



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

4.24.26

OCTOBER 13, 2023

EFFECTIVE DATE

(10-13-2023)

PURPOSE

- (1) This transmits the new IRM 4.24.26, Joint Operations Center (JOC) ExSTARS Coordinator Procedures for the Excise Summary Terminal Activity Reporting System (ExSTARS) program.

MATERIAL CHANGES

- (1) To mitigate risks and strengthen internal controls, written procedures are being incorporated into this new IRM Section for the JOC ExSTARS Coordinator.
- (2) The table below identifies the new IRM sections added and a description of the content.

New IRM Section	Description of Added Content
4.24.26.1 Program Scope and Objectives	Incorporated guidance that included a general overview, purpose, audience, program owner, primary stakeholders, program goals and contact information about providing feedback.
4.24.26.1.1 Background	Incorporated guidance that included a brief overview of Excise Summary Terminal Activity Reporting System (ExSTARS) system.
4.24.26.1.2 Authority	Incorporated guidance that included the underlying sources of authority for the ExSTARS system (i.e., IRC 4101 and Treas. Reg. 48.4101-2).
4.24.26.1.3 Roles and Responsibilities	Incorporated guidance that identifies the executives responsible for the JOC ExSTARS Coordinator policies and procedures, as well as the assignment of these responsibilities by the JOC Manager.
4.24.26.1.4 Program Management and Review	Incorporated guidance that addresses program reports, program effectiveness and the annual review.

New IRM Section	Description of Added Content
4.24.26.1.5 Program Controls	Incorporated guidance that addresses information management systems safeguard measures to restrict access to sensitive data.
4.24.26.1.6 Terms	Incorporated guidance that addresses terms in Exhibit 4.24.26-1, Terms.
4.24.26.1.7 Acronyms	Incorporated guidance that addresses acronyms in Exhibit 4.24.26-2, Acronyms.
4.24.26.1.8 Related Resources	Incorporated guidance that includes electronic links to the Taxpayer Bill of Rights, the Excise Tax Knowledge Base and the Excise Case Selection SharePoint site. In addition, incorporated guidance about authentication requirements, disclosure, identity protection, privacy, third part contact, unauthorized access, general guidance about the Motor Fuel Excise Tax electronic filing process found in Pub 3536 and Form 637 Registrations.
4.24.26.2 Introduction to the ExFIRS System and Subsystems	Incorporated guidance that included an introduction to ExFIRS system and its subsystems.
4.24.26.2.1 JOC ExSTARS Coordinator Applications	Incorporated guidance about the applications used by the JOC ExSTARS Coordinator to complete administrative related processes listed in IRM 4.24.26.1.4
4.24.26.3 Facility Control Number (FCN) Requests	Incorporated guidance that defines FCN to be a number that designates a storage location within the motor fuel bulk transfer/terminal system, and how facilities apply for an FCN. In addition, provided general guidance about the processing procedures for an initial FCN request.

New IRM Section	Description of Added Content
4.24.26.3.1 Procedural Guidance for Initial Request Approved	Provided general guidance about the processing procedures for an initial FCN request when it is determined to be approved.
4.24.26.3.2 Procedural Guidance for Initial Request Denied	Provided general guidance about the processing procedures for an initial FCN request when it is determined to be denied.
4.24.26.4 Change of Facility Status Requests	Incorporated guidance explaining that to retain approved status of the facility and Form 637 Registration, the facilities must notify the IRS when there is any change, and how facilities will notify the IRS of the change. In addition, provided general guidance about the processing procedures for an FCN change in facility status requests.
4.24.26.4.1 Procedural Guidance for Change of Facility Requests	Provided general guidance about the processing procedures for when a facility submits a change in FCN status request.
4.24.26.4.1.1 Facility Change in Secure Airport Terminal (SAT) Designation	Provided general guidance about the processing procedures for when a facility submits a change in FCN status request that involves a SAT.
4.24.26.5 Introduction to the ExSTARS Filing Process	Incorporated guidance that included an introduction to the ExSTARS filing process.
4.24.26.5.1 ExSTARS Letter of Application (LOA)	Incorporated guidance that included an introduction to the LOA.
4.24.26.5.1.1 Procedural Guidance Related to Initial LOAs	Provided general guidance about the processing procedures for when a information provider submits an initial LOA.
4.24.26.5.1.2 Procedural Guidance Related to Revised LOAs	Provided general guidance about the processing procedures for when a information provider submits a revised LOA.

New IRM Section	Description of Added Content
4.24.26.5.1.3 Procedural Guidance Related to LOA Reports	Provided general guidance about the processing procedures related to LOA reports used by the JOC ExSTARS Coordinator.
4.24.26.5.2 Password Reset	Provided general guidance about the processing procedures for when a information provider requests a ExSTARS password reset.
4.24.26.5.3 EDI Qualification Process	Incorporated guidance that included an introduction to the EDI qualification process.
4.24.26.5.3.1 Procedural Guidance Related to the EDI Qualification Process	Provided general guidance about the processing procedures for when a information provider completes the testing phase of the EDI qualification process.
4.24.26.5.4 ExSTARS Paper Filings	Incorporated guidance that explained Information Providers who have fewer than 25 fuel movement transactions per month are not required to implement an EDI system for filing electronically through the ExSTARS subsystem and what the JOC ExSTARS Coordinator is responsible for in relation to these paper filings.
4.24.26.5.5 ExSTARS Filing Extensions Requests	Incorporated guidance that included an explanation about filing an extension for ExSTARS filings.
4.24.26.5.5.1 Form 720-TO or Form 720-CS Extension Granted	Provided general guidance about the processing procedures for an extension request when it is granted.
4.24.26.5.5.2 Form 720-TO or Form 720-CS Extension Denied	Provided general guidance about the processing procedures for an extension request when it is denied.
4.24.26.5.6 Memorandum of Understanding (MOU) with States	Incorporated guidance that included how State Excise Tax Agencies (State Users) use the MOU process to review information collected by the IRS, via the filing of information returns.

New IRM Section	Description of Added Content
4.24.26.5.6.1 Procedural Guidance Related to MOUs	Provided general guidance about the processing procedures for when an Add/Delete/Unlock State User MOU request is received by the JOC ExSTARS Coordinator.
4.24.26.6 ExSTARS EDI External Help Desk Support	Provided general guidance about how the JOC ExSTARS Coordinator provides support to the ExSTARS EDI Help Desk.
4.24.26.7 SBSE ExSTARS Internal Help Desk and Mailbox	Provided general guidance about how the JOC ExSTARS Coordinator monitors calls to the IRS ExSTARS Help Desk and monitors the ExSTARS SBSE mailbox.
4.24.26.8 Records Maintained by JOC ExSTARS Coordinator	Provided general guidance about the records maintained by the JOC ExSTARS Coordinator.
4.24.26-1 Terms	Incorporated guidance listed in a table that defines terms used throughout this section.
4.24.26-2 Acronyms	Incorporated guidance listed in a table that defines acronyms used throughout this section.
4.24.26-3 Letters Assigned to ExSTARS Coordinator	Incorporated guidance in a table that lists letters assigned to the JOC ExSTARS Coordinator that are used throughout this section.

EFFECT ON OTHER DOCUMENTS

None

AUDIENCE

This section is for SB/SE Exam Case Selection - Specialty Excise Case Selection employees.

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 Small Business/Self Employed

4.24.26

Excise Summary Terminal Activity Reporting System (ExSTARS) Coordinator Procedures

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4.24.26-3 Letters Assigned to ExSTARS Coordinator

4.24.26.1
(10-13-2023)
**Program Scope and
Objectives**

- (1) General Overview - Excise Case Selection (ECS) includes the operations of the JOC and Workload Selection and Delivery (WSD).
- (2) Purpose - This section provides guidance pertaining to the JOC ExSTARS Coordinator Procedures.
- (3) Audience - This section is for SB/SE Exam Case Selection - Specialty Excise Case Selection employees. Specifically, the JOC ExSTARS Coordinator, which is a non-bargaining unit employee.
- (4) Program Owner - The Director, Exam Case Selection - Specialty, is the program owner and responsible for Excise Case Selection policies and procedures.
- (5) Primary Stakeholders - Employees in ECS, Excise Tax Exam, Specialty Policy, and Centralized Specialty Tax Operations.
- (6) Program Goals - The program goals are consistent with the objectives or goals addressed in IRM 1.1.16.3.3.1, Organization and Staffing, Small Business and Self/Employed (SB/SE), Excise Tax Examination.
- (7) Contact Information - To recommend changes or make other suggestions related to this section, see IRM 1.11.6.5, Providing Feedback About an IRM Section - Outside of Clearance.

4.24.26.1.1
(10-13-2023)
Background

- (1) The need for a system to monitor the movement of motor fuel was made evident by well-publicized reports detailing extensive evasion of federal and state excise taxes on motor fuel during the 1980s and 1990s. Representatives of the motor fuel industry cooperated with state and federal governments to analyze and find a solution to the problem of motor fuel tax evasion. What emerged from that cooperation is a system termed the Excise Summary Terminal Activity Reporting System (ExSTARS), which is designed to attempt to prevent and detect the existence of illegal tax evasion schemes involving the federal and state excise taxes on motor fuel.
- (2) ExSTARS is a key component (subsystem) of the Excise Files Information Retrieval System (ExFIRS) project (for more information on the ExFIRS system and subsystems see IRM 4.24.26.2). The ExSTARS system processes data provided by Information Providers which is forwarded to the ExFIRS data warehouse for review by the IRS. The ExSTARS Gateway application provides access to the ExSTARS system for approved industry users, who have a need to upload data into the ExSTARS system.
- (3) ExSTARS is used to track the movement of fuel to and from approved terminals by electronically filed monthly information reports (Form 720-TO, Terminal Operator Report and Form 720-CS, Carrier Summary Report) reflecting fuel quantity and type as it moves through the bulk fuel distribution system. This information is used to analyze quarterly fuel volumes and is compared to the fuel tax information entered on Form 720, Quarterly Federal Excise Tax Return. All significant discrepancies are referred to the Excise Tax Examination for further analysis. The Excise Tax Examination will use the results of the analyses to identify entities that appear to be in noncompliance and to direct compliance resources to those entities.

- (4) ExSTARS is also used by approved State users, who have a need to download state reports prepared for them. Primarily, an approved State will use the data to compare a terminal's tax payments and filings to the gallons that are removed from the bulk transfer/terminal system and are then taxable. They also use it to track shipments into neighboring states and imports of product into their state.

4.24.26.1.2
(10-13-2023)

Authority

- (1) Internal Revenue Code (IRC) 4101(d) authorizes the IRS to require information reporting from any person who is registered under IRC 4101 and from any other person who the IRS deems necessary to administer fuel tax rules.
- (2) Treas. Reg. 48.4101-2, Information Reporting, requires that each information report under IRC 4101(d) must be made in the form required by the Commissioner, made for a period of one calendar month, and filed by the last day of the first month following the month for which the report is made.
- (3) IRC 4101(d) flush language states that if a person is required to report under IRC 4101(d) and has 25 or more reportable transactions during a monthly reporting period, electronic reporting is required. Each receipt of liquid product by product code and each disbursement of liquid product by product code constitutes a separate transaction even if it is a single movement of fuel. For purposes of determining if there are more than 25 transactions per month, each line-item transaction listed on any information reporting schedule must be counted.

4.24.26.1.3
(10-13-2023)

**Roles and
Responsibilities**

- (1) The Director, Exam Case Selection - Specialty, is responsible for oversight of Excise Case Selection.
- (2) The Program Manager, Excise Case Selection, is responsible for oversight of the JOC and WSD operations.
- (3) The JOC Manager is responsible for oversight of the JOC. Refer to IRM 4.24.18, Excise Case Selection, for the mission of the JOC.
- (4) The new IRM assigns Joint Operation Center (JOC) responsibilities under IRM 4.24.18.6, ExSTARS Administrative Support, paragraph (5) related to ExSTARS administrative processes to a JOC ExSTARS Coordinator. Additionally, it augments the Procedural Guidance Relating to Facility Control Number (FCN) found in IRM 4.24.17.1.2, by assigning this role to the JOC ExSTARS Coordinator. The JOC Coordinator is responsible for ExSTARS related administrative processes listed below:
 - Maintaining Letters of Application for the Motor Fuel Excise Tax Electronic Data Interchange (EDI)
 - Validating vessel operator numbers (VON)
 - Validating ExSTARS Employer Identification Numbers (EINs)
 - Coordinating the Memorandum of Understanding (MOU) with states for use with ExSTARS
 - Performing ExSTARS Help Desk duties
 - Providing support to the EDI Help Desk
 - Processing all ExSTARS monthly extension requests
 - Maintaining the ExSTARS outlook mailbox
 - Maintaining the ExSTARS web pages
 - Updating the ExSTARS Gateway
 - Updating the ExFIRS Applications

- Maintaining information on all Facility Control Numbers (FCNs), this is both Terminal Control Numbers (TCNs) and Refinery Control Numbers (RCNs)

Note: Software used in support of these roles include the IRS Modernize Employee User Portal (EUP) and the ExSTARS Gateway.

- (5) The JOC ExSTARS Coordinator roles are assigned by the JOC Manager and are discussed in more detail throughout this IRM.

4.24.26.1.4
(10-13-2023)
Program Controls

- (1) All information management systems have safeguard measures in place that address key components of Information Technology (IT) security requirements to restrict access to sensitive data.

4.24.26.1.5
(10-13-2023)
Terms and Definitions

- (1) See Exhibit 4.24.26-1, Terms, for a list of terms and definitions used in this IRM.

4.24.26.1.6
(10-13-2023)
Acronyms

- (1) See Exhibit 4.24.26-2, Acronyms, for a list of acronyms and definitions used in this IRM.

4.24.26.1.7
(10-13-2023)
Related Resources

- (1) The Taxpayer Bill of Rights (TBOR) lists rights that already existed in the tax code, putting them in simple language and grouping them into 10 fundamental rights. Employees are responsible for being familiar with and acting in accordance with taxpayer rights. See IRC 7803(a)(3), Execution of Duties in Accord with Taxpayer Rights. For additional information about the TBOR, see *Taxpayer Bill of Rights*.
- (2) For general guidance, procedures, tax law, and regulations on a wide variety of excise issues, refer to Excise Tax Knowledge Base .
- (3) For information relating to identity theft, refer to IRM 25.23, Identity Protection and Victim Assistance.
- (4) For guidance concerning IRS privacy policy on the protection of tax information that includes personally identifiable information, sensitive but unclassified data and tax information, refer to IRM 10.5.1, Privacy Policy.
- (5) For unauthorized access requirements, refer to IRM 10.5.5, IRS Unauthorized Access or Inspection of Taxpayer Records (UNAX) Program Policy, Guidance and Requirements, and IRM 4.10.1.2.1.12, Unauthorized Access (UNAX).
- (6) For guidance on authentication requirements and to avoid unauthorized disclosure, refer to IRM 11.3.2.3.2, Requirements for Verbal or Electronic Requests.
- (7) For guidance on third party contacts, refer to IRM 4.11.57, Third Party Contacts.
- (8) The JOC ExSTARS Coordinator must follow authentication requirements found in IRM 11.3.2.3.2, Requirements for Verbal or Electronic Requests, during contact.

- (9) For general guidance concerning ExSTARS Administrative Support, see IRM 4.24.18.6, Excise Tax - ECS.
- (10) For an overview of Form 637, Application for Registration (For Certain Excise Tax Activities), refer to IRM 4.24.2, Form 637 Excise Tax Registrations.
- (11) For guidance on how to update the ExFIRS applications and ExSTARS Gateway, refer to the ExSTARS Application User Guide.
- (12) For general requirements, format, specifications, and procedures for the electronic filing of Internal Revenue Service (IRS) Form 720-TO, Terminal Operator Report and Form 720-CS, Carrier Summary Report, see Pub 3536, Motor Fuel Excise Tax EDI Guide.

4.24.26.2

(10-13-2023)

Introduction to the ExSTARS Applications

- (1) The ExFIRS system is the database that houses information that ExSTARS uses to verify accuracy of returns. ExFIRS is housed within the Service computing center(s). The JOC ExSTARS Coordinator uses the ExFIRS applications listed below to update ExSTARS information.
- (2) IRS uses contractor support for the following subsystems and components of ExFIRS, they are described as:
 - LOA Subsystem: The Letter of Application (LOA) subsystem provides information about trading partners to the ExSTARS subsystem, specifically those entities who are ExSTARS Information Providers. Information Providers include those who are required to file Form 720-TO, Form 720-CS, fuel terminal operators and carriers respectively, and third-party transmitters who would submit Electronic Data Interchange (EDI) filings on behalf of Terminal Operators or Carriers. This is a Modernized ExFIRS Online Transaction Processing (OLTP) program. Refer to IRM 4.24.26.5.1, ExSTARS Letter of Application (LOA), for the JOC ExSTARS Coordinator procedures as they relate to the LOA Subsystem.
 - TCN Subsystem: The TCN application performs the following functions: management of terminal information, management of historical terminal data, and report generation. The TCN subsystem is used by the JOC ExSTARS Coordinator after receipt of a request via form, e-mail, or verbal request made by one or more of the following: Fuel Industry Company, ExSTARS Compliance Analyst, Group Manager (GM), or Territory Manager (TM). This is a Modernized ExFIRS OLTP program. Refer to IRM 4.24.26.3, Facility Control Number (FCN) Requests, and IRM 4.24.26.4, Change of Facility Status Requests, for the JOC ExSTARS Coordinator procedures as they relate to the TCN Subsystem.
 - DATA_ADM Subsystem: The DATA_ADM subsystem is a function that has evolved out of the business need to validate and provide consistency in the myriad sets of business data that flow through ExFIRS systems. In some cases, Excise owns that business data, but requires centralized administration of the data. Employee, Role, and Organization data are examples of these. In other scenarios, Excise does not own the business data; instead, it receives it from external sources in which case, Excise is unable to build a complete record with that data because codes or other references are unresolved. Here, data administration involves finding codes or other references that are used in the business data and providing a means to resolve those codes or references. Abstracts and their tax rates and effective dates as well as Audit

- Information Management System (AIMS) or Master File Type (MFT) codes are examples. This is a Modernized ExFIRS OLTP program.
- Form 720 TO/CS Paper File Support Subsystem: The Form 720 TO/CS Paper File Support subsystem is a data entry validation application. Form 720-TO and Form 720-CS Paper Submission (PS) key stroke transactions directly into the ExFIRS ODB electronic from the paper Form 720 TO/CS. Paper Form 720 TO/CS can only be filed by Information Providers who have fewer than 25 fuel movement transactions per month. These filers are not required to implement an EDI system for filing electronically through the ExSTARS subsystem. These filers can file Form 720-TO or Form 720-CS via PS. This is a Modernized ExFIRS OLTP program. Refer to IRM 4.24.26.5.4, ExSTARS Paper Filings, for the JOC ExSTARS Coordinator procedures as they relate to the Form 720 TO/CS Paper File Support Subsystem.

- (3) The ExFIRS system was built to manage transactions for Certain Fuels (ethanol and biodiesel production and sales). Ethanol control numbers (ECN)s and biodiesel control numbers (BCN)s were established in ExFIRS and listed as facility control numbers (FCN)s. However, a requirement to have FCNs assigned to these producers or an ExSTARS filing requirement has not been implemented.

4.24.26.2.1
(10-13-2023)
**JOC ExSTARS
Coordinator
Applications**

- (1) The ExFIRS system is used by the JOC ExSTARS Coordinator in the performance of the JOC ExSTARS administrative related processes. See IRM 4.24.18.1.4 Program Management and Review, for additional information. ExFIRS is accessed via the Employee User Portal (EUP) which is located at https://eup.eps.irs.gov/eup_login/.

Note: Access to the EUP is granted by submitting a Business Entitlement Access Request System (BEARS) request.

- (2) The JOC ExSTARS Coordinator utilizes the following six ExFIRS applications:
- ExFIRS LOA
 - ExFIRS TCN
 - EUP NEG TIN Table Access - INACTIVE
 - ExFIRS TOCS applications - INACTIVE
 - ExFIRS 720 PF
 - ExFIRS DATA ADM
- (3) ExFIRS LOA application is used by the JOC ExSTARS Coordinator to enter the information submitted by an Information Provider on their LOA. In addition, using this application the JOC ExSTARS Coordinator can add, edit, delete, define administrative roles, and review reports. This application contains the following sub-applications:
- Applicant
 - MOUs
 - Employees Reports
- (4) ExFIRS TCN (Terminal Control Number) application is used to create Facility Control Numbers (FCN) including TCNs and Refinery Control Numbers (RCN). Using this application, the JOC ExSTARS Coordinator can add, delete, and

modify FCNs and filer information. In addition, the JOC ExSTARS Coordinator can, assign administer roles, and generate reports. It contains the following sub-applications:

- Facilities
 - Filers
 - Admin
 - Reports
- (5) ExFIRS 720 PF application is used to perform queries of paper Form 720-TO and Form 720-CS. Information Providers send these forms to the Cincinnati Service Center where they are entered into ExFIRS by a Service Center Technician. The JOC ExSTARS Coordinator may use this application to query information using the Information Provider EIN or 637 registration number. The following function can also be performed using this application:
- Edit
 - Add new Form 720-TO or Form 720-CS information
 - Delete IP information
- (6) ExFIRS data admin application allows the JOC ExSTARS Coordinator to add, edit or delete taxpayer information as well as query taxpayer information by entering the EIN. In addition, the JOC ExSTARS Coordinator can perform administrative duties such as adding, editing, or deleting IRS Personnel and organizational access. Lookup tables allow the JOC ExSTARS Coordinator to search, add, edit, and delete Vessel Official Numbers. There is also access to a variety of reports under this application.
- (7) This application contains the following sub-application:
- Taxpayer
 - IRS Personnel
 - Organizations
 - Lookup Tables (this includes Vessel Tables)
 - Reports. The vessel tables are where VONs are verified.
- (8) The vessel tables include the following info:
- Ship companies
 - Ship company role types
 - Vessel official numbers
 - Vessel official number types
 - Vessel ship companies
 - Vessel status types
 - Vessel types

4.24.26.3
(10-13-2023)
**Facility Control Number
(FCN) Requests**

- (1) The IRS issues an FCN to designate a storage location within the motor fuel bulk transfer/terminal system. A TCN is used to identify individual terminals and an RCN is used to identify individual refineries.

Note: Facilities may have more than one FCN. For example, a refinery with an RCN may also meet the definition of an approved terminal, which would require the facility to also have a TCN.

- (2) Facility operators of an approved terminal or an approved refinery apply to the IRS for a TCN or RCN respectively, through the JOC ExSTARS Coordinator.

Note: Vessel and pipeline operators are not issued an FCN but must file ExSTARS Form 720-CS reports.

- (3) Terminal or refinery operators may Facilities mail or e-mail the JOC ExSTARS Coordinator directly with an FCN request. The JOC ExSTARS Coordinator may also receive an FCN request from facility operators through Excise Revenue Agents and Fuel Compliance Agents (Excise Examiners), Fuel Compliance Officers (FCOs), or the Form 637 Registration Group. The FCN request must include:

- Description of facility
- Address, City, State and Zip
- Contact name
- Phone number at the facility
- Effective date or estimated date of operation

- (4) The JOC ExSTARS Coordinator must verify that the entity has an approved Form 637, Application for Registration (For Certain Excise Tax Activities), "S" registration by using Registration Status Check: Form 637 or by requesting a copy of the Form 637 Registration letter from the 637 Registration Group via secure e-mail. An "S" registration is required to be assigned an FCN.

Note: If no "S" registration is on file, the JOC ExSTARS Coordinator must inform the entity to submit a Form 637 Registration application, or secure a Form 637 Registration application, and forward the new application to the 637 Registration Group via secure e-mail. Refer to IRM 4.24.24.2(3), Creating, Maintaining and Monitoring Form 637 Registration Files, for additional guidance.

- (5) If the entity has a valid "S" registration then the facility must be assigned to an FCA or FCO for review or inspection, the JOC ExSTARS Coordinator will:

- Create an FCN file for each facility. Refer to IRM 4.24.26.8, Records Maintained by the JOC ExSTARS Coordinator, for more information.
- Prepare Letter 6544, Facility Control Number Request Acknowledgment, and mail one copy to the facility.
- Complete Form 5346, Examination Information Report, to make a referral for an FCO or FCA to complete a facility inspection.
- Submit Form 5346, to Workload Selection and Delivery (WSD) at **SBSE Excise WSD*, along with a blank FCN Questionnaire to be completed by the agent assigned the case. The ExSTARS coordinator then forwards the Form 5346 to the Fuel Compliance Officer FCO or FCA Group Manager for assignment. No controls are established on Examination Returns Control System (ERCS).

Note: The FCN Questionnaire can be found on the Excise Tax Knowledge Base Home, under ExSTARS, see ExSTARS Reviews, refer to "Other Related Resources" on the right side of the web page.

- Update the FCN file to retain all applicable documents, Refer to IRM 4.24.26.8, for more information.
- Update the activity record associated with the FCN file.

- (6) If there is a question concerning whether a facility meets the definition of a terminal or refinery, then the JOC ExSTARS Coordinator will contact Excise Tax Policy (EXTP) via secure e-mail. After receiving guidance from EXTP, the JOC ExSTARS Coordinator will proceed with a determination to approve or deny.

4.24.26.3.1
(10-13-2023)

**Procedural Guidance for
Initial Request Approved**

- (1) Once the review is complete, the FCO or FCA Group Manager will send the FCN Questionnaire back to the JOC ExSTARS Coordinator along with any supporting information. The JOC ExSTARS Coordinator will follow the directions in the ExSTARS Application User Guide to update the ExFIRS TCN application with the following information:
- Type of Facility
 - EIN
 - Form 637 Reg #(s)
 - Name
 - D.B.A., if applicable
 - Attention To, this should be the facility contact
 - Address, City, State and Zip
 - Office Code
 - Term Type
- (2) Once the new facility information is updated the FCN will be generated within the ExFIRS TCN application. The application will automatically put in the date the FCN was generated. The JOC ExSTARS Coordinator will follow the directions in the ExSTARS Application User Guide to verify the “effective date” is correct.

Note: The FCN format for a TCN is T-NN-AA-NNNN: T(Terminal) followed by a 2-digit office code, the 2-letter abbreviation for the state, and 4 numbers that are auto generated consecutively by ExSTARS. The FCN format for an RCN is R-00-AA-NNNN: R(Refinery) followed by 00, the 2-letter abbreviation for the state, and 4 numbers that are auto generated consecutively by ExSTARS.

Note: A facility can have both a TCN and an RCN. For example, if a refinery produces a taxable product and from the refinery it goes through a short pipeline to a storage tank on the facility where there is a rack to break bulk, then it will be a refinery and a terminal. The facility would be assigned both a TCN and an RCN.

- (3) Once the FCN has been generated and the “effective date” verified, the JOC ExSTARS Coordinator will:
- Prepare Letter 6545, Approval of Facility Control Number, and provide one copy to the facility to notify them of their new FCN.
 - Notify the ExSTARS EDI Help Desk with the TCN, effective date, EIN, and name of the terminal operator (only if the new FCN is a TCN).
 - Follow the directions in the ExSTARS Application User Guide to add the new FCN to the applicable *TCN Location Directory* or *RCN Location Directory* on the IRS.gov web page.

Note: The JOC ExSTARS Coordinator will submit a publishing service request (PSR) to have the *TCN Location Directory* or *RCN Location Directory* updated monthly. The JOC ExSTARS Coordinator

must also validate the IRS.gov web page monthly, for additional guidance refer to the ExSTARS Application User Guide.

- Update the FCN file to retain all applicable documents. Refer to IRM 4.24.26.8, for more information.
- Update the activity record associated with the FCN file.

4.24.26.3.2
(10-13-2023)

Procedural Guidance for Initial Request Denied

- (1) If upon review of an initial request for an FCN it is to be denied, then the JOC ExSTARS Coordinator will:
 - Prepare Letter 6546, Denial of Facility Control Number, and provide one copy to the facility to make notification of the denial.
 - Update the FCN file to retain all applicable documents. Refer to IRM 4.24.26.8, for more information.
 - Update the activity record associated with the FCN file.

4.24.26.4
(10-13-2023)

Change of Facility Status Requests

- (1) Facilities must notify the IRS when there is any change in facility status to retain approved status of the facility and Form 637 Registration. This includes but is not limited to:
 - Change in status to inactive or suspended, (e.g., a terminal may no longer have taxable fuel product storage and/or the terminal is no longer connected to the bulk transfer/terminal system).
 - Change in ownership or operator.

Note: The new owner or operator must have a valid Form 637 "S" registration, or the facility will not be approved.
 - Change in name
 - Change in Form 637 Registration activities.

Note: Any changes made to the LOA will require the owner or operator to submit a revised LOA. This includes but is not limited to changes to the owner, operator, name, Form 637 Registration activities, number of terminals, points of contact, contact information, and authorized signatory. Refer to IRM 4.24.26.5.1, ExSTARS Letter of Application (LOA), for additional LAO procedures.

- (2) The JOC ExSTARS Coordinator will notify the 637 Registration Group via secure e-mail if a failure to notify the IRS of changes is observed. It may lead to suspension or revocation of the approved status of the facility or Form 637 Registration of the facility operator and imposition of Failure to Register or Reregister penalties under IRC 6719. Refer to IRM 4.24.2, Form 637 Excise Tax Registrations, for an overview of Form 637, Application for Registration (For Certain Excise Tax Activities), and penalty procedures for Failure to Register or Reregister under IRC 6719.
- (3) The JOC ExSTARS Coordinator generally will receive FCN change of facility status requests from facility operators, Excise Examiners, and FCOs via fax, phone, or e-mail. When an FCN change of facility status request is received, the JOC ExSTARS Coordinator will:
 - Complete Form 5346, Examination Information Report, to make a referral for an FCO or FCA to complete a facility inspection.

- Submit Form 5346, to Workload Selection and Delivery (WSD) at **SBSE Excise WSD*, along with a blank FCN Questionnaire to be completed by the agent assigned the case. A facility inspection must be completed prior to the change being made. WSD forwards the Form 5346 to Fuel Compliance Officer FCO or FCA Group Manager for assignment. No controls are established on Examination Returns Control System (ERCS).

4.24.26.4.1
(10-13-2023)
**Procedural Guidance for
Change of Facility
Requests**

- (1) Once the review is complete, the FCO or FCA Group Manager will send the FCN Questionnaire back to the JOC ExSTARS Coordinator along with any supporting information. The JOC ExSTARS Coordinator makes the final determination for all FCN status change requests. Once a final determination is made the JOC ExSTARS Coordinator will:

- Update the facility information in the ExFIRS TCN application by following the ExSTARS Application User Guide.
- Update the users accounts on ExSTARS Gateway by following the ExSTARS Application User Guide.
- Communicate the final determination to the facility by preparing and sending Letter 6543, Change in Facility Status.
- Communicate determination to the GM and excise examiner via secure e-mail, if applicable.
- Notify the ExSTARS EDI help desk about the change via secure e-mail.
- Update the LOA for the old operator in the EXFIRS LOA application, if applicable. Refer to IRM 4.24.26.5.1.2, Procedural Guidance Related to Revise LOAs, for more information.

Note: A new operator will need to submit a new or revised LOA, if applicable. Follow procedures found in IRM 4.24.26.5.1, ExSTARS Letter of Application (LOA).

- Update the applicable *TCN Location Directory* or *RCN Location Directory* on the IRS.gov web page. Refer to the ExSTARS Application User Guide.

Note: Inactive FCN numbers are not removed from the ExSTARS database; however, the IRS.gov web page only displays approved FCNs.

- Update the FCN file to retain all applicable documents. Refer to IRM 4.24.26.8, Records Maintained by the JOC ExSTARS Coordinator, for more information.

4.24.26.4.1.1
(10-13-2023)
**Facility Change in
Secure Airport Terminal
(SAT) Designation**

- (1) Notice 2016-15 provides guidance regarding the criteria for designation by the IRS of a terminal located within a secure area of an airport as a Secured Airport Terminal (SAT). The notice also provides procedures for a terminal operator to request that a terminal be placed on the SAT list.
- (2) If the Chief, Estate & Gift/Excise Tax determines a SAT Designation should be granted, continued, denied, or revoked, then the Form 637 Lead Technician (LT) will contact the JOC ExSTARS Coordinator to update the designation. The JOC ExSTARS Coordinator will:

- Update the FCN file with a copy of the SAT Designation letter, SAT Designation Questionnaire and Form 13499-E, Secure Airport Terminal (SAT) Designation Recommendation, received from the Excise Examiner, if applicable.
- Update the applicable SAT Designation on the *TCN Location Directory* on the IRS.gov web page by following the directions in the ExSTARS Application User Guide.
- Update the activity record associated with the FCN file.

4.24.26.5
(10-13-2023)
**Introduction to the
ExSTARS Filing Process**

- (1) Section 4101(d) of the IRC states that the Secretary may require information reporting by registered persons and requires electronic reporting for any person that has 25 or more reportable transactions during a monthly reporting period. Under this authority, Treas. Reg. 48.4101-2 requires information reports be filed monthly in the form required by the commissioner. Terminal operators and bulk carriers are required to report monthly through EXSTARs. All receipts and disbursements of liquid products to and from an approved terminal are reportable.
- (2) Vessel operators are required to report bulk deliveries to and from any facility that has a Facility Control Number (FCN) on Form 720-CS. Pipeline operators are required to report bulk deliveries to and from any approved terminal with a Terminal Control Number (TCN) on Form 720-TO.
- (3) Terminal operators are required to report bulk and non-bulk receipts of all liquid products into a terminal and all disbursements by position holders from a terminal. In addition, terminal operators are required to report monthly inventory reconciliation by product.

Note: Currently, a terminal with a TCN is the only FCN required to file ExSTARS Form 720-TO reports.

- (4) Those entities that must or choose to participate in the electronic filing program for Forms 720-TO and 720-CS must follow the LOA process detailed in Section III, Application and Participation, Submitting the Letter of Application (LOA) of Pub 3536, Motor Fuel Excise Tax EDI Guide.
- (5) The JOC ExSTARS Coordinator acts as the primary point of contact for all ExSTARS Information Providers filing Form 720-TO or Form 720-CS information returns.
- (6) The JOC ExSTARS Coordinator will notify the 637 Registration Group via secure e-mail if any of the following are observed:
 - Failure to file a Form 720-TO or Form 720-CS on or before the due date (without an approved extension);
 - Failure to include all the required information; and /or
 - Inclusion of incorrect information on the Form 720-TO or Form 720-CS (if errors are corrected within 15 calendar days, the filing will be treated as correct as of the date of the original filing if timely filed).

Note: These may lead to suspension or revocation of the approved status of the facility or F

Note: Form 637 Registration of the facility owner/operator and imposition of Failure to Report penalties under IRC 6725.

4.24.26.5.1
(10-13-2023)
**ExSTARS Letter of
Application (LOA)**

- (1) The purpose of the LOA is to document the Information Providers who must file their reports electronically and to secure agreement to specific requirements of participation. In addition, it is the process used to convey the necessary information to facilitate electronic exchange of information. It will ensure the accuracy of the entity information by comparing the EDI entity data with the information in the IRS databases.
- (2) Information Providers must mail the LOA to the Service Center as directed by Pub 3536. The Service Center forwards the LOA to the JOC ExSTARS Coordinator.

Note: LOAs should not be informally accepted by the JOC ExSTARS Coordinator.

- (3) Information providers may make an IRC 6103(c) consent election to disclose ExSTARS information with state agencies by submitting Form 8821, Tax Information Authorization, with the LOA. The information provider must attach the IRC 6103(c) consent language (see Pub 3536) and a list of states they are including in the election with Form 8821. This consent must be renewed every three years.

Note: If Form 8821 is not submitted with the LOA, then the consent election is not valid, and the information must not be made available to any state under IRC 6103(c).

4.24.26.5.1.1
(10-13-2023)
**Procedural Guidance
Related to Initial LOAs**

- (1) Upon receipt of an initial LOA the JOC ExSTARS Coordinator will:
 - Review the LOA. If additional information is needed, then mail Letter 3421, Missing Information Update, to the Authorized Signature identified in the LOA.

Note: As part of the review, validate Form 637 Registration numbers and EINs.

 - Confirm the listed contact does not already have a user ID set up in the ExFIRS LOA application.
 - Enter the information contained in the LOA into the ExFIRS LOA application by following the instructions in the ExSTARS Application User Guide.
 - Add the contacts listed on the LOA to their Outlook e-mail distribution list, if applicable.
 - Enter IRC 6103(c) election, if applicable. Refer to IRM 4.24.26.5.6, Memorandum of Understanding (MOU) with States, for more information concerning MOUs.
 - Generate Letter 3420-A, ExSTARS Letter of Application Terminals and Carriers Acknowledgment, by following the directions in the ExSTARS Application User Guide.

Note: Form 13652, ExSTARS Acknowledgement Receipt, will populate as the final page to Letter 3420-A. Form 13652 must be included with Letter 3420-A when mailed to the Information Provider.

- Verify the content of Letter 3420-A generated correctly (e.g., 10-digit security code, 15-digit Sender ID, number of locations (if applicable), 2 to 15-digit Application Sender's Code, ExSTARS User ID Information, Transmitter Information and IRS Issued 10-digit authorization code).
- Mail Letter 3420-A with Form 13652, and a return envelope to the Information Provider.
- Generate Letter 3423, Password Update, by following the directions in the ExSTARS Application User Guide.

Note: Form 13652-A, ExSTARS Acknowledgment Receipt-Password, will populate as the final page to Letter 3423.

- Mail, fax, or e-mail Letter 3423, to the two contacts listed in the LOA along with completed Form 13652-A within five days. If applicable, include a return envelope with the letter.

Note: Retain the LOA in the LOA file to verify the individual is listed on the LOA when they call.

- (2) When Form 13652 and Form 13652-A are returned, the JOC ExSTARS Coordinator will:

- Generate "Confirmation by EIN Report" from the ExFIRS LOA application by following the ExSTARS Application User Guide.
- Send an e-mail confirmation to the ExSTARS EDI Help Desk with the "Confirmation by EIN Report," see IRM 4.24.26.5.1.3, Procedural Guidance Related to LOA Reports.

Note: In the e-mail content, provide the name of the company, EIN, list the contacts and the authorized signature.

- Update the LOA file to retain all applicable documents. Refer to IRM 4.24.26.8, Records Maintained by the JOC ExSTARS Coordinator, for more information.
- Update the activity record associated with the LOA file.

- (3) After all acknowledgement pages (Form 13652 and Form 13652-A) are received, the JOC ExSTARS Coordinator will mail Letter 6542, ExSTARS Qualification Testing Arrangements, to the Information Provider and add new users to the ExSTARS Gateway. The electronic participants must follow the instructions in Letter 6542 to initiate the qualification process with ExSTARS by faxing the ExSTARS EDI Help Desk. The ExSTARS EDI Help Desk will e-mail a welcome letter to the Information Provider to set-up their Trading Partner Profile. Once the Trading Partner profile has been entered into the EDI Trading Partner database the ExSTARS EDI Help Desk will notify the Information Provider that they are ready to receive the Information Providers first test file. Refer to IRM 4.24.26.5.3 for additional information on the EDI Qualification Process and IRM 4.24.26.5.3.1 for Procedural Guidance Related to the EDI Qualification Process.

- (4) If the LOA was for a third-party transmitter, then the ExSTARS coordinator will submit a PSR to update the Approved Excise Transmitters and Software Developers on the IRS.gov website.

4.24.26.5.1.2
(10-13-2023)

**Procedural Guidance
Related to Revised
LOAs**

- (1) Upon receipt of a revised LOA the JOC ExSTARS Coordinator will:
 - Compare the revised LOA that is submitted to the existing LOA to see what change (if any) is being made.

Note: They may just be sending in a LOA because the one on file is three years old. If the company is currently in the production monitoring phase (see IRM 4.24.26.5.3 for more information), the Information Provider should not change any of their codes. Changes made to the Filers 10-digit Security Code and/or changes to or new Interchanger Sender ID or Application Sender's Code will require the customer to submit new test files.
 - Update their Excel spreadsheet with the revised Form 8821 information, if applicable.

Note: The Form 8821 attached to the LOA is only good for three years.
 - Update the appropriate fields in the ExFIRS LOA Application by following the directions in the ExSTARS Application User Guide.

Note: The date the IRS received the LOA must always be updated. The date of the LOA is used for the date the authorized signatory signed the LOA.
 - Enter IRC 6103(c) election, if applicable. Refer to IRM 4.24.26.5.6, Memorandum of Understanding (MOU) with States, for more information concerning MOUs.
 - Update the LOA file to retain all applicable documents. Refer to IRM 4.24.26.8, for more information.
 - Update the activity record associated with the LOA file.
- (2) If a change is being made to contacts, then the JOC ExSTARS Coordinator will:
 - Input the new contact in the ExFIRS LOA application by following the directions in the ExSTARS Application User Guide.
 - Update their Outlook mail distribution list (delete old contact and add new contact).
 - Generate Letter 3423, by following the directions in the ExSTARS Application User Guide.

Note: Form 13652-A, will populate as the final page to Letter 3423.
 - Mail Letter 3423 to the new contact along with completed Form 13652-A within five days. Include a return envelope with the letter.
 - Update the contact information in the applicable *TCN Location Directory* or *RCN Location Directory* on the IRS.gov web page.
 - Update the activity record associated with the LOA file.
 - Update the LOA file to retain all applicable documents. Refer to IRM 4.24.26.8, for more information.
- (3) If a change is being made to the filing group, the JOC ExSTARS Coordinator will:
 - Create a new sender ID, if applicable.
 - Update the terminal count for the sender ID and either add (if adding a TCN to the existing sender ID) or delete the TCN (if deleting a TCN to the existing sender ID).
 - Generate Letter 3420-A with Form 13652.

- Provide one copy of the Letter 3420-A to the individual that signed the LOA along with a return envelope, if applicable.
- Update the applicable *TCN Location Directory* or *RCN Location Directory* on the IRS.gov web page. For guidance on how to update the TCN and RCN, refer to the ExSTARS Application User Guide.

(4) When the Form 13652 and Form 13652-A are returned, the JOC ExSTARS Coordinator will:

- Generate “Confirmation by EIN Report” from the ExFIRS LOA application by following the ExSTARS Application User Guide.
- Send an e-mail confirmation to the ExSTARS EDI Help Desk with the “Confirmation by EIN Report,” see IRM 4.24.26.5.1.3, Procedural Guidance Related to LOA Reports.

Note: In the e-mail content, provide the name of the company, EIN, list the contacts and the authorized signature.

- Update the LOA file to retain all applicable documents. Refer to IRM 4.24.26.8, for more information.
- Update the activity record associated with the LOA file.

4.24.26.5.1.3
(10-13-2023)

Procedural Guidance Related to LOA Reports

(1) The JOC ExSTARS Coordinator will review the “Expiration Report” within the ExFIRS LOA application three to four times per fiscal year. The JOC ExSTARS Coordinator will:

- Identify expiring LOAs, (default date is for six months in the future).
- Export the list to an Excel spreadsheet and remove 3rd party providers and facilities in testing phase from the spreadsheet.
- Contact the remaining facilities to update their LOA (LOAs expire after three years).

(2) The JOC ExSTARS Coordinator will utilize the “Confirmation by EIN Report” within the ExFIRS LOA application to communicate information about the new or revised LOAs to the ExSTARS EDI Help Desk as required.

4.24.26.5.2
(10-13-2023)

Password Reset

(1) If the IRS approves an LOA, then a user account is created, and a one-time password is generated by the JOC ExSTARS Coordinator and sent to the user via mail. Refer to IRM 4.24.26.5.1, ExSTARS Letter of Application (LOA), for additional LOA procedures.

(2) ExSTARS requires users to enter a username and password to access the system. After three consecutive invalid user access attempts, the ExSTARS subsystem locks the user’s account. The user must contact the ExSTARS EDI Help Desk to unlock their account.

Note: The system will automatically disable an account after 45 days of inactivity or 90 days without a password change. The system also automatically deletes an account after 180 days of inactivity.

(3) The ExSTARS EDI Help Desk will contact the JOC ExSTARS Coordinator to unlock the user’s account. The JOC ExSTARS Coordinator will contact the user and provide a one-time reset password by following the directions in the ExSTARS Application User Guide.

4.24.26.5.3
(10-13-2023)
**EDI Qualification
Process**

- (1) Each new ExSTARS participant must complete ExSTARS EDI Qualification Testing before they are officially set-up to file Form 720-TO and Form 720-CS electronically through ExSTARS. A qualification process has been established that exchanges test and feedback files that are processed prior to submitting electronic production files. Refer to Pub 3536 for more information.

Note: The ExSTARS EDI Help Desk works with the Information Provider during the testing phase of the EDI Qualification Process.

4.24.26.5.3.1
(10-13-2023)
**Procedural Guidance
Related to the EDI
Qualification Process**

- (1) Once the testing phase is completed, the ExSTARS EDI Help Desk will e-mail the JOC ExSTARS Coordinator that the Information Provider can be transferred from the testing phase to production monitoring phase. The JOC ExSTARS Coordinator will:
 - Update the ExFIRS LOA application by following the directions in the ExSTARS Application User Guide.
 - Generate Letter 3422, ExSTARS Letter of Production Approval, within the ExFIRS LOA application.
 - Mail one copy of Letter 3422, to the facility (attention to the authorized signatory), this notifies them they have successfully completed EDI testing phase and may begin submitting production files.
 - Respond to the ExSTARS EDI Help Desk via secure e-mail to let them know that Letter 3422 was mailed.
 - Update the LOA file to retain all applicable documents. Refer to IRM 4.24.26.8, Records Maintained by the JOC ExSTARS Coordinator, for more information.
 - Update the activity record associated with the LOA file.

4.24.26.5.4
(10-13-2023)
ExSTARS Paper Filings

- (1) Information Providers who have fewer than 25 fuel movement transactions per month are not required to implement an EDI system for filing electronically through the ExSTARS subsystem. These filers can file their Form 720-TO or Form 720-CS via PS. Information Providers mail paper filed Form 720-TO or Form 720-CS to the Cincinnati Campus.
- (2) Campus personnel reviews paper filed Form 720-TO or Form 720-CS for completeness. If filing is complete, then the return is manually transcribed into ExSTARS by Campus.
- (3) Campus will e-mail the JOC ExSTARS Coordinator if the Form 720-TO or Form 720-CS filing is incomplete. The JOC ExSTARS Coordinator will:
 - Contact the Information Provider listed on the paper Form 720-TO or Form 720-CS (by phone or e-mail) and request the missing information.
 - Respond to the campus personnel (via e-mail or phone) with updated information.
- (4) Incomplete returns are manually transcribed into ExSTARS when all information is received by campus personnel.

4.24.26.5.5
(10-13-2023)
**ExSTARS Filing
Extensions Requests**

- (1) Filers of ExSTARS Information Returns (Form 720-TO or Form 720-CS) must file Form 8809-EX, Request for Extension of Time to File an ExSTARS Information Return, to request an extension of time to file. An informal e-mail should not be accepted by the JOC ExSTARS Coordinator. The Form 8809-EX is filed with the Cincinnati Campus or the SBSE ExSTARS mailbox.

Note: Form 8809-EX has three options; Form 720-TO, Form 720-CS or Combined Filing extensions.

Note: Extensions are processed by EIN, not by FCN. For example, all TCNs under one EIN would be extended.

- (2) The JOC ExSTARS Coordinator will honor all initial a 30-day extension requests, except for those without a reason, if the request is received by the due date of the return.
- (3) An Information Provider may request longer extensions, but they are not automatic. The extension request must contain a detailed explanation as to why the additional time is needed. Valid extensions may include:
 - Extreme hardship
 - Catastrophic event

Note: The extension request must also include what the strategy will be during the extension period to become compliant.

4.24.26.5.5.1 (10-13-2023) **Form 720-TO or Form 720-CS Extension Granted**

- (1) If the determination is to approve the extension, then the JOC ExSTARS Coordinator will:
 - Input extension requests into the ExFIRS TCN application by following the directions in the ExSTARS Application User Guide.
 - Respond to the extension request contact. The response should include that extension request was received and a determination will be provided by mail, fax or secure e-mail.
 - Generate the appropriate letter (e.g., Letter 4603, Extension Granted 720-TO, or Letter 4605, Extension Granted Form 720-CS, are generated within the EXFIRS TCN application).
 - Mail one copy to the facility contact.

Note: The JOC ExSTARS Coordinator must sign both copies of the letter.

 - Update the LOA file to retain all applicable documents. Refer to IRM 4.24.26.8, Records Maintained by the JOC ExSTARS Coordinator, for more information.
 - Update the activity record associated with the LOA file.

4.24.26.5.5.2 (10-13-2023) **Form 720-TO or Form 720-CS Extension Denied**

- (1) If the determination is to deny the extension the JOC ExSTARS Coordinator will:
 - Input extension requests into the ExFIRS TCN application by following the directions in the ExSTARS Application User Guide.
 - Generate the appropriate letter.

Note: Letter 4604, Extension Denial Letter Form 720-CS, or Letter 4606, Extension Denial Letter Form 720-TO, are generated within the EXFIRS TCN application.

 - Mail one copy of Letter 4604 or Letter 4606 to the facility contact.

Note: The JOC ExSTARS Coordinator must sign both copies of the letter.

- Update the LOA file to retain all applicable documents. Refer to IRM 4.24.26.8, for more information.
- Update the activity record associated with the LOA file.

4.24.26.5.6
(10-13-2023)
Memorandum of Understanding (MOU) with States

- (1) State Excise Tax Agencies (State Users) use the MOU process to review information collected by the IRS, via the filing of information returns (Forms 720-TO and 720-CS), to help enforce state motor fuel tax laws. For enrollment, State Users are granted access by signing a Memorandum of Understanding (MOU) with the IRS.

Note: States will not be provided access to ExSTARS without an MOU agreement signed by the IRS and the State.

- (2) The informational detail provided to the State User is governed by the LOA process. An information provider can sign an IRC 6103(c) consent and provide a Form 8821, to allow a qualified State User to view their information. If such information is not included with a LOA, then any information provided will be governed by disclosure requirements.

Note: State consents must be renewed once every three years.

- (3) The point of contact for a State User is the IRS federal/state liaisons.

Note: All Add/Delete/Unlock State User MOU requests must first come through the IRS federal/state liaison who covers the applicable state. All State request received directly by the JOC ExSTARS Coordinator will be forward to the IRS federal/state liaison for approval prior to any action by the JOC ExSTARS Coordinator.

- (4) The JOC ExSTARS Coordinator, the State User, and the IRS federal/state liaisons all retain copies of the original signed MOU.

Note: These expire every five years, or when the highway trust fund taxes expire.

4.24.26.5.6.1
(10-13-2023)
Procedural Guidance Related to MOUs

- (1) Upon receipt of an Add/Delete/Unlock State User MOU request, the JOC ExSTARS Coordinator will:
 - Update the ExFIRS LOA application by following the directions in the ExSTARS Application User Guide.

Note: If an MOU has previously been revoked there will be a date in the last column.

 - Update MOU contact information in the ExSTARS Gateway, if applicable.
 - Add the contacts listed on the MOU to their Outlook e-mail distribution list.
 - Generate Letter 3420-B, ExSTARS MOU Acknowledgement Receipt, by following the directions in the ExSTARS Application User Guide.
 - Verify the content of Letter 3420-B generated correctly (e.g., User ID, Name, Phone/Fax Number, and e-mail Address).

- Mail Letter 3420-B to the State User, if applicable.
- Generate Letter 3423-B, MOU Password and ExSTARS Acknowledgement Letter, by following the directions in the ExSTARS Application User Guide, if applicable.

Note: Form 13652-B, ExSTARS Acknowledgement Receipt, will populate as the final page to Letter 3423-B. Form 13652-B must be included with Letter 3423-B when mailed to the State Users.

Note: For password resets, follow the directions in IRM 4.24.26.5.2, Password Reset. Letter 3423-B is not sent.

- Mail Letter 3423 to the users listed in Letter 3420-B along with completed Form 13652-B within five days. Include a return envelope with the letter.
- Update the MOU file to retain all applicable documents. Refer to IRM 4.24.26.8, Records Maintained by the JOC ExSTARS Coordinator, for more information.
- Update the activity record associated with the MOU file.

4.24.26.6 (10-13-2023) ExSTARS EDI External Help Desk Support

- (1) The ExSTARS EDI Help Desk (216) 898-6432, open Monday - Friday 8:00 AM to 5:00 PM eastern time, is an external contractor that performs a variety of duties in relation to ExSTARS. The JOC ExSTARS Coordinator supports the ExSTARS EDI Help Desk with, but not limited to, the following:

- Adding/deleting/resetting passwords in the ExSTARS Gateway
- Validating and adding EINs to ExSTARS
- Adding/deleting/updating VONs to ExSTARS
- Verifying LOAs information
- Verifying the status of FCNs
- Verifying terminal owner/operator information
- Verifying owner/operator FCN information
- Unlocking ExSTARS Gateway accounts - the JOC ExSTARS Coordinator will access the ExSTARS Gateway system to unlock the account by following steps in the ExSTARS Application User Guide. Once the account is unlocked, contact the terminal/carrier to inform them the account has been unlocked.
- Verifying EINs – Filers use Form W-13, ExSTARS Reporting Information Request for Taxpayer Identification Number and Certification, to request a valid EIN for purposes of Excise Summary Terminal Activity Reporting System (ExSTARS) reporting. The JOC ExSTARS Coordinator will search IDRS to verify the EIN exist, then enter it on ExFIRS by following steps in the ExSTARS Application User Guide.
- Addressing an ExSTARS filing errors - the JOC ExSTARS Coordinator will research errors when an EIN needs to be validated through IDRS or when a VON needs to be validated through Coast Guard website or the International Maritime Organization (IMO) website.

Note: Refer to the ExSTARS Application User Guide for additional guidance.

4.24.26.7
(10-13-2023)

**SBSE ExSTARS Internal
Help Desk and Mailbox**

- (1) The JOC ExSTARS Coordinator monitors calls to the IRS ExSTARS Help Desk (859) 320-4091 when option 2 is selected. The JOC ExSTARS Coordinator also monitors the ExSTARS SBSE mailbox at **SBSE Excise EXSTARS*. Industry contacts the ExSTARS Help Desk for support with, but not limited to, the following:

- Processing new and revised LOAs
- Validating VONs
- Validating ExSTARS EINs
- Coordinating the MOU with states for use with ExSTARS
- Processing all ExSTARS monthly extension requests
- Processing FCN requests
- Adding/deleting/resetting passwords ExSTARS Gateway issues
- Adding/deleting/adding VONs to ExSTARS
- Validating and adding EINs to ExSTARS

Note: Refer to the ExSTARS Application User Guide for additional guidance.

4.24.26.8
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**Records Maintained by
JOC ExSTARS
Coordinator**

- (1) Paper records are housed in the JOC ExSTARS Coordinators Post of Duty office. These records consist of:

- FCN files (TCN and RCN files)
- Letter of Application (LOA) files
- Memorandum of Understanding (MOU) files

- (2) FCN file for each facility should contain the following documents:

- Initial e-mail requesting an FCN
- Form 5346, Examination Information Report, if applicable
- E-mail to GM assigning the FCN Questionnaire, if applicable
- Completed FCN questionnaire, if applicable
- Applicable letters, refer to Exhibit 4.24.26-3, Letters Assigned to JOC ExSTARS Coordinator, for a list of applicable letters
- Activity record
- Any other documents used to determine FCN request results

- (3) LOA file for each ExSTARS participant should contain the following documents:

- LOAs – New/Revised
- Applicable letters, refer to Exhibit 4.24.26-3, for a list of applicable letters.
- Form 8821, Tax Information Authorization, if applicable
- Form 8809-EX, Request for Extension of Time to File an ExSTARS Information Return, if applicable
- Activity record
- Other applicable documents (e.g., e-mails received about the LOA)

- (4) MOU file for each State User should contain the following documents:

- MOU
- Request to add or delete State User received from state or IRS federal/state liaisons, if applicable
- Applicable letters, refer to Exhibit 4.24.26-3, for a list of applicable letters
- Activity record

- Other documents, if applicable (e.g., e-mail from IRS federal/state liaisons)
- (5) In addition, the JOC ExSTARS Coordinator maintains:
- The ExSTARS outlook mailbox found at **SBSE Excise EXSTARS*
 - The ExSTARS web pages found at IRS.gov

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Exhibit 4.24.26-1 (10-13-2023)

Terms

1) The table lists commonly used terms and their definitions:

Term	Definition
Bulk Transfer/Terminal System	The taxable fuel distribution system consisting of refineries, pipelines, vessels, and terminals. Thus, taxable fuel in a refinery, pipeline, vessel, or terminal is in the bulk transfer/terminal system. Taxable fuel in the fuel supply tank of any engine, or in any tank car, rail car, trailer, truck, or other equipment suitable for ground transportation is not in the bulk transfer/terminal system.
Carrier	Any person who owns, operates, or otherwise controls a pipeline, barge, ship, vessel, railcar, truck, or other vehicle to transport liquid product to or from a terminal.
Excise Examiners	Revenue Agents and Fuel Compliance Agents
Form 637	Form 637, Application for Registration (For Certain Excise Tax Activities), is used to apply for excise tax registration for activities under IRC 4101, IRC 4222, IRC 4662 and IRC 4682.
Form 720-TO	Terminal Operator Report
Form 720-CS	Carrier Summary Report
Pipeline	A distribution system that moves liquid product, in bulk, through a pipe, either from a refinery to a terminal, or from a terminal to another terminal.
Pipeline Operator	Any person who operates a pipeline within the bulk transfer/terminal system.
Registrant	A person that has been issued a Form 637, Letter of Registration (Letter 3689, Approval of Excise Tax Registration).
Refinery	A facility used to produce taxable fuel from crude oil, unfinished oils, natural gas liquids, or other hydrocarbons and from which taxable fuel may be removed by pipeline, by vessel, or at a rack. However, the term does not include a facility where only blended fuel or gasohol (as defined in Treas. Reg. 48.4081-6(b)(2)) and no other type of taxable fuel, is produced. For this purpose, blended fuel is any mixture that, if produced outside the bulk transfer/terminal system, would be blended taxable fuel.
Taxable Fuel	Gasoline, diesel fuel, and kerosene.

Exhibit 4.24.26-1 (Cont. 1) (10-13-2023)**Terms**

Term	Definition
Terminal	A taxable fuel storage and distribution facility that is supplied by pipeline or vessel and from which taxable fuel may be removed at a rack. However, the term does not include any facility at which gasoline blendstocks are used in the manufacture of products other than finished gasoline and from which no gasoline is removed. Also, the term does not include any facility where finished gasoline, undyed diesel fuel, or undyed kerosene is stored if the facility is operated by a taxable fuel registrant and all such taxable fuel stored at the facility has been previously taxed under IRC 4081 upon removal from a refinery or terminal.
Terminal Operator	Any person that owns, operates, or otherwise controls a terminal.
Vessel	A waterborne taxable fuel transporting vessel.
Vessel Operator	Any person who operates a vessel within the bulk transfer/terminal system.

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Exhibit 4.24.26-2 (10-13-2023)

Acronyms

(1) The table lists commonly used acronyms and their definitions:

Acronym	Definition
ECS	Examination Case Selection
EDI	Electronic Data Interchange
EIN	Employer Identification Number
ERCS	Examination Returns Control System
EUP	Employee User Portal
ExFIRS	Excise Files Information Retrieval System
ExSTARS	Excise Summary Terminal Activity Reporting System
EXTP	Excise Tax Policy
FCA	Fuel Compliance Agent
FCO	Fuel Compliance Officer
FCN	Facility Control Number
IPM	Integrated Production Mart
IRC	Internal Revenue Code
IRS	Internal Revenue Service
LOA	Letter of Application
MFT	Master File Type
MOU	Memorandum of Understanding
ODBC	Informatica Power Center Open Data Base Connectivity
OLTP	Online Transaction Processing
PS	Paper Submissions
PSR	Publishing Service Request
RCN	Refinery Control Number
SBSE	Small Business Self Employed
TBOR	Taxpayer Bill of Rights
TCN	Terminal Control Number
UNAX	Unauthorized Access or Inspection of Taxpayer Records

Exhibit 4.24.26-2 (Cont. 1) (10-13-2023)**Acronyms**

Acronym	Definition
VON	Vessel Operator Number
WSD	Workload Selection Delivery

Exhibit 4.24.26-3 (10-13-2023)**Letters Assigned to ExSTARS Coordinator**

(1) Generated within the ExFIRS TCN Application

ExFirs Generated Letters
Letter 4603, Extension Granted 720-TO
Letter 4604, Extension Denial Letter Form 720-CS
Letter 4605, Extension Granted Form 720-CS
Letter 4606, Extension Denial Letter Form 720-TO

Generated manually by JOC ExSTARS Coordinator

Manually Generated Letters
Letter 3421, Missing Information Update
Letter 6542, ExSTARS Qualification Testing Arrangements
Letter 6543, Change in Facility Status
Letter 6544, Facility Control Number Request Acknowledgment
Letter 6545, Approval of Facility Control Number
Letter 6546, Denial of Facility Control Number

