



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

4.19.12

JUNE 19, 2020

EFFECTIVE DATE

(06-19-2020)

PURPOSE

- (1) This transmits revised IRM 4.19.12, Liability Determination, Centralized Files and Scheduling Program.

MATERIAL CHANGES

- (1) The following changes were made:

Reference	Change Details
IRM 4.19.12.1	Added Authority, Responsibilities, Program Reports, Acronyms, Terms, and Related Sources into new section titled <i>Program Scope and Objectives</i> .
IRM 4.19.12.2	Updated IRM references and made editorial changes for clarification.
Old IRM 4.19.12.3	Deleted obsolete campus process, <i>Perfection of Form 6754, Examination Return Charge-out Sheet</i> .
IRM 4.19.12.3	Removed references to obsolete CSDB process.
Old IRM 4.19.12.5 through 4.19.12.5.1	Removed obsolete database process no longer used by the campus. <i>Centralized Scheduling Data Base</i> .
Old IRM 4.19.12.6 through 4.19.12.6.7	Removed obsolete CSP report process no longer used at the campus.
IRM 4.19.12.4	Removed references to CSP reports, updated text to reflect current ordering process, incorporated Old IRM 4.19.12.17.
Old IRM 4.19.12.8	Removed obsolete CSDB process
IRM 4.19.12.5	Removed references to obsolete CSP reports, added -A freeze procedures.

Reference	Change Details
Old IRM 4.19.12.10	Removed obsolete employee return procedures no longer done at the campus.
Old IRM 4.19.12.11	Removed obsolete batching process no longer done at the campus.
IRM 4.19.12.6	Editorial change to clarify text for procedures for amended returns.
Old IRM 4.19.12.13	Removed obsolete hash totaling process no longer done at the campus.
IRM 4.19.12.7	Editorial change to clarify text for selected case processing.
IRM 4.19.12.8	Editorial changes to clarify text for accepted return processing.
Old IRM 4.19.12.16	Removed obsolete master appointment process no longer done at the campus.
Old IRM 4.19.12.17	Incorporated into IRM 4.19.12.7
Old IRM 4.19.18	Incorporated valid process into 4.19.12.9
Old Exhibit 4.19.12-1 and 4.19.12-2	Removed obsolete exhibits of CSP reports and error list.

- (2) The IRM was revised to review and clarify language throughout. All references and websites were also updated.

EFFECT ON OTHER DOCUMENTS

This IRM supersedes IRM 4.19.12 dates 12/02/2011.

AUDIENCE

This IRM is intended for the use of the SB/SE Campus Examination Operations.

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Small Business/Self Employed

4.19.12

Centralized Files and Scheduling

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4.19.12.1
(06-19-2020)
Program Scope and Objectives

- (1) **Purpose:** This section provides information to campus and area office personnel who use the Centralized Filing & Scheduling (CF&S) system. It is structured to follow the process of supporting the Area Office personnel with returns received in the campus for Planning and Special Programs (PSP) classification. Returns ordered and classified through the Compliance Data Environment (CDE) system are covered in IRM 4.103, *Compliance Data Environment (CDE)*, IRM 4.1.2, *Workload Identification and Survey Procedures*, and IRM 4.1.5, *Case Building, Classification, Storage and Delivery*
- (2) **Audience:** These guidelines and procedures apply to SB/SE exam employees who support Area Office classification of returns.
- (3) **Policy Owner:** The Small Business/Self-Employed Division (SB/SE) Director of Examination Campus and Field Policy.
- (4) **Program Owner:** Program Manager Campus Examination and Field Support
- (5) **Primary Stakeholders:** Small Business/Self-Employed Division (SB/SE)
- (6) **Program Goals:** The program goals are to ensure support of Area Office identification and classification of tax returns for examination to promote voluntary compliance.

4.19.12.1.1
(06-19-2020)
Background

- (1) After selection for examination in the centralized classification function, returns were moved to the Centralized Files and Scheduling Unit (CFSU). Centralized Files and Scheduling (CF&S) system was a process to build a database and schedule work using computerized lists and reports. Discriminant Function (DIF) returns were ordered, classified, perfected, and stored through the campus CFSU. The returns were filed on the shelves in ascending AIMS Serial Number sequence. The Area offices no longer order and classify DIF returns through the campus CFSU. The Centralized Scheduling Data Base (CSDB) and the generated Centralized Files and Scheduling Project (CSP) reports are no longer used at the campus. In January 2018 the last Area office transitioned to ordering and classifying DIF returns through the Compliance Data Environment (CDE) system.
- (2) Automatic returns are still sent to the campus CFSU. When an original return is filed and processed through Submission Processing (SP) and if it meets certain conditions, an audit code is placed on the return. See IRM 3.11.16.9.1, *Audit Codes* and IRM 3.12.2-5, *Audit Codes*. An AIMS base is automatically opened and the return is shipped to the campus CFSU for Area office classification.

4.19.12.1.2
(06-19-2020)
Authority

- (1) IRM 1.1.16.3.5.1.5, Campus Exam and Field Support
- (2) IRM 1.1.16.3.5.3, Exam Case Selection
- (3) IRM 1.2.1.2.36, Policy Statement 1-236, Fairness and Integrity in Enforcement Selection
- (4) IRM 1.2.1.5.10, Policy Statement 4-21, Selection of returns for examination
- (5) IRM 1.2.1.5.7, Policy Statement 4-9, Highest Integrity Expected

4.19.12.1.3
(06-19-2020)
Responsibilities

- (1) Director, Examination Field and Campus Policy is responsible for leading the development and delivery of policy and guidance that impacts SB/SE taxpayers and SB/SE Campus and Field examination processes.
- (2) Campus Exam and Field Support, which is under the Director, Examination - Field and Campus Policy, is the group responsible for providing Servicewide policy guidance on compliance processes that relate to campus examination classification operations and support Field Exam and Specialty programs.

4.19.12.1.4
(06-19-2020)
Program Management and Review

- (1) **Program Reports:** The following reports may be used to monitor classification assigned inventory.
 - A-CIS
 - SSIVL
 - HQ CF&S SharePoint Report
- (2) Operational Reviews are conducted at the Campus Directorship level to measure the progress of meeting operational goals as well as the overall effectiveness of current procedures in the program..

4.19.12.1.5
(06-19-2020)
Acronyms

- (1) The following table lists commonly used acronyms and their definitions used throughout this IRM.

Acronym	Definition
AAC	AIMS Assignee Code
A-CIS	AIMS Centralized Information System
AIMS	Audit Information Management System
AM	Account Management
AMAXU	A correction command code that is used to change or input various fields to a specified record on AIMS. Refer to IRM 2.8.6.2, <i>Command Code AMAXU</i> .
AMDISA	Displays up to six screens of information about the taxpayer's account for a specific tax period. Refer to IRM 2.8.3-7, <i>Command Code AMDISA</i> .
AMS	Account Management System
AMSOC	Used to enter short closing when a return is established on AIMS. Refer to IRM 2.8.5.2, <i>Account Short Closing Command Code AMSOC</i> .
BMF	Business Master File

Acronym	Definition
BMFOLT	This command code is provided to furnish access to the Business Master File. Refer to IRM 2.3.59-17, <i>Command Code BMFOL Tax Module Display Tax</i> .
CDE	Compliance Data Environment
CF&S	Centralized Files and Scheduling
CFSU	Centralized Files Scheduling Unit
CSDB	Centralized Scheduling Database
DIF	Discriminant Function
DLN	Document Locator Number
EGC	Examination Group Code
EIN	Employer Identification Number
ESTAB	This command code is used to enter requests for original documents, copies, information, etc. Refer to IRM 2.3.62, <i>Command Code ESTAB</i> .
EUP	Employee User Portal
GII	Generalized IDRS Interface
HQ	Headquarters
IDRS	Integrated Data Retrieval System
IMFOLT	Provides read-only access to the Individual Master File. Refer to IRM 2.3.51, <i>Command Code IMFOL</i> .
IRMF	Information Return Master File
IRSS	Information Return Selection System
IVL	Individual Validation Listing (of accounts on AIMS)
MeF	Modernized E-File
MFT	Master File Tax
Mod-E	Modernized E-File , same as MeF
PBC	Preliminary Business Code
POD	Post of Duty
PSP	Planning and Special Programs

Acronym	Definition
SBC	Secondary Business Code
SB/SE	Small Business Self-Employed
SP	Submission Processing
SSIVL	Statistical Sample Inventory Validation Listing
SSN	Social Security Number
TC	Transaction Code
TIN	Taxpayer Identification Number
TPI	Total Positive Income
TRDBV	Retrieves a summary of the available tax information on Tax Return Data Base (TRDB). Refer to IRM 2.3.73.1, <i>Command Code (CC) TRDBV</i> .

4.19.12.1.6
(06-19-2020)

Related Resources

- (1) IRM 4.1.1.7.3, *Automatics, Specials, and Campus Identified Work*
- (2) IRM 4.1.2, *Workload Identification and Survey Procedures*.
- (3) IRM 4.1.5, *Case Building, Classification, Storage and Delivery*.
- (4) IRM 4.4, *AIMS Procedures and Processing Instructions*

4.19.12.2
(06-19-2020)

Classification of Returns/Impact on CFSU

- (1) Before the Area Offices began using CDE for ordering and classifying DIF returns, the PSP Territory Manager submitted return orders to the campuses in accordance with IRM 4.1.2.9, *Guidelines for Ordering Returns*. The orders were submitted to Martinsburg Computing Center (MCC) each cycle for processing. Returns were received approximately six to eight weeks later with Form 5546, *Examination Return Charge-out Sheet*, labels, and Individual Return Masterfile (IRMF) transcripts and forwarded to Field Examination for classifiers to screen.
- (2) For planning purposes, it was imperative that the CF&S Team Manager be provided with the volume of returns ordered each cycle and approximate date classification began. This information allowed the manager to effectively allocate resources in order for newly-classified returns to be processed through the system in a timely fashion because:
 - a. of returns ordered, approximately 5% to 10% were missing (charged to SOI, Adjustments, etc. in the campus).
 - b. missing returns percentages varied significantly among campuses or at different times during the classification year.
 - c. of returns delivered for screening, only a percentage were selected for examination.

- (3) Classifiers screening returns completed the appropriate classification form based on the return type for each selected return. IRM 4.1.5.3.2, *Classification Background*, provides instructions for the completion of the checksheet by the classifier. After screening, returns were forwarded to CFSU for processing.
- (4) Currently the only returns CF&S receive are audit coded returns that are automatically opened on AIMS. These returns are classified by the area offices.

4.19.12.3
(06-19-2020)
AIMS Serial Number

- (1) The AIMS Serial Number is a vital part of CF&S. The AIMS Serial Number is a 12-digit number. The first 3 digits represent the Area Office Primary Business Code (PBC), the next 3 digits indicate weekly opening cycle, and the remaining 6 digits are sequentially assigned when the return is established on AIMS.
- (2) If an AIMS Serial Number is not on the AIMS Data Base, CFSU should:
 - a. Use AMAXU to place serial numbers on return.
 - b. Verify new AIMS Serial Number via AMDISA.
- (3) If duplicate AIMS Serial Numbers are present (for example, when a return is transferred from one area office to another), a new AIMS Serial Number may be assigned using IDRS Command Code AMAXU.

4.19.12.4
(06-19-2020)
Manual Orders

- (1) Manual Orders are received in CFSU from the area PSP via e-mail, requesting cases be pulled from various POD's and activity codes. The order may be requested by either receipt of an e-mail or an Excel spreadsheet containing IVL information. The PSP will request the status, organization code, secondary business code, post of duty, activity code (TPI class), and number of cases needed.
- (2) **Paper Returns-** When an original return is filed and processed through Submission Processing (SP), an audit code is placed on the return if it meets certain conditions. See IRM 3.12.2-5 , *Audit Codes*, and IRM 3.11.16.9.1 , *Audit Codes*. Depending on the audit code, an AIMS base is automatically opened and the return is shipped to the campus CFSU. The CFSU routes the returns out as directed by the Area office for PSP classification. An overview of the process is as follows:
 - a. Research IDRS to confirm the return aligns with the Area office the campus CFSU services.
 - b. Update the EGC to 1030 to indicate the return is in the campus.
 - c. File and hold the returns in AIMS Serial order. Based on the agreement with the Area office, the returns are either shipped out monthly or held until requested by the Area office.
 - d. If the paper return is not received with the charge out, ESTAB for the return. If the document is not received after 3 weeks, do a special search using Form 2275 *Records Request, Charge and Recharge*. If no document is received after 2 weeks, retrieve a AMS/EUP or MeF print of the return.
 - e. CFSU will update AIMS and ship returns out with a Form 3210, *Document Transmittal*, as directed by the PSP.
- (3) **MOD-E or MeF-** Electronically filed returns pulled for a DIF Order are classified on-line electronically are referred to as Mod-E. A charge-out package (Forms 5546 and label) may be sent to the CFSU when the returns are pulled.

The campus CFSU will receive an e-mail and/or a Excel spreadsheet from the PSP with the return classification results. An overview of the process is as follows.

- a. Research IDRS to confirm the return aligns with the Area office the campus CFSU services.
- b. Verify AIMS shows EGC 1099.
- c. File and hold the charge out either in a flat or shelving in AIMS Serial order.
- d. The PSP will e-mail CFSU an Excel spreadsheet with the classification results and the classification sheet to be associated with the case. The spreadsheet indicates what EGC each classified case should be updated to. It can also contain those they want surveyed (Accepted as filed).
- e. The classification sheet is printed and associated with the charge out and a case folder is built.
- f. The case is updated on AIMS and suspended on the shelf until requested by the Field group.
- g. When return orders are received, it is pulled from the suspense file and using cc AMSTU the AIMS SBC, EGC, and status is updated.
- h. Returns are shipped out with a Form 3210, *Document Transmittal*.

Note: Depending on the agreement between the PSP and the servicing CFSU, there may only be an e-mail without attachments instructing the campus to update all cases into one Field group EGC .

4.19.12.5
(06-19-2020)
Surveys

- (1) The Area Office PSP has sole authority to survey returns. CFSU managers must have written authorization from the Area Office PSP Territory Manager before surveying returns.
- (2) Although surveys are normally done on an Area Office-by-Area Office basis using the tax year as the main criterion, surveys may be requested for a specific activity code, specific POD, specific year, or a combination thereof. A survey may be done any time the PSP Territory Manager determines the returns are not needed. When possible, Area Offices should request surveys quarterly (or more often, if desired), to avoid the need for large survey requests at the end of the year.
- (3) The PSP sends an e-mail listing of cases to be surveyed to the CFSU. The following survey actions will be preformed by CFSU for classified paper returns in status 08 EGCs, 1066, 1067, 1068, 2050, and 2051:
 - a. Pull returns shown on list from suspense.
 - b. Verify name and year to ensure the correct returns have been pulled.
 - c. Stamp the return and front of Form 5546 with a survey stamp.
 - d. Stamp the Form 5546 with the employee IDRS stamp with date closed and the sequence closing number.
 - e. Attach the Form 5546 to the return and assemble the return package according to local procedures.
 - f. Attach Form 3210 and route to files. Use disposal code 35 with blocking 60X to close AIMS.

Note: Ensure cases are closed with the correct disposal code, (status 06=DC 21/ 08=DC 35). Close cases using AMSOC via GII when possible.

- (4) The following survey actions will be preformed by CSU for Mod-E filed returns in status 08 EGCs, 1066, 1067, 1068, 2050, and 2051:
 - a. Pull folder shown on list from suspense.
 - b. Verify name and year to ensure the correct returns have been pulled.
 - c. The folder will only contain the Form 5546 and the classification sheet. These forms should be discarded after closing.
 - d. Use disposal code 35 with blocking 13X for IMF and 28X for BMF. :
- (5) There are times when an account cannot be surveyed because of a -A freeze on the module. The -A freeze is set when a duplicate return (TC 976), subsequent return (TC 977) or a TC 971 with action code (AC) 010 or AC 012-015 (amended return), post to an account. Amended returns in status 08 or lower will be in Accounts Management (AM) or Submission Processing (SP) for processing. See IRM 21.5.3-1, *Claim Processing with Exam Involvement*. CFSU cannot survey the return until the -A freeze is resolved by AM or SP. CSFU will e-mail the AM headquarters claim analyst with the account information identifying the campus where the claim is located. The AM analyst coordinates the -A freeze resolution between campuses and notifies CFSU when it is resolved.

4.19.12.6
(06-19-2020)
97X (Amended Returns)

- (1) When receiving amended returns due to open AIMS controls in status 08 and lower, the amended return will be sent back to the originator with instructions to follow Accounts Management (AM) processing requirements. If the amended return has already been processed and is sent for association with an open case in status 07 or 08, the case should be immediately pulled for review by the local Campus Classification Unit to determine if the case and amended return should be sent to the field. No amended return should be associated with a case ready to be closed survey.

4.19.12.7
(06-19-2020)
**Updating and Foldering
Selected Field Returns**

- (1) Updating and foldering selected field returns includes entering appropriate EGC code and perfecting appropriate forms. Selected field returns may be IMF or BMF. IMF returns may be selected for Field rather than Office if complexity warrants.
- (2) All IMF selected Field returns will have a Form 6754, *Examination Classification Checksheet*.
- (3) If BMF return, the forms may vary according to MFT, Return, or Area. The forms used are: Form 6256, *S Corporation Classification Checksheet*, Form 6250, *Partnership Classification Checksheet*, Form 6241, *Non-DIF Corporate Classification Checksheet* and Form 10264, *Revenue Agent - Classification Checksheet*.
- (4) Folder returns as follows:
 - a. Place a POD label on the top right corner of a plain folder.
 - b. Place a status label on the selected classification form in the name and address area.
 - c. Sort in AIMS order by grade.
- (5) Selected field returns get foldered and updated to status 08 and to EGC 1066, 1067, 1068, 2050, or 2051 according to what grade the classifiers grade them as or per classifier's comments. Some areas may grade them all the same such as 1066:

- EGC 1066 Grade 11
- EGC 1067 Grade 12
- EGC 1068 Grade 13
- EGC 2050 TCO
- EGC 2051 TCO Grade 11

- (6) Cases are then placed in a designated holding area unless PSP provides different direction.

4.19.12.8
(06-19-2020)

**Closing Accepted Field
and Office Returns**

- (1) Classifiers may accept returns as filed. When the classification details were held at the campus, they stamped the return "Accepted as Filed" with the classifier's number and date. The PSP now provides an e-mail or Excel spreadsheet containing return closing guidance. Accepted cases will be closed using disposal code 20 or 21 (if working "Survey Excess Cases" the disposal code will be a 35).
- (2) The Area office may provide accepted closing guidance on certain audit coded paper returns received in CFSU. Process as follows:
- a. Compare return against Form 5546 to make sure the SSN, Name, and/or DLN match.
 - b. Ensure SSN/EIN, MFT, and tax year are intact on Form 5546.
 - c. Fold Form 5546 in half and staple at left center of return so the taxpayer's name and address are visible. Use two staples (if no Form 5546 attached, a complete AMDISA print must replace it and stamped "In lieu of Form 5546").
 - d. Ensure source codes are 01, 02, or 20.
 - e. Stamp or write disposal code 20, 21 or 35 on top of Form 5546.
- Note:** Status 06 Source Code 01 or 20 is a disposal code 20; Status 06 Source Code 02 is disposal code 21; Status 08 is disposal code 35
- f. Make sure the return has been stamped "Accepted as Filed".
 - g. Make sure that the names and addresses match the Form 5546 and return.
 - h. Destroy labels and any Information Return Selection System (IRSS) documents.
 - i. Trim large envelopes, keeping postal date intact.
 - j. Close off AIMS using command code AMSOC and batch according to post-processing local procedures.
- (3) Mod-E returns will have only a Form 5546 and classification sheet. Depending on the local process, a folder may be built and filed in AIMS serial order.
- a. Pull any folder on the list from suspense.
 - b. Verify name and year to ensure the correct returns have been pulled.
 - c. Ensure source codes are 01, 02, or 20.
 - d. The Form 5546 and the classification sheet can be discarded after closing.
 - e. Close off AIMS using command code AMSOC.

4.19.12.9
(06-19-2020)
Unlocatable Cases

- (1) In order to send a case to PSP, continue to look for the case. If you have a case controlled that is in 08/2050-2066-1066-1067-1068-1030-2030 but you cannot locate, research it before conducting any further work on the case.
- (2) If closing the case, take the following steps:
 - a. Pull an AMDISA for the SSN/EIN for the correct Tax Year.
 - b. Pull IDRS for the same year.
 - c. If AMDISA shows status 08, print a TRDBV, all copies.
 - d. Associate the AMDISA to the TRDBV and prepare for closing. Be sure to include proper blocking series on the AIMS print when closing.

4.19.12.10
(06-19-2020)
Statute Dates Pending

- (1) Periodically, a list of all returns on which the statute of limitations will expire in 180 days or less or has expired is sent to the organization charged with the returns. To work the table correctly, the following actions are taken:
 - a. Check AMDISA for current status and organization.
 - b. If on database (status and EGC's 08/2050-2066-1066-1067-1068 or other EGCs according to campus), check in files for return.
 - c. If not in files, request IMFOLT/BMFOLT to obtain the 150 DLN or refiled DLN.
 - d. ESTAB for return under the 150 DLN or refile DLN.
 - e. When the return is received, close case with a 35 disposal code.
 - f. If the return is not received after ESTAB has been sent to Files and only a charge-out is received, close with disposal code 33.
 - g. Cases on the Table 4.1 showing in status 06 EGC 1030 or 2030, should be pulled and worked the same.

