected as...	Managers must.....
59 days or less	Fully successful or above	Below Fully Successful	<ol style="list-style-type: none"> 1. Refer to WGI denial procedures in Article 17 for BU employees. 2. Consult with LR and issue letter of intent to deny WGI. Letter will provide for required 60 day notice period. 3. As soon as possible, prepare Form 6850-BU. Complete appropriate blocks and annotate "Postpone WGI". 4. Submit signed form to the TPB at least 15 days prior to WGI due date to ensure the WGI does not process. 5. If a fully successful rating is achieved at the end of 60 day notice period: <ul style="list-style-type: none"> • Consult with LR regarding written notification to employee that WGI will become effective retroactive to original due date. • Prepare Form 6850-BU. Complete appropriate blocks and annotate "Release WGI." Submit signed form to the TPB within 3 days of advising employee. 6. If a fully successful rating is not achieved at the end of the 60 day notice period: <ul style="list-style-type: none"> • Consult with LR regarding written notification to employee that WGI is being denied. • Prepare Form 6850-BU as if annual rating except: – indicate period covered from last annual rating to date of WGI due – annotate "WGI Denied" – submit completed form to the TPB within 3 days after denial letter is issued to employee; and – immediately have SF-52 the TPB within 3 days after denial letter is issued to employee; and – immediately have SF-52 prepared for denial of WGI.

Exhibit 1.4.51-7 (Cont. 2) (08-11-2015)

Action Steps For Acceptable Level Of Competence Determination if an employee Within Grade Increase (WGI) is due.

Within	and the employee's last rating is...	and the employee's performance is projected as...	Managers must.....
59 days or less	Below Fully successful and the WGI was previously denied	Fully Successful or above	1. Prepare Form 6850-BU as if annual rating except: • Indicate period covered from date WGI was last due to the date of this form being prepared, and • Annotate "WGI Released". 2. Advise employee that the WGI will become effective the following pay period. 3. Submit completed form to the TPB within 3 days of completing form.
59 days or less	Below Fully Successful and WGI was not previously denied	Fully Successful or above	No action necessary

Exhibit 1.4.51-8 (08-11-2015)
Guide for APOC Reports (Field Insolvency)

Purpose of Reports. There are numerous APOC reports available on AIS. This exhibit will only cover the reports designated as “mandatory”.

- Credits Posted After the Petition Date Flag Report identifies cases where there is a credit that may have been received after the petition date in violation of the stay. These cases should be worked within five calendar days of APOC identifying the flagged condition.
- Lien Recorded Date Blank or > Petition Date Flag Report identifies cases where the date of the notice of lien is not recorded on AIS, or the date recorded is greater than the petition date. These cases should be worked within five calendar days of APOC identifying the flagged condition.
- Secured Period Flag Report identifies cases where the Service may have a pre-petition NFTL on file and may be entitled to an adequate protection or cash collateral agreement. These cases should be worked within ten calendar days of APOC identifying the flagged condition.
- Flagged Cases Report lists **all** cases that have encountered a flag which has not yet been resolved. These cases require manual intervention by the user.

Reminder: Cases that have the Credits Posted After the Petition Date Flag, the Lien Recorded Date Blank or > Petition Date Flag, and the Secured Period Flag will also be included on this report.

Accessing the APOC Reports:

1. On the AIS Main Menu, under AIS Interfaces click on the “APOC” button.
2. On the APOC Case Query/Report menu, click on the “Reports Menu” button.
3. On the APOC Report menu, select the report to be generated.

Note: In order to access the Credits Posted After the Petition Date Flag, the Lien Recorded Date Blank or > Petition Date Flag, and the Secured Period Flag reports the user will need to first select the Period Detail Flag Report and then choose the appropriate report from the drop down menu.

4. Populate Parameter field(s) for specific report selected based on output desired.
5. Click “Run Report”.

Contents of Report. Each listing under this report heading provides different data as follows:

- Credits Posted After the Petition Date Flag Report provides the Group Number, Employee SEID, Chapter, AIS Case Number, APOC Start Date, APOC End Date, Total Case Amount, Last Name of Taxpayer, TIN, MFT and Tax Period.
- Lien Recorded Date Blank or > Petition Date Flag Report provides the Group Number, Employee SEID, Chapter, AIS Case Number, APOC Start Date, APOC End Date, Total Case Amount, Last Name of Taxpayer, TIN, MFT and Tax Period.
- Secured Period Flag Report provides the Group Number, Employee SEID, Chapter, AIS Case Number, APOC Start Date, APOC End Date, Total Case Amount, Last Name of Taxpayer, TIN, MFT and Tax Period.
- Flagged Cases Report provides the Group Number, Employee SEID, Chapter, AIS Case Number, APOC Start Date, Petition Date, MFT, Tax Period, TIN, and Flag Description (which flags were identified as needing resolution).

Frequency of Use by Caseworker. Caseworkers must ensure the time frames required for processing each of the flags is met, therefore they should work the reports at least weekly.

Note: Since cases that have the Credits Posted After the Petition Date Flag, the Lien Recorded Date Blank or > Petition Date Flag, and the Secured Period Flag will also be included on this Flagged Cases Report, the caseworker may choose to only work from this one report.

Exhibit 1.4.51-8 (Cont. 1) (08-11-2015)
Guide for APOC Reports (Field Insolvency)

Frequency of Use by Manager. Managers should review the Credits Posted After the Petition Date Flag Report, and the Lien Recorded Date Blank or > Petition Date Flag Report, weekly. They should review the Secured Period Flag report bi-weekly and the Flagged Cases Report, monthly.

Range of Uses. All chapters where claims may be processed by APOC are subject to this report.

Exhibit 1.4.51-9 (08-09-2016)**Guide for Bar Date Follow-up (F/U) (Field Insolvency)**

Introduction. Use of the Bar Date Report or an equivalent custom report is “**Mandatory**”. This AIS report identifies cases where a POC is presumed to be required, yet no POC has been printed. A case is included on the report when a “Y” appears in the “Proof Required” field on the AIS entity screen and claim data have not been entered on the proof of claim screen(s).

Accessing the AIS Report:

1. On the AIS Main Menu, under Misc Options click on the “Reports” button.
2. On the Reports menu, under Inventory select the “Bar Date Report F/U” button.
3. Populate Parameter field(s) for specific report selected based on output desired.
4. Select Chapter type.
5. Enter beginning date. An old date, like 01/01/1950, should be input to capture cases previously overlooked or cases entered with an erroneous date.
6. Enter ending date. Generally use 90 days into future.
7. Click “Run Report”.

Format Options. The report can be grouped by individual employee. Grouping the report by employee best identifies case load management issues. The report can also be sorted. The sort options are Bar Date, AIS case number or Court Key.

Contents of Report. The Bar Date Report provides the taxpayer name, docket number, court key, bar date, chapter, and the date for the first meeting of creditors.

Frequency of Use by Caseworker. This list must be generated and checked by caseworkers at least “**Bi-weekly**” to encourage timely preparation and filing of proofs of claim.

Frequency of Use by Manager. The Bar Date Report is reviewed by managers “**Monthly**” to identify inventory management concerns, systemic noticing problems, or other issues.

Retention Period. The retention period for this report is one month.

Range of Uses. The report provides data on all chapters where it may be appropriate for the Service to file a claim.

Presumptive Bar Dates. Cases are listed in ascending chronological order by a “presumptive” bar date. A proof of claim (POC) must be filed before 180 days (the government bar date) from after the date of the order of relief (which is the date the bankruptcy petition was filed in voluntary cases). (See 11 USC § 502 and Federal Rules of Bankruptcy Procedure Rule 3002.) The presumptive bar date hits at midpoint in the government’s 180 day claim filing period (90 days from the petition date).

Managerial Review. When reviewing this report, the petition date and bar date time period should be checked to note if the time period is consistent with locally established practice.

Note: Managers may set procedures that prohibit changing the presumptive bar date unless the court changes the actual bar date.

If a missed bar date is identified during the manager’s review, the manager may need to complete Form 14167, *Bar Date Expiration Report*. See IRM 1.4.51.10.1 (3), *Missed Bar Dates*, for specific procedures.

Monitoring. Cases falling beyond the 90 day period should be highlighted or otherwise annotated for review on a biweekly basis. When awaiting receipt of unfiled tax returns, filing a claim with estimates within 90 days is more efficient than postponing the filing thereby risking a claim’s being barred. Awaiting the receipt of unfiled returns is usually the reason for delays in the claim filing process.

Exhibit 1.4.51-9 (Cont. 1) (08-09-2016)**Guide for Bar Date Follow-up (F/U) (Field Insolvency)**

Deleting a Case from the Bar Date Report. A case is removed from the Bar Date Report by:

- Preparing/printing POC;
- Entering conversion to 7 No Asset data to AIS screen;
- Entering NL in the closure field with a date when a case is determined to be not liable;
- Closing a case on AIS as dismissed; or
- Manually changing "Proof Required" field from "Y" to "N."

AIS Documentation. Managers should be conservative in requiring documentation from caseworkers on an ongoing basis. Highlighting a case with a bar date beyond 90 days is effective. Groups may agree on one letter codes to identify cases in a certain category, e.g. "L" for -L freeze present awaiting call back from exam or the underreporter unit, "E" for complex estimated claim being calculated, or "I" for restricted interest calculation.

Administrative Claims. The report does not list administrative claims. For example, in conversions, the reviewer may note the Proof Required field shows "Y" indicating a claim is required, yet an admin claim (6338A) has been filed. The caseworker should change the "Y" to "N" if no taxes are due at the time the debtor filed bankruptcy. Leaving the "Y" reduces efficiency if a caseworker continues to check on a case where the determination has already been made.

Exhibit 1.4.51-10 (10-04-2013)**Guide for Proofs of Claim Follow-Up Report (Field Insolvency)**

Purpose of Report. The Proof of Claim Follow-Up Report lists all cases with proofs of claim that were sent to the court, but have not yet received an acknowledgement of the filing by the court. It is important to ensure that all cases where a claim is required are filed and acknowledged by the court prior to the bar date.

Accessing the Report:

1. On the AIS Main Menu, under Misc Options click on the "Reports" button.
2. On the Reports menu, under Inventory select the "Proofs of Claim F/U" button.
3. Populate Parameter field(s) for specific report selected based on output desired.
4. Enter a Report Date. Generally, it takes only a day or two for the court to acknowledge filing, so the date used can be one from a few days prior to the current date.
5. Select Chapter type.
6. Click "Run Report".

Format Options. The report can be grouped by individual employee. Grouping the report by employee best identifies case load management issues. The report can also be sorted. The sort options are AIS Case Number, Date of Claim, or Taxpayer Name.

Contents of Report. The report gives the Court Key, Employee SEID, AIS Case Number, Chapter, Taxpayer Name, TIN, Date of Claim, and Form Number.

Frequency of Use by Caseworker. Caseworkers must work the Proofs of Claim Follow-Up Report at least bi-weekly to ensure proper claim filing.

Frequency of Use by Manager. Managers should review the report monthly to identify trends or as part of employee reviews.

Range of Uses. Although AIS does not limit the query criteria, chapters where claims are filed are the most useful for this report.

Exhibit 1.4.51-11 (08-11-2015)**Guide for the Litigation Transcript System Reports (Field Insolvency and CIO)**

Purpose of Reports. The Litigation Transcript System (LTS) matches master file data with TIN records of the AIS database. The transcripts provide new assessment data, potential manual refunds, unreversed TC 520s, delinquent federal tax deposits and issues that may result in violations of the Bankruptcy Code automatic stay provisions.

Frequency of Use by Caseworker. Field Insolvency will work these weekly reports for cases in its inventory within five work days of receipt. The CIO will work required LTS reports for cases in its inventory. The reports must be worked in accordance with the instructions and time frames established in IRM 5.9.16.3, *Litigation Transcript System*.

Frequency of Use by Manager. Managers should review the reports at least monthly to ensure potential stay violations are being addressed and resolved on a timely basis.

Range of Uses. The scope of the LTS reports touches all chapters.

Retention. Reports should be destroyed when no longer needed in current operations.

Referrals. Appropriate receiving offices should be notified of events identified through LTS reports affecting previously issued referrals.

Example: Counsel should be advised of receipt of delinquent returns if a referral was made requesting a motion to compel filing.

AIS History. Caseworkers should document the AIS history noting all actions taken to resolve the LTS issue worked.

Transaction Codes Identified. Examples of the types of transaction codes the LTS process identifies are:

- Posting of TC 277
- Posting of TC 430 and no TC 150 posted
- Posting of TC 520 with xx code
- Posting of TC 280 bad check penalty
- Posting of TC 670 cc05/99
- Posting of TC 820/700 (if that is the only issue)
- Posting of TC 846
- Posting of TC 971 ac031/033
- Posting of a TC 582 Notice of Federal Tax Lien
- Post-petition refunds and credits
- Zero balance due/even returns (wholly post-petition)

Transcript Categories. LTS transcripts fall into one of five categories:

- Credit Balance with New Transaction
- Other Credit Balance
- Case Closed on AIS
- New Assessments
- All Other (optional for CIO)

Exhibit 1.4.51-12 (08-11-2015)**Guide for Case Assignment Guide (CAG) Case Grade Report -Manager only (Field Insolvency)**

Purpose of Report. This report gives a synopsis of individual employee inventories and the percentage of work that is graded 7, 9, 11, and 12 as well as the percentage of ungraded work.

Accessing the AIS Report:

1. On the AIS Main Menu, under Misc Options click on the “Reports” button.
2. On the Reports menu, under Manager select the “Case Grade Report” button.
3. Populate Parameter field(s) for specific report selected based on output desired.
4. Click “Run Report”.

Contents of Report. The Case Grade Report gives the group number, manager name, employee name and number, ungraded (UG) percentage, GS-7, GS-9, GS-11, and GS-12 percentages, and inventory allocation percentage for each employee in the group.

Note: The Case Grade Report compiles inventory profile information to ensure employees have appropriately graded work.

Range of Uses. This report is for all chapters.

Percentages of Above Grade Work. Employees with work that is 10% above their grade level should have their inventory monitored weekly to avoid the risk of being assigned additional higher graded work. Employees should not spend more than 25% of their time each month on work above their grade level.

Ungraded Cases. If an employee has a percentage of ungraded cases, managers should also run the Ungraded Case Follow Up report in order to identify the specific cases requiring a grade. See Exhibit 1.4.51-29, *Guide for Case Assignment Reports*.

Exhibit 1.4.51-13 (10-04-2013)**Guide for Court Closure Follow-up (Field Insolvency and CIO)**

Introduction. The Court Closure Follow-up Report or an equivalent custom report is mandatory for use by both Field and Centralized Insolvency. This report provides a list of open AIS cases where the court has notified the IRS of closure. It identifies cases where closing actions should be initiated immediately. The AIS generated report denotes discharges as (DC) and dismissals as (DM).

Accessing the AIS Report:

1. On the AIS Main Menu, under Misc Options click on the "Reports" button.
2. On the Reports menu, under Inventory select the "Court Closure F/U" button.
3. Populate Parameter field(s) for specific report selected based on output desired.
4. Type in the Days Threshold.
5. Click "Run Report".

Days Threshold Parameter. When generating this report, the user must enter a days threshold parameter. Since employees are required to initiate closure actions within 30 days of notification, generally this report should be run using no more than 30 days.

Format Options. This report can be grouped by employee, group or none. Generally the sort should be by employee so individual workload issues can be identified.

Contents of Report. This report provides the Taxpayer Name, AIS Case Number, TIN, Court Key, Chapter, Court Closure Date, Discharge/Dismissal Indicator, # of Days (since Court Closure).

Frequency of Use by Caseworker. This report must be generated and worked weekly so closure actions are initiated within 30 days of the Service being notified of the discharge or dismissal.

Frequency of Use by Manager. Managers should review the Court Closure Report "Monthly" to determine if cases are being closed in compliance with BCCP standards.

Range of Uses. This report identifies closures for Chapters 7N, 12, and 13 as well as individual Chapter 11 cases filed on or after October 17, 2005.

Chapters 7A and 11. This report is of limited value in listing Chapter 11 discharges because the courts issue Chapter 11 discharges upon plan confirmation with one exception. (See "note" below.) "Discharge" does not always mean the same thing for Chapter 11 cases as it does for other chapters. The Court Closure Report is of little value in listing Chapter 7A discharges because the courts usually issue Chapter 7A discharges immediately.

Note: For individual Chapter 11 cases filed on or after October 17, 2005, confirmation of the plan does not result in a discharge. Instead, the court will grant a discharge when all plan payments are completed.

Use of Aged Case Report. The Aged Case Report is more useful than the Court Closure Report for identifying overage Chapter 7A cases.

History Documentation. Managers should be conservative in requiring documentation from caseworkers on an ongoing basis. The use of accepted acronyms should be encouraged. (See Exhibit in IRM 5.9.1-2., *Acronyms and Abbreviations*.)

Exhibit 1.4.51-14 (08-11-2015)**Guide for Tech Review F/U Report (Field Insolvency and CIO)**

Overview. The AIS Follow-up Report or an equivalent custom report may be used by both Field and Centralized Insolvency. This report provides a listing of open cases selected by an Insolvency caseworker to be reviewed for a particular purpose within a specified range of dates. The user can create a list of follow-up priority items with action dates. A required action statement appears on the AIS review screen. This statement identifies the action needing attention by the caseworker.

Accessing the AIS Report:

1. On the AIS Main Menu, under Misc Options click on the “Reports” button.
2. On the Reports menu, under Inventory select the “Tech Review F/U” button.
3. Populate Parameter field(s) for specific report selected based on output desired.
4. Enter beginning date. An old date, like 01/01/1950, should be input to capture cases previously overlooked or cases entered with an erroneous date.
5. Enter finish date.
6. Select Chapter type.
7. Click “Run Report”.

Format Options. The report can be grouped by individual employee. Grouping the report by employee best identifies case load management issues. The report can also be sorted. The sort options are Taxpayer Name, Follow-up Date, or AIS Case Number. The report can also be limited to follow-up actions added by the person running the report or by “Anyone”.

Note: Managers running the report will want to ensure they always select the “Anyone” option so as to ensure they get all the follow-ups relevant to the employee(s) for whom they are running the report.

Contents of Report. The report provides the Chapter, Taxpayer Name, AIS Case Number, Court Key, Last Action Date, Follow-up Date, and Required Action.

Frequency of Use by Caseworker. This list must be generated and checked by caseworkers at least “Monthly” to ensure cases continue towards closure.

Frequency of Use by Manager. The Tech Review Follow-up Report is reviewed by managers “Quarterly” to ensure cases continue towards closure.

Range of Uses. All chapters benefit through the use of the Follow-up Report.

Avoiding Redundancy. The Follow-up Report contributes to workgroup efficiencies if used in conjunction with the other AIS or custom reports. Scheduling a future review of the master file for receipt of delinquent returns demonstrates an effective use of this report. Actions loaded by the user to this report should not duplicate actions listed on other reports.

Example: A follow-up action item to prepare a POC should not be loaded because the Bar Date Report will identify those cases.

Report Uses. The purpose of the Follow-up Report is to focus on a particular range of cases (for example, Chapter 11 cases or large dollar Chapter 13 plans). Assigning follow-ups on every case may be counterproductive. A report listing non-critical action items debases its value for prioritizing case work.

Report Misuse. The caseworker who has not completed a scheduled action timely has the ability to change the action item with a future date giving the manager or reviewer a false impression the inventory is being effectively managed.

Critical Follow-up Categories. Case actions that may be identified for follow-up include:

Exhibit 1.4.51-14 (Cont. 1) (08-11-2015)**Guide for Tech Review F/U Report (Field Insolvency and CIO)**

- a. Refiling of a Notice of Federal Tax Lien at least six months before the refile period expires because ALS does not generate refile reports on accounts in bankruptcy;
- b. Monitoring federal tax deposits when appropriate (weekly, monthly, quarterly) depending on the size of the deposits and the case issue (e.g., not liable compliant Chapter 11s for two quarters, in-business Chapter 13 debtors, pre-confirmation Chapter 11 FTD monitoring); and
- c. Issuing courtesy investigations to protect ASEDs or make ASED determinations.

Updating Action Items. An action item can be added to a Follow-up Report a number of ways by any user with update permissions. The AIS Letter Screen displays the follow-up fields directly.

Exhibit 1.4.51-15 (10-04-2013)**Guide for Tech Review No F/U Report (Field Insolvency)**

Purpose of Report. The AIS Tech Review No Follow-up Report lists cases open on AIS where the assigned Insolvency caseworker has not input a future follow-up date. Since follow-ups can be input by anyone on any case, and this report only shows cases where the assigned caseworker did not input the follow-up, this report might prove to be of little value in managing case loads. The preferred method of pulling this report is using the “My Cases” option on AIS. The “My Cases” Tech Review No Follow-up Report pulls only those cases that have no follow-up at all.

Accessing the Report using “My Cases”:

1. On the AIS Main Menu, select “Show My Cases”.
2. Select “Filters”.
3. Populate the Parameter field(s) for specific information based on output desired.
4. Under Case Conditions, select “Tech Review No F/U”.
5. Click “Apply Changes”.

Contents of Report. The report will produce a list of the cases that do not have any AIS follow-up set on the AIS Letter Screen. The list of cases includes the following information AIS Case Number, Taxpayer Name, Chapter, Court Key, Petition Date, Bar Date, First Meeting of Creditors Date, On AIS Date, Dismiss Date, Discharge Date, Proof Required Field value, City, State, Employee SEID, ORG 1, ORG 2, Site Number and Group Number.

Frequency of Use by Caseworker. This list must be generated and checked by caseworkers at least “Quarterly” to ensure cases continue towards closure.

Frequency of Use by Manager. The Tech Review No Follow-up Report is reviewed by managers “Quarterly” to ensure cases continue towards closure and no cases are overlooked.

Range of Uses. All chapters are subject to this report.

Exhibit 1.4.51-16 (10-04-2013)**Guide for LAMS Closed Case Listing (Field Insolvency and CIO)**

Unreversed TC 520s. This report identifies cases closed on AIS but with at least one IDRS module showing an unreversed TC 520. IRM 5.9.12.8.1, *LAMS Closed Case Listing* provides step instructions for printing and working this report.

Exhibit 1.4.51-17 (10-04-2013)
Guide for Pending Refunds Report

Purpose of Report. The Pending Refunds Report lists all cases with pending refunds on the “Manual Refund” screen of AIS.

Accessing the Report:

1. On the AIS Main Menu, under Misc Options click on the “Reports” button.
2. On the Reports menu, under Manual Refunds select the “Pending Refunds” button.
3. Populate Parameter field(s) for specific report selected based on output desired.
4. Click “Run Report”.

Contents of Report. The report gives the AIS Case Number, Court Key, Tax Period, TIN, Chapter, Taxpayer Name, and Employee SEID.

Frequency of Use by Caseworker. Caseworkers must work the report at least weekly to ensure credits are processed timely.

Frequency of Use by Manager. Managers should review the report quarterly to identify trends or as part of employee reviews.

Range of Uses. All chapters are subject to this report.

Exhibit 1.4.51-18 (10-04-2013)
Guide for ASED Report (Field Insolvency)

Purpose of Report. This AIS report or equivalent custom report lists all ASEDs expiring before the date set by the caseworker or reviewer. Once the cases are identified, the caseworker must make a determination if proceeding with a TFRP investigation is appropriate. If so, actions must be taken to prevent the expiration of ASEDs on trust fund recovery penalty cases pursuant to IRC § 6672.

Accessing the AIS Report:

1. On the AIS Main Menu, under Misc Options click on the "Reports" button.
2. On the Reports menu, under Inventory select the "ASED F/U" button.
3. Populate Parameter field(s) for specific report selected based on output desired.
4. Enter beginning date. An old date, like 01/01/1950, should be input to capture cases previously overlooked or cases entered with an erroneous date.
5. Enter ending date. Generally use 04/15/xxxx with the year being one year from the date of running of the report.
6. Choose the ASEDR type (all ASEDRs are chosen by default).
7. Select the Chapter type. (All is the default).
8. Choose whether or not to print the cover sheet instructions (printing it is the default).
9. Click "Run Report".

Contents of Report. The report gives the AIS case number, Court Key, Chapter, TIN, Debtor Indicator, Taxpayer Name, ASED Date, ASED Indicator, MFT and Period Ended date.

Range of Uses. Although AIS allows the selection of every chapter and bankruptcy type, this report is most useful in Chapters 7A, 9, 11, and 12.

Time frames. This report should be run quarterly to identify ASEDs due the following April 15, the presumptive filing date of 941 returns. This catches cases that may have been recently filed or cases where a TFRP review was overlooked.

Note: Field Collection may reject TFRP OIs where less than six months remain on the ASED. Thus it benefits Insolvency to request TFRP field investigations as early in the bankruptcy as possible.

Updating AIS. Because AIS bases the extraction for this report on the earliest ASED in any module, whether the MFT deals with a trust fund liability or not, the ASED date pulled by this report may be of no use to the caseworker or reviewer. Thus the ASED on the AIS entity screen should be updated to the true most imminent ASED for trust fund liabilities.

Exhibit 1.4.51-19 (08-11-2015)**Guide for Unfiled Plans Report (Field Insolvency)**

Purpose of Report. This AIS report or equivalent custom report identifies Chapter 11, 12, and 13 cases where the plan filed date has not been entered on the AIS entity screen. Each case should be reviewed to determine if a plan has been received and the plan date was entered into AIS. Through the bankruptcy court's electronic records, the docket can be searched to see if a plan has been recorded. If necessary, the debtor's attorney or the bankruptcy court can be asked for a copy of the plan depending upon court jurisdiction requirements. All actions completed should be updated in the case history.

Note: Chapter 13 cases are not to be transferred to the CIO until the bankruptcy confirmation information and the plan screen have been added to AIS.

Accessing the Report:

1. On the AIS Main Menu, under Misc Options click on the "Reports" button.
2. On the Reports menu, under Inventory select the "Unfiled Plans" button.
3. Populate Parameter field(s) for specific report selected based on output desired.
4. Type in the Report Date.
5. Select the Chapter.
6. Click "Run Report".

Report Date Parameter. When generating this report, the user must enter a date parameter. Selecting dockets more than six months old for Chapter 13 cases and more than 12 months old for Chapter 11 cases is recommended. The date format is MM/DD/YYYY.

Contents Of Report. This report contains the Taxpayer Name, AIS Case Number, Court Key, TIN, Secondary TIN, and Petition Date.

Chapter 13 Plans. IRM 5.9.10.6.1, *Field Insolvency (FI) Actions Prior to Case Transfer* provides instructions on required AIS actions concerning input of plan data.

Chapter 11 Plans. Chapter 11 plans are frequently not received until at least six months after the petition date. Delays in plan filing will alert the caseworker to other problems with the Chapter 11 case.

Exhibit 1.4.51-20 (10-04-2013)**Guide for the Delinquent Case Report (Field Insolvency)**

Overview. The Delinquent Case Report provides a list of delinquent payments by extracting data from the AIS Payment Monitoring Screen. The information it provides is only as accurate as the information from which it is compiled. A plan must be added into the payment monitoring screen stating the payment amount, the due date of the first payment frequency, and the review date. If a plan is amended, the plan monitoring data must be amended.

Accessing the AIS Report:

1. On the AIS Main Menu, under Misc Options click on the "Reports" button.
2. On the Reports menu, select the "Delinquent" button.
3. Populate Parameter field(s) for specific report selected based on output desired.
4. Select Chapter type.
5. Type in the number of days of delinquency.
6. Click "Run Report".

Format Options. The report can be sorted. The sort options are Underpaid Amount, Last Payment Date, or Number of Months Behind.

Contents of Report. The Delinquent Case Report provides a listing of delinquent payments. The report lists the following:

- Taxpayer name
- Case Number
- Court Key
- Chapter
- Employee
- Payment Frequency
- Payment Amount
- First Payment Due Date
- Amount Paid to Date
- Current Balance
- Underpaid Amount
- Last Payment
- Months Behind

Chapters Affected. This report may be used in chapters 11, 12 and 13. But it is most effective in Chapter 11 cases where the plan payment date is established for a specific date each month.

Exhibit 1.4.51-21 (08-11-2015)**Guide for Litigation Accounts Management System (LAMS) - Post-petition Case Listing (Field Insolvency)**

Purpose of Report. The LAMS Post-petition Case Listing lists both IMF and BMF post-petition liabilities found on master file. Although the LTS FIDUC transcripts identify pyramiding more promptly, the post-petition report gives a complete history of post-petition compliance and lists all the post-petition modules involved, be they IMF or BMF. IRM 5.9.12.8.3, *LAMS Post-petition Case Listing* provides information on generating and distributing this report.

Contents of Report. This quarterly list generates the Docket Number, Chapter, Employee Number, TIN, MFT, Tax Period, Assessed Module Balance, Petition Date, and Taxpayer Name for each docket. The assessed module balances are totaled before the next docket set of modules is listed.

Range of Uses. This report pertains to all chapters involving plans lasting more than 180 days (Chapters 9, 11, 12, and 13).

Exhibit 1.4.51-22 (10-04-2013)**Guide for Referral to Counsel Report (Field Insolvency)**

Purpose of Report. The Referral Report lists outstanding cases referred to Counsel for various actions, such as dismissal or conversion actions, or advisory opinions where the IRM, IRC, or Bankruptcy Code require specialized interpretation.

Note: A listing of new Chapter 11 referrals should be pulled at month-end and counted for monthly reporting purposes on CTRS (4872).

Accessing the Report:

1. On the AIS Main Menu, under Misc Options click on the “Reports” button.
2. On the Reports menu, under Inventory select the “Refer to Counsel” button.
3. Populate Parameter field(s) for specific report selected based on output desired.
4. Select Chapter type.
5. Enter beginning date. An old date, like 01/01/1950, should be input to capture cases previously overlooked or cases entered with an erroneous date.
6. Enter finish date. Generally use 90 days into future.
7. Click “Run Report”.

Format Options. The report can be grouped by individual employee. Grouping the report by employee best identifies case load management issues. The report can also be sorted. The sort options are Referral Date, Taxpayer Name, or AIS Case Number.

Contents of Report. The report gives the Chapter, Taxpayer Name, AIS Case Number, Court Key, TIN, Date Referred, and Due Date.

Range of Uses. This report identifies cases in all chapters where referrals have been made, and the AIS referral screen has been completed. (See IRM 5.9.4.14, *Referrals – Representing IRS in Bankruptcy Court*.) For month end reporting purposes, the group secretary can pull the report to count Chapter 11 referrals within the monthly reporting period.

Reliability. The report is reliable if specialists and advisors load the referral information to the referral screens for follow-up. Some offices maintain a manual log of cases referred. The automated system must be used, because a technician or clerk closing a case receives a notification a referral is pending when they attempt to close the case. If a manual system is used, the clerk or technician receives no notification of a pending referral when closing.

Pending Referrals. If case closure occurs and Counsel continues to work on a case that is resolved, valuable Counsel resources are wasted, and relations with Counsel might suffer. If numerous referrals for non-filing or objections are worked with Counsel (usually related to Chapter 13 cases), the report is a tool for determining the age of an unresolved issue.

Exhibit 1.4.51-23 (10-04-2013)**Guide for LAMS Not Found On AIS Case Listing (Field Insolvency and CIO)**

Purpose of Report. Cases are listed on this report because their TINs do not match any TINs in the presumed AIS database, and the Bankruptcy/Litigation Location Code (BLLC) is for a district other than the presumed district. Under normal conditions these cases belong to taxpayers with a Primary Location Code in the home district and a bankruptcy in a foreign district. IRM 5.9.12.8.2, *Lams Not Found on AIS Case Listing Report* provides step instructions for generating and working this report.

AIS Notification. LAMS reports are updated quarterly somewhere between one week before the end of the calendar quarter and up to five weeks after the end of the calendar quarter. A message appears on AIS when LAMS is updated. In some instances a case on this list may indicate a situation involving joint returns where only one spouse has filed bankruptcy.

Exhibit 1.4.51-24 (10-04-2013)**Guide for Non Master File Listing (Field Insolvency and CIO)**

Purpose of the Report. The Non Master File (NMF) Listing must be worked by both Field and Centralized Insolvency. It provides a roster of status 72 NMF assessments to be matched against the AIS open database to ensure the cases should be in litigation status and the CSED is not tolling.

Reminder: When a bankruptcy closure applies to a module in NMF, the module was subject to the automatic stay, and a balance remains on the module, the CSED must be extended manually using TC 550.

Accessing the Report: Reports are generated at the SBSE Campus in Cincinnati.

Contents of the Report. The TC 520 NMF listing includes litigation cases primarily involving bankruptcies and non-petitioning spouses or other MFTs that still require NMF processing. Given are the TIN, taxpayer name, MFT, tax period, closing code, transaction date, COLSED and age code denoted by asterisks.

Note: No asterisk = 90 to 179 days from 520 transaction date, * = 180 - 364 days from the TC 520 transaction date, and ** = one year or older.

Frequency of Use by Caseworker. The TC 520 listing should be generated quarterly for reconciliation. Insolvency should respond to the NMF unit within 60 days of receiving the report.

Frequency of Use by Manager. Managers should review the report annually for performance feedback purposes and to determine if CSED issues or other inventory management issues are addressed appropriately.

Retention. The NMF list should be retained for use in the following quarter to verify if accounts for which closing requests were previously submitted are truly closed.

Range of Uses. This report is used for all chapters of bankruptcy.

Case Matching. Cases should be matched against AIS and electronic court records if necessary due to age (greater than one year for Chapter 7 cases and greater than three years for all others) or lack of documentation in the AIS history.

IDRS Review. Caseworkers should check the IDRS status of cross referenced TINs to ensure their current collection status is appropriate in light of the pending bankruptcy.

Note: Reorganizations have affected the district code listing. Any NMF listing that contains TC 520 bankruptcy accounts controlled by another Insolvency group should be faxed to the appropriate office and a history item entered on AIS to document

Exhibit 1.4.51-25 (08-09-2016)
Guide for Lien Research Report

Purpose of the Report. This mandatory report identifies cases that have been discharged and for which a Notice of Federal Tax Lien has not been systemically released. Insolvency must review the cases to identify those that require a manual release of the NFTL (excepting cases where pursuit of exempt, abandoned and excluded property is being considered). Failure to work this report may result in lien releases not being initiated within 30 days of notification of discharge when the liability is fully satisfied as defined in IRC § 6325.

Accessing the Report:

1. On the AIS Main Menu, under Misc Options click on the "Reports" button.
2. On the Reports menu, under Inventory select the "Lien Research" button.
3. Populate Parameter field(s) for specific report selected based on output desired.
4. Enter beginning date.
5. Enter finish date.
6. Select the type of records the report should contain (normally users should choose the "both" option).
7. Click "Run Report".

The Lien Research Report may be substituted by using an approved Eureka or Business Objects program.

Report Date Parameter. When the user is generating this report, they must enter a date parameter. Managers generating the report for review should use the start date of the *prior* quarter and an end date of the *prior* quarter.

Example: If the manager is running the report on 04/01/2013, they will use 10/01/2012 as the beginning date and 12/31/2012 as the end date.

Caseworkers generating the report for case processing should use the start date of the week *two weeks prior* and an end date of the week *two weeks prior* to the date they run the report.

Example: If the caseworker is generating the report on 01/10/2013 they will use 12/23/2012 as the beginning date and 12/29/2012 as the end date.

Using these time frames should assist in identifying liens that have not been released so corrective actions can be taken. The date format is MM/DD/YYYY.

Contents of the Report. The AIS report provides the AIS Case Number, Court Key, Chapter, TIN, Taxpayer Name, Lien Filed Date, Class Indicator, Discharge Date, and Notice Date.

Range of Uses. This report is used for Chapter 7 Asset, 7 No Asset and Chapter 13 cases that have been discharged.

Procedures for Working the Report. The employee must review each case on the report and determine any lien requiring release within the 30 day requirement (IRC § 6325) will be timely released through systemic actions. If it appears the release will be delayed due to a Discharge Determination Report (DDR), mirroring, etc., and all statutory liens for periods on the NFTL are satisfied as required under IRC § 6325, a manual lien release should be requested. The lien release can be input directly into ALS.

History Documentation. The employee must document the history to reflect the lien research report was reviewed and whether or not a manual lien release requested, any periods deemed non-dischargeable, etc.

Note: Managerial approval/denial of the lien release must also be documented in the AIS history.

Frequency of Use by Caseworker. This report must be generated and worked weekly.

Exhibit 1.4.51-25 (Cont. 1) (08-09-2016)
Guide for Lien Research Report

Frequency of Use by Manager. Managers should review the report quarterly.

Retention. The Lien Research report should be retained for one year.

Exhibit 1.4.51-26 (08-11-2015)**Guide for CSED Report (Field Insolvency and CIO)**

Purpose of Report. The CSED Report or equivalent custom report lists all CSEDs expiring before the date set by the caseworker or reviewer. This report is used to identify non-debtor spouses where the collection statute will expire within two years.

Accessing the Report:

1. On the AIS Main Menu, under Misc Options click on the "Reports" button.
2. On the Reports menu, under Inventory select the "CSED F/U" button.
3. Populate Parameter field(s) for specific report selected based on output desired.
4. Enter beginning date. An old date, like 01/01/1950, should be input to capture cases previously overlooked or cases entered with an erroneous date.
5. Enter finish date. Generally this is a future expiration date so cases with imminent CSEDs may be identified and reviewed. A date two years in the future is recommended.
6. Select Chapter type.
7. Click "Run Report".

Format Options. The report can be grouped by individual employee. Grouping the report by employee best identifies case load management issues.

Contents of Report. The report gives the Taxpayer Name, AIS Case Number, Court Key, TIN, MFT, Period Ended, Assessment Date and CSED dates.

Frequency of Use by Caseworker. Caseworkers must work the CSED Report semi-annually.

Frequency of Use by Manager. Managers should review the report semi-annually to identify trends or as part of employee reviews.

Range of Uses. Chapters 7A, 11, 12, and 13 are subject to this report.

Non-Debtor Partners. Partnerships, joint ventures, and limited liability companies with multiple TINs may have similar issues where collection may be pursued, but release of the TC 520 could increase the risk of a stay violation if assigned for routine collection processing. Through use of this report, the caseworker can identify cases where courtesy investigations should be issued before the stay is lifted.

Exhibit 1.4.51-27 (10-04-2013)**Guide for Aged Case Report (Field Insolvency and CIO)**

Purpose of Report. This AIS report identifies cases that are older than a certain number of days (270 for 7N and 7A cases, and 2190 for Chapter 13 cases) and do not yet have a dismissal/discharge date on AIS. IRM 5.9.12.10, *Aged Case Reports* gives more information on this report.

Accessing the Report:

1. On the AIS Main Menu, under Misc Options click on the “Reports” button.
2. On the Reports menu, under Inventory select the “Aged Cases” button.
3. Populate Parameter field(s) for specific report selected based on output desired.
4. Select Chapter type.
5. Click “Run Report”.

Contents of Report. The report gives the SEID, Employee Name, AIS Case Number, Court Key, Chapter, Taxpayer Name, TIN, Open on AIS date, and Notice Date.

Frequency of Use by Caseworker. Annual matching is required. The CIO must work Chapter 7 No Asset and Chapter 13 cases assigned to its inventory. Field Insolvency must work the report for cases assigned to its inventory.

Frequency of Use by Manager. The manager should review this report annually to determine if trends are evident in cases’ not being closed timely.

Range of Uses. This report is available for Chapters 7N, 7A and 13.

AIS Documentation. Managers should be conservative in requiring documentation from caseworkers on an ongoing basis. A short history in the case to be closed may state “DS or DC per aged.”

Exhibit 1.4.51-28 (10-04-2013)**Guide for Plan Review Report (Field Insolvency)**

Purpose of Report. This AIS report lists all cases in the database and provides an overall review of each case.

Accessing the Report:

1. On the AIS Main Menu, under Misc Options click on the "Reports" button.
2. On the Reports menu, under Inventory select the "Plan Review" button.
3. Populate Parameter field(s) for specific report selected based on output desired.
4. Enter beginning date. An old date, like 01/01/1950, should be input to capture cases previously overlooked or cases entered with an erroneous date.
5. Enter finish date. Generally use 90 days into future.
6. Select Chapter type.
7. Click "Run Report".

Format Options. The report is provided in an Excel spreadsheet.

Contents of Report. The report includes the AIS Case Number, Court Key, Petition Date, Confirmation Date, Closed on AIS Date, Plan Filed Date, Last History Date, Last History User, Initial 520 Amount, POC Prepared Date, POC Amount, Plan Frequency, Last Payment Date, Plan Payments Amounts, and Non Plan Payments Amounts.

Range of Uses. This report can be run for Chapters 11 and 13.

Note: If the Delinquent Case Report is used regularly, this report should be limited to special projects involving large dollar plans.

Exhibit 1.4.51-29 (10-04-2013)**Guide for Case Assignment Reports (Field Insolvency and CIO)**

Purpose of Reports. There are three Case Assignment Reports:

- Assigned Profiles identifies how cases will be systemically assigned via the CAG program using information based on the CAG matrix.
- CAG Assignment lists cases successfully processed and assigned to a caseworker during a specific period of time.
- Ungraded Case Follow-up lists cases that have not passed all systemic checks and remain unassigned.

Accessing the AIS Reports:

1. On the AIS Main Menu, under Misc Options click on the “Reports” button.
2. On the Reports menu, under Case Assignment select the required report.
3. Populate Parameter field(s) for specific report selected based on output desired.
4. Click “Run Report”.

Contents of Report. Each listing under this report heading provides different data as follows:

- Assigned Profiles This report provides a matrix of employee assignment according to Grade, Chapter Type, Court Jurisdiction and Alphabet.
- CAG Assignment This report provides the Chapter, Amount of Liability, Entity Type (IMF or BMF), BOD (WI, SB, LM, or TE), Grade (7, 9, 11, 12 or UG = ungraded), Employee name and SEID, AIS Case Number, Taxpayer Name Control, and all TINs for the case.
- Ungraded Case Follow-up This report provides the Court Key, Chapter, AIS Case Number, Employee SEID, Open on AIS Date, Grade, TIN, and BOD. Generally, cases should not remain unassigned for more than five days.

Frequency of Use by Caseworker. The CIO Automated Process Control (APC) team is responsible for working the “Ungraded Case Follow-up Report” (or comparable Eureka/Business Objects) report. This listing should be printed and reviewed weekly. The majority of the cases on the report are attributed to “Potentially Invalid TINs or Process D errors”. Prompt resolution of the error condition will allow assignment of the case the next time the IIP processes are run.

Frequency of Use by Manager. CIO Managers should review the Ungraded Case Follow-up report monthly and Assigned Profiles report as needed. Field Insolvency Managers should review the Assigned Profiles and CAG Assignment reports as needed.

Range of Uses. All chapters are subject to this report.

Procedures for Working the Ungraded Case Follow-up report. The caseworker must review each case on the report and determine the action to be taken in accordance with local procedures to resolve the condition preventing assignment.

Retention of reports:

- Assigned Profiles: when no longer needed.
- CAG Assignment: when no longer needed.
- Ungraded Case Follow-up: electronic or hard copies should be retained six months from date of printing.

Exhibit 1.4.51-30 (10-04-2013)**Guide for 1714 Letter Follow-up Report (Field Insolvency)**

Purpose of Report. The 1714 Letter Report lists all cases where a letter requesting return information has been sent. The letter explains the debtor's duties under the Bankruptcy Code to file returns and the consequences of non-compliance which may include dismissal or conversion.

Accessing the Report:

1. On the AIS Main Menu, under Misc Options click on the "Reports" button.
2. On the Reports menu, under Inventory select the "L-1714 F/U" button.
3. Populate Parameter field(s) for specific report selected based on output desired.
4. Type in the Report Date.
5. Select the Chapter.
6. Click "Run Report".

Contents of Report. The report provides the AIS Case Number, Court Key, Date Issued, Taxpayer Name, TIN, MFT and Tax Period.

Range of Uses. Although AIS allows the selection of every chapter and bankruptcy type, this report is most useful in Chapters 7A, 9, 11, 12, and 13.

Note: The highest volume of cases for review comes in the Chapter 13 program.

IDRS Research. This report provides a complete listing of unassessed returns and should be cross-checked against IDRS master file to determine if the return was filed in response to the claim of unassessed tax.

Referrals. This report is a resource to determine which cases to review for referral to Counsel requesting a case be dismissed or converted for non-filing of pre-petition tax returns.

LAMS. The report is related to the LAMS Unfiled Return report in that it identifies unfiled returns when a POC determination is made. The LAMS Unfiled Return report provides all delinquency investigation information on all TINS in the open AIS database. This report limits the information to cases where claims have been filed.

Exhibit 1.4.51-31 (10-04-2013)**Guide for Other Investigation (OI) F/U Report (Field Insolvency)**

Purpose of Report. The OI Report lists outstanding other investigations issued by Insolvency to Field Collection. The actions requested are usually related to Trust Fund Recovery Penalty investigations with time sensitive ASEDs or asset valuation cases where the IRS retains a secured lien interest in property.

Note: The value of this report may be diminished by the current practice of Field Insolvency's opening the OI screen as a systemic prevention of premature case closure by CIO technicians.

Accessing the Report:

1. On the AIS Main Menu, under Misc Options click on the "Reports" button.
2. On the Reports menu, under Inventory select the "OI F/U" button.
3. Populate Parameter field(s) for specific report selected based on output desired.
4. Type in the Report Date.
5. Select the Chapter.
6. Click "Run Report".

Contents of Report. The report lists the Taxpayer Name, TIN, AIS Case Number, Court Key, Date Issued, Due Date, Extension Date, and Assignment Field.

Range of Uses. This report covers Chapters 7, 9, 11, 12, 13 for Trust Fund Recovery investigations and Chapters 7, 11, and 13 for exempt, abandoned, and excluded property investigations.

Cooperation with Field Collection. Effective communication between Insolvency and Field Collection managers reduces the need for extending the deadlines on other investigations. Insolvency caseworkers should establish cases on ICS for each AIS other investigation issued to facilitate the assignment of the investigation to Field Collection. Insolvency caseworkers should provide all relevant information concerning the bankruptcy case when an investigation request is issued. In most Trust Fund Recovery cases involving large companies, this necessitates review of the Statement of Financial Affairs so responsible officers located in different areas of the country can be identified promptly.

Multiple Investigations. Multiple other investigations can be routed and coordinated more effectively through ICS than through manual controls. The majority of cases involve closely held corporations with one or two officers in one location. Reviewing the Statement of Financial Affairs of corporations, partnerships, and LLCs gives the caseworker an idea of the complexity of the issues involved and the number of potentially responsible parties. Providing Field Collection with all available bankruptcy court or trustee information with the case assignment reduces delays in investigations.

Bankruptcy Schedules. Schedules relating to property should be provided to revenue officers whenever possible. Where the government has a secured position in exempt assets, caseworkers should determine from the bankruptcy schedules if exempt assets provide sufficient interest to pursue further collection action through referral to Field Collection. Web-based sources to determine the value of the government's interest in real property should be consulted when possible. For further information on quick sale value analyses see IRM 5.8.5.4.1, *Net Realizable Equity*.

Exhibit 1.4.51-32 (08-11-2015)**Guide for ICS Inventory Report (Field Insolvency)**

Purpose of Report. This report will identify all cases assigned to the manager's employees on ICS.

Accessing the Report: This report is generated from the ICS system.

1. On the ICS Main Menu, click on the "Reports" button.
2. On the Reports menu, click on "Advisory Reports".
3. On the Advisory Reports menu, click on "Inventory".
4. Click "View" next to "Employee Case Type Report".
5. Highlight either the report for a specific employee or for the entire group, as needed.
6. Click "Get Report".

Contents of Report. The report gives a snapshot of total inventory on the day it is run. The report lists the ICS Assignment Number, TIN, Taxpayer Name, Sequence Number, Created Date, Number of Days open, Close Due (date closure is due).

Range of Uses. The report identifies cases assigned to Insolvency personnel that are open on ICS and therefore encompasses all chapters.

Note: Revenue Officers close their own portion of the OI once they've completed their required actions. Insolvency is responsible for closure of their portion of the OI once they've verified all required activities requested are completed.

OI Control. Insolvency primarily uses ICS to control OIs it sends to Field Collection for 6672 investigations, exempt and abandoned asset determinations, and other coordinated activities.

Reminder: Insolvency personnel should have a corresponding OI screen open on AIS to prevent premature closure of the AIS case while there are joint activities on-going.

Exhibit 1.4.51-33 (08-11-2015)
Guide for Large Dollar

Purpose of Report. The Large Dollar Report lists all cases in the open AIS file with POC data meeting a dollar criterion established by the caseworker or reviewer allowing prioritization of casework by dollar amount. IRM 5.9.4.14.3, *Referrals on Significant Bankruptcy Case Issues* requires all cases meeting certain criteria to be identified and reported to Counsel as significant. This report also identifies cases likely to have post-petition trust fund or income tax pyramiding, assuming a large proportion of bankruptcy filers who owe prior to bankruptcy have the likelihood of owing significant dollar amounts after bankruptcy is filed.

Accessing the Report:

1. On the AIS Main Menu, under Misc Options click on the “Reports” button.
2. On the Reports menu, under Inventory select the “Large \$ Cases” button.
3. Populate Parameter field(s) for specific report selected based on output desired.
4. Select the Chapter type. (All is the default).
5. Type in a dollar amount for Threshold.
6. Click “Run Report”.

Contents of Report. This is a two part report.

On cases where there are claims filed the following will be provided:

- Chapter
- Taxpayer Name
- AIS Case Number
- Court Key
- Petition Date
- Amount of the POC
- Amount Required for Payment on Form 6338A
- Amount of Form 4490
- Total Amount Due from all claims.

On cases where there is no claim filed the following will be provided:

- Employee
- Chapter
- Taxpayer Name
- AIS Case Number
- Court Key
- Balance Due (from IIP initial TC 520).

Range of Uses. All chapters are subject to this report.

Who Prints the Report. The secretary or caseworker who processes the 4872 month end inventory reports can generate this report at the end of each quarter when Chapter 11 referral information is being gathered for reporting purposes. Grade 12 advisors and specialists should be able to generate this report to identify significant cases for referral and to improve inventory management skills.

Other Uses. During the pendency of extended bankruptcy, this report can identify debtors who fund bankruptcy plans by not paying current taxes, thus creating post-petition liabilities. Taxpayers owing significant amounts of money at the time of bankruptcy filing may not resolve their nonpayment issues during the bankruptcy. The specialist may, for example, review all taxpayers owing over \$25,000 at bankruptcy filing. Similar parameters can be set for long term plans with in-business Form 941 liabilities. The LAMS post-petition report is the most effective tool to use because it draws its information every quarter from true master file account information. If LAMS is unavailable, this report is an alternative for prioritizing cases for post-petition review.

Exhibit 1.4.51-33 (Cont. 1) (08-11-2015)
Guide for Large Dollar

Note: The Large Dollar Report pulls information from the proofs of claim amount data.

Inventory Management. The Large Dollar Report, as an inventory management tool, lists priority cases by the delinquency amount established by the user in docket number order beginning with 00, 01, 02, 03. At the end of the list are the oldest cases starting with 90, 91, 92, 93, etc. Dockets beginning with alphas are sorted at the end in alpha numeric order.

Exhibit 1.4.51-34 (08-11-2015)
Guide for GUF Report (CIO)

Purpose of the Report. The GUF Report lists open cases in litigation status with unpostables. The majority of the unpostable transactions will be TC 150, TC 290, and TC 370.

Accessing the Report. Reports are printed at the Campus level and will generate only when an attempted transaction will not post to an account.

Contents of the Report. Two types of reports are produced. The first lists bankruptcy cases of taxpayers who reside in the home area. The second report (Out of District Unpostable Report) lists cases in which the taxpayer lives in another area, but filed bankruptcy in the manager's area. The reports will show the following:

- Campus generating the report
- DO Number
- IMF or BMF listing (separate listings)
- DLN/Sequence Number
- Petition date
- Name control
- MFT
- Tax period (TXPE)
- Unpostable transaction code (TC)
- MF name control (MF N/C)
- MF name line
- Date of the transcript (report)

Frequency of Use by Caseworker. This report is worked when a listing becomes available.

Frequency of Use by Manager. Managers should review reports when completed by the caseworker to ensure issues are properly addressed and potential stay violations have been addressed/corrected.

Range of Uses. This report is pertinent for all chapters.

Statutes. ASEDs and CSEDs are two reasons these cases should be worked as soon as they are received. Imminent statute information must be included in the history when requesting resolution of an unpostable.

Retention. Reports should be destroyed when no longer needed in current operations.

Misdirected Reports. Any reports containing bankruptcy accounts located in another area should be faxed to the appropriate office. The fax receipt should be attached to the listing to document all appropriate actions to have the account resolved were taken.

Requisite Command Codes. Those working this report must have UPDIS, UPTIN and UPCAS commands in their IDRS profiles.

Exhibit 1.4.51-35 (04-01-2006)
CAG Pre-Assignment Factors

Factor	Name	Description
1	Chapter	<ul style="list-style-type: none">• 7N• 7A• 9• 11• 12• 13• Probate• Assignments• Receiverships
2	Unpaid Liability	<ul style="list-style-type: none">• Ranges vary by chapter (See Exhibit 1.4.51-34.)
3	Entity	<ul style="list-style-type: none">• IMF• BMF
4	Business Operating Division (BOD)	<ul style="list-style-type: none">• W & I• SBSE• LMSB• TEGE

Exhibit 1.4.51-36 (04-01-2006)**CAG Pre-Assignment Difficulty Indicators**

Chapter	GS-07 Technician			GS-09 Specialist		
	Bal Due	File Source	BOD	Bal Due	File Source	BOD
7N	All	IMF - BMF	All			
7A	0 - 19K	IMF - BMF	WI, SB	20 - 249K	IMF - BMF	WI, SB
9				0 - 49K	BMF	TE
11				0 - 49K	IMF - BMF	WI, SB
12				0 - 49K	IMF - BMF	WI, SB
13				0 - 49K	IMF - BMF	WI, SB

Chapter	GS-11 Specialist			GS-12 Specialist		
	Bal Due	File Source	BOD	Bal Due	File Source	BOD
7A	250K+	IMF - BMF	WI, SB			
	All	BMF	LM, TE			
9	50 - 149K	BMF	TE	150K+	BMF	TE
11	50 - 149K	IMF - BMF	WI, SB	150K+	IMF, BMF	All
	0 - 149K	BMF	LM, TE			
12	50 - 149K	IMF - BMF	WI, SB	150K+	IMF - BMF	WI, SB, LM
	0 - 149K	BMF	LM			
13	50 - 149K	IMF - BMF	WI, SB	150K+	IMF - BMF	WI, SB

Exhibit 1.4.51-37 (04-01-2006)**Post-Assignment Difficulty Indicators Factor 5: Case Action**

GS-07 Technician	GS-09 Specialist	GS-11 Specialist	GS-12 Specialist
Performs routine processing of POCs	Performs routine analysis and investigations	Conducts in-depth analysis, which may involve asset transfers and lien priority	In the most complex cases, uses extensive knowledge and analytical techniques to determine: <ul style="list-style-type: none"> • Viability of business' continued operation • Government's position in adversarial complaints
Performs routine closing actions to include discharge and dismissals	Performs routine recommendations and requests for legal assistance	Recommends and requests legal assistance on more complex issues involving: <ul style="list-style-type: none"> • Application of law • Hidden and undisclosed assets • Large examination assessments • Corporations • TEFRA • Multiple BMF entities 	Recommends and requests legal assistance on the most complex issues: <ul style="list-style-type: none"> • Fraud • Lien priorities • Property ownership • Settlement options • Nominee/alter ego/transferee
Prepares manual refund requests	Reviews and responds to court documents on routine issues	Reviews and responds to moderately difficult cases to make an informed judgment about a proposed plan of reorganization	Advisory opinion: researches complex case issues to determine and apply law to facts presented. Opinions may be oral or written
			Reviews and responds to schedules and disclosure statements in complex cases to make an informed judgment about a proposed plan of reorganization. Resolves potential BCCP claims

Exhibit 1.4.51-38 (04-01-2006)**Post-Assignment Difficulty Indicators Factor 6: Communication**

GS-07 Technician	GS-09 Specialist	GS-11 Specialist	GS-12 Specialist
Responds to routine inquiries from taxpayers, their representatives or representatives of the court relative to case or task assignment	Confers with taxpayers, their representatives, creditors, third parties, other employees, Counsel or representatives of the court to resolve issues and determine the next course of action	Confers with United States Attorney's Office, Counsel, taxpayers, corporate officials, lawyers, bankers, creditors, third parties and prominent members from the business or political fields in complex cases	Contacts involve Department of Justice, United States Attorney's Office, Area Counsel and accountants and CPAs from firms representing the largest business accounts in highly complex cases
	Attends meetings of creditors and testifies relative to level of expertise	Attends meetings of creditors and testifies at hearings relative to level of expertise	Negotiates: <ul style="list-style-type: none"> • Settlement options • Adequate protection • Complex plans
	Prepares technical written documents (e.g. referrals to Counsel) relative to case or task assignment	Advises and consults with Service personnel on complex aspects of bankruptcy	<ul style="list-style-type: none"> • Serves as expert witness • Acts as contact with internal and external customers relative to duties and responsibilities as a program coordinator • Deals with high profile and sensitive cases • Delivers agency's perspective in outreach presentations

Exhibit 1.4.51-39 (04-01-2006)**Post- Assignment Difficulty Indicators Factor 7: Supervisory Controls**

GS-07 Technician	GS-09 Specialist	GS-11 Specialist	GS-12 Specialist
Moderate supervisory control is exercised in handling of typical GS-07 cases	Little or no supervisory control exercised on typical GS-09 cases	Little or no supervisory control exercised on typical GS-11 cases	Little or no supervisory control exercised on typical GS-12 cases
Completed work is reviewed for appropriateness, soundness, and conformance with established guidelines	Completed work is reviewed for technical soundness, appropriateness, soundness and conformance with established guidelines	Completed work is reviewed on the basis of results accomplished and is normally accepted without change	Samples of completed work are reviewed to ensure fulfillment of program guidelines, procedures and objectives. Completed work is rarely changed, as incumbent is considered to be a technical expert
Issues in bankruptcy cases which cannot be resolved by the incumbent are referred to a higher graded employee for resolution	Incumbent exercises independent judgment and initiative in determining the course of action on routine bankruptcy cases Guidance is limited to: <ul style="list-style-type: none"> • Cases where unusual or unfamiliar situations arise • Case actions which require an interpretation of the Bankruptcy Code or IRM • Cases which involve matters of public interest or have potential to create adverse publicity 	Guidance is limited to: <ul style="list-style-type: none"> • Cases in which unusually difficult problems arise • Case actions involving matters of public interest or the potential to create adverse publicity • Case actions / decisions which may set a precedent 	Supervisory consultations limited to: <ul style="list-style-type: none"> • Cases involving significant or sensitive issues • Decisions which deviate from established policy • Cases which significantly impact other divisions or functions within IRS • Cases which involve matters of public interest or have potential to create adverse publicity

Exhibit 1.4.51-40 (04-01-2006)**Post-Assignment Checklist Factor 5: Case Action**

Series/Grade	Description
GS-592-07	<ul style="list-style-type: none"> • Performs routine processing of POCs (regardless of chapter) • Performs routine closing actions to include discharges and dismissals (regardless of chapter) • Prepares manual refund requests (regardless of chapter)
GS-1101-09	<ul style="list-style-type: none"> • Performs routine analysis and investigation • Performs routine recommendations and requests legal assistance • Reviews and responds to court documents on routine issues • Reviews and responds to routine plan and disclosure statements
GS-1101-11	<ul style="list-style-type: none"> • Conducts in-depth analysis which may involve asset transfers and lien priority • Recommends and requests legal assistance on more complex issues involving application of law, hidden and undisclosed assets, large examination assessments, corporations, TEFRA and multiple BMF entities • Reviews and responds to moderately difficult cases to make an informed judgment about a proposed plan or reorganization
GS-1101-12	<ul style="list-style-type: none"> • In the most complex cases, uses extensive knowledge and analytical techniques to determine viability of business' continued operations, government's position in adversarial complaints • Recommends and requests legal assistance on the most complicated issues (fraud, lien priorities, property ownership, settlement options, nominee/alter ego/transferee) • Advisory opinion: researches complex case issues to determine and apply law and facts. Opinions may be oral or written • Reviews and responds to schedules and disclosure statements in complex cases to make an informed judgment about the proposed plan or reorganization • Resolves potential BCCP claims

Exhibit 1.4.51-41 (04-01-2006)**Post-Assignment Checklist Factor 6: Communication**

Series/Grade	Description
GS-592-07	<ul style="list-style-type: none">• Responds to routine inquiries from taxpayers, their representatives, or representatives of the court relative to case or task assignments
GS-1101-09	<ul style="list-style-type: none">• Confers with taxpayers, their representatives, creditors, third parties, other employees, Counsel or representatives of the court to resolve issues and to determine next course of action• Prepares technical written documents (e.g. referrals to Counsel) relative to case or task assignments• Attends meetings of creditors and testifies relative to their level of expertise
GS-1101-11	<ul style="list-style-type: none">• Confers with United States Attorney's Office, Counsel, taxpayers, corporate officials, lawyers, bankers, creditors, third parties, and prominent members from the business or political fields in complex cases• Attends meetings of creditors and testifies at hearings relative to their level of expertise• Advises and consults with Service personnel on complex aspects of bankruptcy
GS-1101-12	<ul style="list-style-type: none">• Contacts involve Department of Justice, United States Attorney's Office, Area Counsel, and accountants and CPAs from firms representing the largest business accounts in highly complex cases• Negotiates settlement options, adequate protection and complex plans• Serves as expert witness• Contacts include internal and external customers relative to duties and responsibilities as a program coordinator• Deals with high profile and sensitive cases• Delivers agency's perspective in outreach presentations

Exhibit 1.4.51-42 (04-01-2006)**Post-Assignment Checklist Factor 7: Supervisory Control**

Series/Grade	Description
GS-592-07	<ul style="list-style-type: none"> • Moderate supervisory control is expected • Completed work is reviewed for appropriateness, soundness, and conformance with established guidelines
GS-1101-09	<ul style="list-style-type: none"> • Little or no supervisory control is exercised • Completed work is reviewed for technical soundness, appropriateness, and conformance with established guidelines • Incumbent exercises independent judgment and initiative in determining the course of action on routine bankruptcy cases • Guidance is limited to cases where unusual or unfamiliar situations arise, case actions which require an interpretation of the Bankruptcy Code or IRM, or cases which involve matters of public interest or have potential to create adverse publicity
GS-1101-11	<ul style="list-style-type: none"> • Little or no supervisory control is exercised • Completed work is reviewed on the basis of results accomplished and is normally accepted without change • Guidance is limited to cases in which unusually difficult problems arise, case actions involving matters of public interest or the potential to create adverse publicity, or cases which may set a precedent
GS-1101-12	<ul style="list-style-type: none"> • Little or no supervisory control is exercised • Samples of completed work are reviewed to ensure fulfillment of program procedures and guidelines • Completed work is rarely changed as incumbent is considered a technical expert • Supervisory consultations are limited to cases involving significant or sensitive issues, decisions which deviate from established policy, cases which significantly impact other functions with the IRS, cases which involve matters of public interest or have potential for adverse publicity

Exhibit 1.4.51-43 (08-01-2007)
Case Assignment Profile Matrix

FLSO1	GS-07	GS-09	GS-11	GS-12
Chapter 7N	A-C seid YUBA D-M seid SMITH N-Z seid BALL			
Chapter 7A	A-C seid YUBA D-Z seid BALL	A-F seid BENT G-Z seid DREW	A-F seid CLAY G-R seid THOMAS S-Z seid MACK	
Chapter 9				
Chapter 11		A-F seid BENT G-Z seid ADAMS	A-D seid DANTE E-Z seid PETERS	A-Z seid NESS
Chapter 12				A-Z seid NESS
Chapter 13		A-F seid HILL G-Z seid EDDY	A-F seid YORK G-Z seid POLK	A-F seid NESS G-Z seid PIMA

Exhibit 1.4.51-44 (08-11-2015)
CAG Post-Assignment

Coverage. This portion of the Insolvency Case Assignment Guide is primarily used to provide information which assists managers in determining if a task should be referred or an entire case reassigned. The post-assignment factors identify tasks/issues that are encountered or develop during the process of working the case. Careful review of post assignment factors should be made, as the case evolves, to ensure the case is assigned to the proper grade level of employee.

Factor	Case Actions	Description
5	Case Action	Covers tasks/issues anticipated at the corresponding grade levels
6	Communication	Includes typical individual(s) contacted and the purpose of contacts
7	Supervisory Controls	Outlines the functioning relationship between the manager and employee, the degree of independence the employee is expected to exhibit and the extent of supervisory review of work products or accomplishments

Most issues referred from a lower to a higher graded employee will not result in the overall reassignment of the case. If the case is permanently reassigned, the manager must measure the case against the three post-assignment factors. While it is not necessary to meet all three factors, a case will generally not be graded at the higher level unless it meets a majority of the factors at the higher level or contains a difficulty indicator that has significant impact.

Note: All Chapter 7N Cases are initially assigned to CIO. Large Dollar cases are screened by CIO and assigned to Field Insolvency when potential collection from assets is identified. 7N cases assigned to Field Insolvency should be re-graded by the Field Insolvency Manager according to guidelines provided by the Director, Speciality Collection Insolvency.

Exhibit 1.4.51-45 (08-09-2016)
Operational Review Plan Guide**Program Review Areas:**

- Case file reviews
- NFTL determination accuracy
- Quality – EQ/NQ analysis
- Quality – Consistency reviews with GM
- Alternative case resolution discussion – are we fully utilizing Counsel, FTAs, CI and our ATAT and OIC resources such as the OIC Pre-Qualifier tool located on irs.gov at http://irs.treasury.gov/oic_pre_qualifier/?
- TFRP/ATFR process
- ENTITY/Management Information Systems (MIS) analysis of trends in performance indicators.
- GM controls
- Employee Performance Folder (EPF) reviews
- Communications
- Employee Satisfaction
- Customer Satisfaction
- ATAT Program
- Group Time Reporting and Analysis – relating to productivity and cycle time
- Group Productivity and Efficiency
- Annual Appraisal/Performance Document Approval
- Fraud program/identification and FTAs involvement
- Inventory ranges and assignment practices/ Inventory delivery process
- Above grade work
- Million dollar case assignments
- Multi-module strategy
- Trends and patterns report – teller errors
- Span of control
- Summons errors
- Hold file composition and time in hold file – review for any issues with assignment and staffing
- Group Meeting attendance
- Field Visits
- Other/Local

Administrative and Compliance Reviews/ TM Oversight Mandatory

- EPF – administrative review
- Controls monitoring
- SETR and timekeeping
- Security – after hours and computer systems
- F3210 transmittals review
- Correspondence and file retention
- Travel vouchers and authorizations
- Credit bureau
- Purchase cards and supplies
- 1204/ROTERRs
- EQ consistency review for territory
- Sensitive Case Reports- timely and appropriate
- GMs Employee review schedule at beginning of fiscal year
- Other

Exhibit 1.4.51-45 (Cont. 1) (08-09-2016)

Operational Review Plan Guide

Optional: One on One Briefing - Periodic scheduling:

- GM is scheduled for periodic briefings during the months of: (fill in)
- Topics covered will include: (fill in)

Exhibit 1.4.51-46 (08-11-2015)
Director Operational Aid (DOA)**Operational Reviews:**

Purpose - to assess Territory manager (TM) performance in achieving Area, HQ and territory business plan goals and to improve Employee Satisfaction and Customer Satisfaction while enhancing Business Results.

Frequency - Operational Reviews are to be performed on an annual/fiscal year basis with follow-up reviews to be performed when appropriate.

Scope - all general and specialized Collection territories.

Documentation - all Operational and Follow-up Reviews are to be documented in a memorandum format. These documents should be shared with the Territory manager within sixty (60) days of completion of the actual review. The operational review should also include a candid discussion regarding the Territory manager's performance.

Pre-Operational Review Actions:

Trend Analysis - to identify and evaluate trends that may require managerial involvement.

Technique - utilize cumulative data acquired during the fiscal year, identifying areas of achievement and those that require improvement. (See Trend Analysis, under Additional Reviews and Actions). A comparison to the prior year as well as the current goals may be appropriate. The Operational Review narrative should indicate what the trend analysis revealed, areas of concern or achievement, additional actions taken in the operational review as a result of the trend analysis, recommendations, etc.

Note: Territory managers should be submitting completed operational reviews and mid-year feedback to the Director in preparation for Operational Reviews.

Operational Reviews should include at a minimum, assessments of the following:

Territory Operational Reviews/Follow-ups - to ensure that Territory managers are addressing issues identified in the Territory Manager's Operational Aid (TMOA) as well as the Director's goals.

Technique - review Territory manager operational and follow-up reviews to ensure adherence to guidelines set by the Territory Manager's Operational Aid. Ensure that areas identified as concerns are being proactively addressed in territory operational reviews and follow-ups and corrective actions are prescribed when applicable.

Territory Manager Performance- to ensure that 1) TM activities are promoting the achievement of the Director's Collection Business plan and 2) group managers are establishing proactive commitments and goals and are fulfilling the requirements of their Critical Performance Expectations.

Technique-

- a. Determine if TM is proactively contributing to the Director's Collection Business Plan.
- b. Ensure Territory managers are issuing operational, follow-up, and mid-year feedback in a timely manner. Ensure TM compliance with the established review schedule.
- c. Ensure Territory manager mid-year feedback is addressing proactive actions established in the manager's initial performance agreement. These reviews should identify areas of accomplishment as well as those in need of improvement with recommended strategies. This should also be apparent in operational reviews and final performance evaluations.
- d. Determine if Territory managers' evaluations of group managers align with mid-year feedback and other evaluative documents. If discrepancies are noted or concerns exist, ensure appropriate actions are taken.

Exhibit 1.4.51-46 (Cont. 1) (08-11-2015)**Director Operational Aid (DOA)**

Training- to ensure managers are receiving appropriate training to facilitate efficient group operations.

Technique- discuss with Territory manager what training has been made available to group managers. For some courses budgetary ramifications must be considered.

Communication- to ensure Territory managers are effectively communicating to group managers the goals of Headquarters and territory.

Technique- review minutes of territory meetings. Ensure Territory managers are discussing special interest cases within their groups, e.g., suits, seizures, fraud referrals. Include observations from territory meeting(s) attended. Consider conducting focus group interviews with group managers and/or revenue officers.

Employee Satisfaction- to ensure that employees' and manager's concerns are being addressed to facilitate effective and appropriate casework.

Technique

- a. Review territory operational reviews to ensure TM's are adhering to Employee Satisfaction guidelines of the TM aid and addressing managerial adherence to established policies and procedures.
- b. Ensure TM and GMs are addressing issues raised in most recent employee survey.

Case File Reviews- to promote proactive, timely, and appropriate case actions and managerial involvement when appropriate.

Technique- based upon trend analysis results and Director's goals, select a mix of cases representative of the inventory.

Alternative Case Resolutions- to ensure that all possible forms of case resolution are investigated.

Technique- discuss with the Territory manager their involvement in promoting the appropriate use of the Fraud Technical Advisor, Counsel, and Criminal Investigation.

Customer Satisfaction- to ensure customers are receiving timely and appropriate actions, and receiving fair and adequate treatment to assist in resolving their delinquency issue(s).

Technique- assess Territory manager's involvement in addressing customer service issues. This should be evident in operational reviews and discussions with Territory managers. (For additional reference see TMOA).

EQRS Consistency Reviews- to ensure Territory managers are conducting EQRS Consistency Reviews annually and actions are taken to promote consistent application of the EQ attributes.

Additional Reviews and Actions to be Completed During the Fiscal Year:

Mandatory actions:

Trend Analysis- to identify possible case trends on a monthly and cumulative basis, and ensure appropriate actions are being taken to achieve Headquarters goals.

Technique- engage Collection Policy Analysts to identify trends in accordance with Director's goals and other pertinent indicators such as time utilization (field , and administrative time), large dollar cases, ATFR controls, no touch reports, etc.

Frequency - reports and trends should be reviewed on a monthly basis

Exhibit 1.4.51-46 (Cont. 2) (08-11-2015)
Director Operational Aid (DOA)**Suggested Optional Actions:**

Field Reviews- to ensure employees are effectively contacting taxpayers and making optimum use of field time.

Technique

- a. Review a sampling of field visitation reviews completed by at least two group managers in a territory.
- b. Accompany an employee during a field visit. (When budgetary guidelines allow).

Frequency - the frequency should be established by the facts and circumstances of the territory and group.

Documentation - provide a written narrative to the Territory manager or discuss the findings.

Communication - to ensure expectations of performance are understood and managerial concerns are heard and addressed.

Technique-

- a. Convene meetings including Territory managers, Collection Policy Analysts, and Senior Insolvency Specialist to ensure that trends and goals are being monitored and acted upon in an appropriate and timely manner.
- b. Hold town hall meetings to discuss goals and concerns with group managers and Territory managers. This should also include involvement of peripherally involved divisions such as Labor Relations, Counsel, Appeals, etc. .
- c. Attend at least one territory meeting between managers and Territory manager for each territory.
- d. Attend a sample of group meetings to ensure top down messages are understood and encourage open communication lines.

Frequency - all meetings are subject to budgetary constraints as well as facts and circumstances of the Area. Preferably these meetings would be held in person, but attendance via conference call is also acceptable.

- a. Meetings should be held at least quarterly.
- b. Town Hall meetings should be held once each fiscal year if possible.

