



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

4.7.1

JUNE 24, 2022

## EFFECTIVE DATE

(06-24-2022)

## PURPOSE

- (1) This transmits a revision of IRM 4.7.1, Examination Returns Control System (ERCS), Overview.

## MATERIAL CHANGES

- (1) The IRS replaced the Online 5081 (OL5081) system with the Business Entitlement Access Request System (BEARS). References to OL5081 have been replaced with BEARS.
- (2) Due to the move of the ERCS server from Solaris to Linux, logins based on the user name are no longer used. The login is now the user's Standard Employee Identifier (SEID) in lower case letters.
- (3) Due to the move to Linux access to ERCS is through Active Directory and passwords are no longer used. References to passwords have been removed.
- (4) Content from the AIMS/ERCS website was required to be moved to the Virtual Library. ERCS content was moved to the ERCS book under the Exam Systems Knowledge Base. References to the AIMS/ERCS website have been replaced with the ERCS book.
- (5) Significant changes to this IRM are reflected in the table below:

Original Reference	New Reference	Description of Change
N/A	4.7.1.1.1 (2)	"Background": added (2), users must be aware of the potential for Unauthorized Access of Taxpayer Accounts (UNAX) violations from the use of ERCS. Data from ERCS should be accessed only for IRS business purposes. Audit trails are created and subject to review for all user accesses of taxpayer data. Added link to IRM 10.5.5, IRS Unauthorized Access, Attempted Access or Inspection of Taxpayer Records (UNAX) Program Policy, Guidance, and Requirements.
4.7.1.1.7 (5)	N/A	Removed (5), information is obsolete as there is no longer an AIMS/ERCS website.
N/A	4.7.1.1.7 (5)	Added new (5), information and links for the ERCS book in the Virtual Library, and Chapters Manual and Handbooks, Troubleshooting and Contacts.
4.7.1.2 (2)	4.7.1.2 (2)	"ERCS Access and Setup": added information regarding installing the ERCS session file and creating a desktop shortcut.
4.7.1.2.1	4.7.1.2.1	"Enhancements and Suggested Changes": removed information regarding the Employee Suggestion Program as it is no longer in use.

Original Reference	New Reference	Description of Change
4.7.1.5.2 (1)	4.7.1.5.2 (1)	“Software Support”: removed content for inputting OS Get-Services tickets and clarified that the HQ ERCS analysts will input tickets.

- (6) Minor editorial changes have been made throughout this IRM. Some items were reworded for clarity. Also, website addresses and IRM references were reviewed and updated, as necessary.

#### **EFFECT ON OTHER DOCUMENTS**

IRM 4.7.1, dated 10/09/2019 is superseded.

#### **AUDIENCE**

Small Business/Self Employed (SB/SE), Large Business and International (LB&I), Tax Exempt & Government Entities (TE/GE), and Headquarters (HQ) employees in Return Preparer Office (RPO), and Whistleblower Office (WO) who use ERCS.

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4.7.1

Overview

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### 4.7.1-1 Acronyms and Definitions



4.7.1.1  
(06-24-2022)  
**Program Scope**

- (1) This IRM contains a basic overview of the Examination Returns Control System (ERCS) including its users, interfaces, and resources.
- (2) **Purpose:** ERCS is an inventory and time management system for returns under examination.
- (3) **Audience:** ERCS is used by employees in SB/SE, LB&I, TE/GE, and Headquarters (HQ) employees in the Return Preparer Office (RPO), and Whistleblower Office (WO) who monitor inventory, enter examination time, add new records or update existing records on ERCS. Employees include analysts, managers, technical employees, administrative support and shared administrative support personnel.
- (4) **Program Owner:** SB/SE Director, Technology Solutions.
- (5) **Primary Stakeholders:** LB&I.

4.7.1.1.1  
(06-24-2022)  
**Background**

- (1) ERCS provides programs and tools that aid users in performing their official duties and responsibilities, to ensure the correct type and amount of inventory is under examination and timely moving through the examination processes in order to meet the Examination Plan.
- (2) Users must be aware of the potential for Unauthorized Access of Taxpayer Accounts (UNAX) violations from the use of ERCS. Data from ERCS should be accessed only for IRS business purposes. Users should promptly retrieve ERCS reports from printers or fax machines in order to prevent unintentional disclosure. Audit trails are created and subject to review for all user accesses of taxpayer data. For more information about UNAX, see IRM 10.5.5, IRS Unauthorized Access, Attempted Access or Inspection of Taxpayer Records (UNAX) Program Policy, Guidance, and Requirements.

4.7.1.1.2  
(06-24-2022)  
**Authority**

- (1) IRM 4.1.1, Planning, Monitoring, and Coordination.
- (2) IRM 4.10.1, Overview of Examiner Responsibilities.
- (3) IRM 10.8.1, Information Technology (IT) Security, Policy and Guidance, established the security program and the policy framework for the IRS.

4.7.1.1.3  
(06-24-2022)  
**Responsibilities**

- (1) The ERCS database contains personally identifiable information (PII) in the form of names, taxpayer identification numbers and addresses. It is the responsibility of all ERCS users to safeguard the taxpayer's personal information.
- (2) The responsibility of each user is defined by position code, user type and permission level.
- (3) User responsibilities include but are not limited to:
  - Add and update employee records and generate employee reports.
  - Add, assign, and update returns on ERCS.
  - Control inventory for returns not on the Audit Information Management System (AIMS) (i.e. penalty records).
  - Maintain statute control for returns and when required, generate Form 895, Notice of Statute Expiration.
  - Apply time for technical employees to returns and activities performed each day.

## 4.7 Examination Returns Control System (ERCS)

- Generate various types of reports.
- Transfer or close inventory to another group, function, or area.
- Generate and acknowledge Form 3210, Document Transmittal.
- Approve return requisitions and subsequent updates that require managerial approval.

(4) There are special programs in ERCS available to the AIMS/ERCS (A/E) staff to assist the users they support. Some of these programs give the A/E staff the ability to:

- Upload ERCS requisitions and changes made by users to AIMS.
- Generate error reports of returns with invalid or obsolete codes and discrepancies between AIMS and ERCS.
- Update local files. (The contents of the local files are unique to each area. They are used to define local action, project, and freeze codes. Using local files, an area can restrict the use of statuses and disposal codes allowed for closing returns to match local procedures.)
- Move inventory, employee records, and permission records from one employee to another, one group to another, or one area to another for a re-organization.
- Add or update addresses used for Form 3210, Document Transmittal.
- Add new employee group codes.
- Add or update user permissions.
- Research audit trails.

4.7.1.1.4  
(06-24-2022)  
**Program Management and Review**

(1) Reports are available that allow management to monitor inventory, statutes, closures, time input, and employee records. See IRM 4.7.6, Reports, for more information.

4.7.1.1.5  
(06-24-2022)  
**Program Controls**

(1) ERCS creates audit trails for selected changes to returns, employee records, and permission records. A special audit trail is also created when users enter a taxpayer identification number (TIN) or a taxpayer name on ERCS. See IRM 4.7.2, Security, for more information. IRM 4.7.2.3.4, Audit Trails, has a list of the changes in ERCS that produce an audit trail.

(2) There are security checks within ERCS to ensure unauthorized users do not access programs and authorized users are kept within the boundaries of their permissions. These checks are performed automatically and silently each time a user attempts to access ERCS. The user has no ability to prevent the checks. For more information about permissions in ERCS, see IRM 4.7.2.3.2, Permissions.

4.7.1.1.6  
(06-24-2022)  
**Acronyms**

(1) See Exhibit 4.7.1-1, Acronyms and Definitions for acronyms used in this IRM.

4.7.1.1.7  
(06-24-2022)  
**Related Resources**

(1) The ERCS IRMs provide information, instructions, and user responsibilities for ERCS users. There are nine ERCS IRMs, including this IRM.

- IRM 4.7.2, Security
- IRM 4.7.3, Statute of Limitations
- IRM 4.7.4, Planning and Special Programs (PSP)
- IRM 4.7.5, Group and Territory

- IRM 4.7.6, Reports
- IRM 4.7.7, Technical Services
- IRM 4.7.8, Centralized Case Processing
- IRM 4.7.10, AIMS/ERCS Staff

- (2) The *ERCS Technical Reference Manual* (TRM) provides information for the ERCS support personnel. It explains how the end-user programs work and also contains information for features only available to the A/E staff. It is designed to aid the A/E staff in researching user questions and in resolving program and data issues.
- (3) There are seven ERCS user handbooks; one for each type of ERCS user. The ERCS Territory Handbook also includes information for the DFO, SB/SE Area and LB&I Practice Area users. Each of the user handbooks explains how to navigate between the ERCS menu options and screens that are available for the specific user type. See IRM 4.7.1.4, ERCS Users, for an explanation of ERCS user types.
- (4) The ERCS user handbooks include:
  - *ERCS Group Handbook*
  - *ERCS Territory Handbook*
  - *ERCS PSP Handbook*
  - *ERCS Review Handbook*
  - *ERCS Sample Review Handbook*
  - *ERCS CCP Handbook*
  - *ERCS Limited Access Handbook*
- (5) The *ERCS book* in the Virtual Library contains helpful information to resolve problems and answer questions. The following types of information are available:
  - *Manual and Handbooks* - this section contains the ERCS user handbooks and the ERCS TRM. The manuals describe the menu options, screens, reports and other relevant information.
  - *Troubleshooting* - this section has information on current issues such as installing the ERCS session file and the Invalid SEID error message.
  - *Contacts* - this section contains contact information for AIMS/ERCS Staff, Area and Campus Programs, Employee Group Codes, LB&I Contacts, and other helpful contact information.
- (6) IRM 4.4, Audit Information Management System (AIMS) - Validity and Consistency, and IRM 2.8, Audit Information Management System (AIMS), should be used as a companion to the ERCS IRMs since many of the processes on AIMS and ERCS are interdependent.

## 4.7.1.2

(06-24-2022)

**ERCS Access and Setup**

- (1) Access to ERCS is granted through the Business Entitlement Access Request System (BEARS). Refer to IRM 4.7.2.2, ERCS Access, for information on the following topics:
  - Meeting the Prerequisites
  - Choosing the BEARS Application
  - Completing the BEARS Request
- (2) Once the user's BEARS request has been processed and the user has approved access to the ERCS system, the next step is to install the ERCS

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session file and create a desktop icon. Refer to the *Troubleshooting* chapter of the ERCS book for information on installing the ERCS session file.

- (3) Users having difficulties in the initial setup should contact their local A/E staff. The A/E staff should be able to resolve the issue or determine the next steps which may include elevating the issue to the HQ ERCS analysts.

4.7.1.2.1  
(06-24-2022)

### Enhancements and Suggested Changes

- (1) Users often have ideas for program changes that would prevent data input errors, clarify error messages, make input easier, or reports more helpful. Ideas for ERCS changes can be sent to the A/E staff to be elevated to the HQ ERCS Analysts for consideration.

4.7.1.3  
(06-24-2022)

### ERCS Interfaces

- (1) ERCS data is in high demand because it contains trustworthy information for tax returns under examination as well as data that is not available on other systems such as penalty records, employee information and individual time charges to returns. ERCS exchanges information with the following systems.

System	Description
Appeals Centralized Database System (ACDS)	Appeals returns and related returns are extracted from ERCS six nights a week.
Audit Information Management System (AIMS)	AIMS sends data files containing return information to ERCS each week. See also IRM 4.7.1.3.1, AIMS.
Corporate Authoritative Directory Service (CADS)	Employee information, including the standard employee identifiers (SEID)s, for employees in operating divisions using ERCS are downloaded into ERCS five days a week. This information is used to validate an employee's SEID when employees are added to ERCS.
Embedded Quality Review System (EQRS)	ERCS sends return information for SB/SE and Specialty inventory to EQRS each week.
Employer Shared Responsibility Payment (ESRP)	ERCS extracts and transfers ESRP data for PBC 212 via EFTU each week after the AMS7109 processing.
Enforcement Revenue Information System (ERIS)	ERCS sends return and employee information to ERIS the first day of each month.
Excise Files Information Retrieval System (ExFIRS)	ERCS sends return information for Excise returns and returns worked in PBC 214 to ExFIRS monthly.
Generalized IDRS (Integrated Data Retrieval System) Interface (GII)	ERCS sends updates to AIMS daily via GII.
Issue Management System (IMS)	ERCS sends return information for returns worked in Specialty and LB&I to IMS. The extraction also includes associated employee information for the returns. The program runs Sunday through Thursday.  IMS sends time information for employees in Specialty and LB&I to ERCS every Thursday.
National Quality Review System (NQRS)	ERCS sends return information for cases selected for sample review to NQRS each week.



System	Description
Security Audit and Analysis System (SAAS)	ERCS sends audit trails to SAAS daily.
Summary Examination Time Transmission System (SETTS)	ERCS sends employee information and summary time information to the SETTS server each reporting cycle. See also IRM 4.7.1.3.2, SETTS.
Statistical Sampling Inventory Validation Listing (SSIVL)	AIMS data, along with limited ERCS information, is transferred to SSIVL servers each week. See also IRM 4.7.1.3.3, SSIVL.
Tableau	Tableau is visualization software which allows certain Area PSP users, Area analysts and Headquarters (HQ) analysts to create queries and reports from the ERCS data.
Treasury Inspector General for Tax Administration (TIGTA)	ERCS sends return and employee information to TIGTA the first day of each month.

4.7.1.3.1  
(06-24-2022)  
**AIMS**

- (1) AIMS provides inventory and activity controls for returns in SB/SE, LB&I, TE/GE, W&I, and Appeals. AIMS is used to control returns, input assessments and adjustments to Master File and provide management reports. It uses linkage to IDRS to input status changes, adjustments, and case closing actions.
- (2) AIMS data is sent to ERCS from each of the ten campuses each week. All ten files are used for SSIVL. The following five, containing SB/SE and LB&I returns, are used in AIMS to ERCS processing:
  - Brookhaven Campus
  - Cincinnati Campus
  - Memphis Campus
  - Ogden Campus
  - Philadelphia Campus
- (3) During the weekly AIMS to ERCS processing, AIMS and ERCS records are compared. The differences are resolved either by updating AIMS or updating ERCS. Differences that cannot be resolved are reported in a collection of reports called the AIMS Error Reports. New AIMS records are added to ERCS during this processing. For more information about these reports, refer to IRM 4.7.6.12, AIMS Error Reports.
- (4) Requisitions, updates, transfers, and non-examined closures made by ERCS users are extracted by the A/E staff and sent to AIMS via GII one or more times each day. This keeps the AIMS and ERCS systems in sync.

4.7.1.3.2  
(06-24-2022)  
**SETTS**

- (1) SETTS is a subsystem of ERCS. ERCS users are responsible for maintaining employee information and inputting time to returns and activities performed by technical employees. Time charges are also added to ERCS through an interface with IMS. At the end of each reporting cycle (typically every four or five weeks), a member of the A/E staff in each area runs the SETTS programs to extract employee and time information from ERCS. The data is validated and then electronically transmitted to the Enterprise Computing Center at Martinsburg (ECC-MTB).
- (2) At ECC-MTB the data is extracted for inclusion on Table 37, Examination Program Monitoring. The data is also sent to the AIMS Computer Information

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System (A-CIS). There the data is used in planning and creation of the Examination Plan and for monitoring each area/practice area to ensure the plan will be met. See IRM 4.9.1, Outline of the System, for more information.

### 4.7.1.3.3 (06-24-2022) SSIVL

- (1) The SSIVL program extracts AIMS data from the ERCS server and sends the extracts to a server at the Detroit Computing Center every week. Specialized users in SB/SE, LB&I, TE/GE, and W&I access the data on the local servers and load the data into a Microsoft Access database for further analysis. This enables a field office or a campus operation to generate reports of potential errors and to generate Inventory Validation Listings (IVLs) of AIMS data.
- (2) For more information refer to the *SSIVL* and *SSIVL PC* chapters of the ERCS TRM. SSIVL users should refer to the *SSIVL SharePoint* site for instructions on installing the SSIVL Access database files.

### 4.7.1.4 (06-24-2022) ERCS Users

- (1) ERCS is an inventory control system for returns under examination in area or practice area offices. It is used to control and monitor returns from the time they are selected for examination until the examinations are closed. Users in different functions have varying responsibilities as returns move through the system. ERCS is designed to meet the needs of these users.
- (2) Users see different ERCS menus based on their job requirements. They also may only have access to returns at certain stages of an examination. ERCS handles the division of duties by user types and permissions. For information about permissions, refer to IRM 4.7.2, Security.
- (3) All users, except limited, can research returns and run reports for returns in their group or function.
- (4) The following user types are used to determine the menu options the user sees:

User Type	Description
Admin	A/E managers, analysts and assistants. See also IRM 4.7.1.5.3, AIMS/ERCS Staff.
Area	SB/SE Area Directors, LB&I Practice Area Directors, and administrative support staff.
CCP	Centralized Case Processing (CCP) managers, analysts, technical employees, and administrative support staff. See also IRM 4.7.8, Centralized Case Processing.
DFO	Directors of Field Operations and administrative support staff.
Group	SB/SE, LB&I, and RPO field group and tax compliance group managers, team managers, and administrative support staff. See also IRM 4.7.5, Group and Territory.
Limited	Technical employees within an examination group, PSP, review or sample review who only have permission to input time and print out their own inventory and time reports.
PSP	Planning and Special Programs (PSP) section chiefs, analysts, program coordinators, technical employees, and administrative support staff. See also IRM 4.7.4, Planning and Special Programs.

User Type	Description
Review	Technical Services and Joint Committee Review managers, analysts, technical employees, and administrative support staff. See also IRM 4.7.7, Technical Services.
Sample Review	National Quality Review System (NQRS), LB&I Quality Review & Analysis (QRA) managers, and administrative support staff. See also IRM 4.7.7, Technical Services.
Territory	Territory managers and administrative support staff. See also IRM 4.7.5, Group and Territory.

4.7.1.5  
(10-09-2019)  
**ERCS Support**

- (1) The success of ERCS depends on every user and the individuals who support the users, the hardware, and the software that make up the system.

4.7.1.5.1  
(06-24-2022)  
**Server Support**

- (1) The ERCS application runs on a Sun computer located in the Enterprise Computing Center in Memphis, Tennessee (ECC-MEM). The application runs on a Linux operating system with an Oracle database.
- (2) ERCS is supported by system administrators (SA)s and database administrators (DBA)s. The SAs must have knowledge of Solaris and the Linux operating systems. The DBAs must have knowledge of Oracle databases. For ERCS responsibilities of the SAs and DBAs, see IRM 4.7.2.1.3(4), System Administrator Responsibilities and IRM 4.7.2.1.3(5), Database Administrator Responsibilities.

4.7.1.5.2  
(06-24-2022)  
**Software Support**

- (1) The ERCS programs are supported by the ERCS developers who are under Information Technology. Changes to the programs require either an OS Get-Services ticket for bug fixes or a Unified Work Request (UWR) for updates and enhancements to the program. OS GetServices tickets for ERCS program problems reported by users are input by the HQ ERCS analysts. The ERCS developers are responsible for working the tickets and coordinating changes to the software.
- (2) The ERCS developers also maintain the ERCS TRM and the seven user handbooks, located in the ERCS book under Manual and Handbooks. The ERCS TRM is used mainly by the A/E staff as a resource to explain how the programs work. The user handbooks explain how to run the ERCS programs, what features are available, and how the screens and reports look.

4.7.1.5.3  
(06-24-2022)  
**AIMS/ERCS Staff**

- (1) Users should seek assistance from their local A/E staff for ERCS issues such as initial ERCS setup problems, permission problems, correcting ERCS data, updating employee records, updating work schedule profiles, and reporting program issues. IRM 4.7.10, AIMS/ERCS Staff, contains responsibilities and instructions for the A/E staff.
- (2) The A/E staff works with HQ ERCS analysts and the ERCS developers to resolve ERCS related issues. Refer to the *AIMS-ERCS Staff Listings* for support contact information.

4.7.1.5.4  
(06-24-2022)

**Headquarters Analysts**

- (1) SB/SE Headquarters (HQ) is staffed with analysts assigned to the following program areas: AIMS, ERCS, SETTS, SSIVL, and Tableau. Normally when a user experiences an AIMS or ERCS related issue, the first contact is the local A/E staff. If assistance is needed to resolve an issue, the local A/E staff may contact a HQ Analyst. The HQ ERCS analysts serve as the subject matter experts for ERCS.
- (2) SSIVL users should first seek assistance from other users in their work group or their counterparts in other areas. Issues with SSIVL that cannot be resolved may be reported to the HQ SSIVL analyst.
- (3) Tableau users should first seek assistance from other users in their work group or their counterparts in other areas. Issues with Tableau that cannot be resolved may be reported to the HQ Tableau analysts.
- (4) See *Headquarters Contacts for AIMS, ERCS, SETTS, SSIVL, and Tableau* for contact information for the HQ analysts who support these programs.

**Exhibit 4.7.1-1 (06-24-2022)**  
**Acronyms and Definitions**

<b>Acronym</b>	<b>Definition</b>
ACDS	Appeals Centralized Database System
A-CIS	AIMS Computer Information System
A/E	AIMS/ERCS
AIMS	Audit Information Management System
BEARS	Business Entitlement Access Request System
CADS	Corporate Authoritative Directory Service
CCP	Centralized Case Processing
DBA	Database Administrator
ECC-MEM	Enterprise Computing Center at Memphis
ECC-MTB	Enterprise Computing Center at Martinsburg
EQRS	Embedded Quality Review System
ERCS	Examination Returns Control System
ERIS	Enforcement Revenue Information System
ESRP	Employer Shared Responsibility Payment
ExFIRS	Excise Files Information Retrieval System
GII	Generalized IDRS Interface
HQ	Headquarters
IDRS	Integrated Data Retrieval System
IMS	Issue Management System
IVL	Inventory Validation Listing
LB&I	Large Business and International
NQRS	National Quality Review System
PII	Personally Identifiable Information
PSP	Planning and Special Programs
RPO	Return Preparer Office
SA	System Administrator
SAAS	Security Audit and Analysis System
SB/SE	Small Business/Self Employed
SETTS	Summary Examination Time Transmission System
SSIVL	Statistical Sampling Inventory Validation Listing

**Exhibit 4.7.1-1 (Cont. 1) (06-24-2022)****Acronyms and Definitions**

<b>Acronym</b>	<b>Definition</b>
TE/GE	Tax Exempt & Government Entities
TIGTA	Treasury Inspector General for Tax Administration
TIN	Taxpayer Identification Number
TRM	Technical Reference Manual
UWR	Unified Work Request
WO	Whistleblower Office