

CASE PROCESSING PROCEDURES

I. Submission of Dollar Files and APA Requests

A. Submission of a Dollar File Case

1. The APA Secretary copies the taxpayer's transmittal letter and check (e.g., user fee), and places them in the APA Quarterly Report bin (for a description of the APA Quarterly Report bin, see Section VIII., Preparation of the APA Quarterly Report).
2. The APA Secretary processes the transmittal letter and user fee in accordance with the APA Case Management procedures ("Processing the User Fee" section).
 - a. In addition to entering the APA Codes described in the APA Case Management Procedures into CASE-MIS, the APA Secretary determines whether the case is unilateral or bilateral and enters the appropriate CASE-MIS Aspect Code.
 - (i) The transmittal letter may indicate whether the case is unilateral or bilateral. If not, the APA Secretary should ask the APA Director or wait until the case is assigned and ask the Team Leader. In any event, the APA Secretary must enter the Aspect Code prior to the end of the quarter.
3. The APA Secretary enters the Dollar File information into the APA Quarterly Report database. (The information is entered on the unilateral or bilateral worksheet, and the receipts schedule.)
4. If APA Branch 4 receives a Dollar File, the Secretary for APA Branch 4 will:
 - a. submit the taxpayer's transmittal letter and check (e.g., user fee) to the User Fee Office; and
 - b. notify the APA Secretary to the Director by email of the Dollar File and fax a copy of the transmittal letter and check.
 - (i) the APA Secretary to the Director will enter the Dollar File information into the APA Quarterly Report

database, and place a copy of the faxed correspondence in the APA Quarterly Report bin.

B. Submission of an APA Request

1. The APA Secretary copies the taxpayer's transmittal letter and, if necessary, processes the user fee in accordance with the APA Case Management procedures.
 - a. The APA Secretary places a copy of the taxpayer's transmittal letter in the APA Quarterly Report bin.
 - b. The APA Secretary determines whether the case is unilateral or bilateral and enters the appropriate CASE-MIS Aspect Code.
 - (i) If it is not apparent whether the case is unilateral or bilateral from the transmittal letter, the APA Secretary should ask the APA Director.
2. The APA Director, or APA Branch Chief, will advise the APA Secretary to assign the case on CASE-MIS to a Team Leader. As instructed, the APA Secretary may need to assign WLIs to other APA Team members. At this point, the APA Secretary changes the CASE-MIS status code from 001 ("Initial Counsel Jurisdiction") into 521 ("Case Progressing Normally").
 - a. The APA Director will ensure that the APA Branch Chief has notice of the case assignment, either by email or by forwarding the APA Request to the APA Branch Chief.
3. The APA Secretary enters the APA Request information into the APA Quarterly Report database.
4. If APA Branch 4 receives an APA Request, the Secretary for APA Branch 4 will:
 - a. forward the taxpayer's transmittal letter and check (e.g., user fee) and the original APA Request to the Secretary to the APA Director for processing; or
 - b. if the APA Director has decided to assign the case to another APA Branch, forward the entire APA Request submission).

- c. In either case, the APA Secretary to the Director will:
 - (i) enter the APA Request information into the APA Quarterly Report database; and
 - (ii) place a copy of the taxpayer's transmittal letter in the APA Quarterly Report bin.

II. Forwarding Negotiating Positions to Competent Authority

- A. Upon receipt of a completed Recommended Negotiating Position (RNP) from the assigned Team Leader, the APA Secretary prepares and date stamps the transmittal letter to the assigned Competent Authority analyst. The Team Leader will provide the name of the assigned analyst to the APA Secretary or, if necessary, the APA Secretary will ask the Team Leader for the name of the assigned analyst. The APA Secretary places a copy of the transmittal letter in the APA Quarterly Report bin. (See Section V regarding the preparation of RNP transmittal letters.)
- B. The APA Secretary also must update CASE-MIS by changing the status code to 515 ("Pending Action - APA Competent Authority Negotiation") and delete the target date previously provided by the Team Leader.

III. Receipt of Mutual Agreement from Competent Authority

- A. When Competent Authority has advised the Team Leader that a Mutual Agreement has been reached, the Team Leader will request the APA Secretary to change the CASE-MIS status code to 521 ("APA Progressing Normally") by changing the CASE-MIS status code on his or her weekly inventory status sheet.

IV. Actions Upon Completion of an APA

- A. When an APA is completed, the APA Secretary should promptly close the case on CASE-MIS with the proper closing code ("94_", see CASE-MIS closing codes).
- B. The APA Secretary will place copies of the APA transmittal letters in the APA Quarterly Report bin. (See Section V regarding the preparation of the APA transmittal letters.)

- C. The APA Secretary enters the APA-related information into the APA Quarterly Report database.

V. Preparing Transmittal Letters for APAs and RNPs

- A. The APA Secretaries prepare the transmittal letters used to forward signed RNPs to Competent Authority. The Team Leader is to review the draft transmittal letter, and the APA Secretary will work with the Team Leader to assure proper distribution to the APA team members, *i.e.*, the IE, field economist, field counsel, appellate conferee.
 - 1. The APA Secretary must place a copy of the transmittal letter in the correspondence file (See Section VI regarding the Correspondence File) and APA Quarterly Report bin.
 - 2. The APA Secretary must distribute a copy of the first page of the transmittal letter to all APA professional staff members.
- B. The APA Secretary also prepares the transmittal letters used to forward the APA and a list of the APA team members to the Notice parties (*e.g.*, the taxpayer, taxpayer representative, or both), **LMSB** Division Counsel **attorney**, and the appropriate LMSB International Territory Manager (ITM), and any other IRS personnel requested by the Team Leader.
 - 1. The Team Leader must provide the APA Secretary with the list of the APA team members.
 - a. The list of APA team members can also be found on the first page of the APA Survey.
 - b. The Team Leader should have enclosed the APA Survey, which serves as the case closing form, in the case file.
 - 2. The APA Secretary must provide the Team Leader with the draft transmittal letters and list of APA team members for review.
 - 3. The APA Secretary must place a copy of the transmittal letter, list of team members, and the APA in the correspondence file and APA Quarterly Report bin.

4. The APA Secretary also must provide a copy of the signed APA and list of APA team members to the Team Leader responsible for overseeing the APA annual report process.

VI. **Compiling the Correspondence File**

- A. The APA Secretaries compile a monthly file of outgoing correspondence signed by the APA managers, *e.g.*, APA Director, APA Branch Chiefs, and Special Counsel. This file generally will include transmittal and other letters, APAs, RNPs, memorandums, reports, etc.
- B. The Team Leader responsible for overseeing the APA annual report process will keep a separate file for correspondence related to annual reports.
- C. The APA Secretary may need to place a copy of the same document in both the correspondence file and APA Quarterly Report bin (see Section VII, paragraph 3(b)).

VII. **Processing Incoming Mail**

- A. The APA Director will assign an APA Secretary with the on-going daily responsibility of picking up the APA mail at the main IRS building. The APA Director will also assign a back-up APA Secretary to pick-up the APA mail if the primary APA Secretary is unavailable.
- B. The APA Secretaries must date-stamp, review and enter into their individual incoming mail logs all case-related incoming mail on the day of receipt. In addition, all delivered mail with tracking numbers, *e.g.*, FedEx, DHL, UPS, etc., must be entered into a separate, shared mail log that records the date received, sender, case name, tracking number, type of item, and disposition.
- C. After the mail is logged in, the APA Secretaries will place mail addressed to the APA Director (except mail described in paragraph E.), or which does not specify an individual recipient, in the APA Director's in-box.
 1. The APA Secretaries will forward mail addressed to APA staff members directly to them, except as specified in paragraph D.
- D. If the incoming mail is addressed to a CC:INTL:APA:Br4 employee, the APA Secretary will date-stamp and record it in the appropriate mail log.

1. The APA Secretary should determine whether the mail relates to a specific case and check CASE-MIS to determine whether the case is assigned to CC:INTL:APA:Br4.
 - a. If so, the APA Secretary will forward the mail to the CC:INTL:APA:Br4 employee by the appropriate means, e.g., FedEx, U.S. Postal Service, etc.
 - b. The APA Secretary will also send an email to the CC:INTL:APA:Br4 employee to notify the employee to expect delivery of the mail.
 2. If the mail does not specify an assigned CC:INTL:APA:Br4 case, the APA Secretary will forward the mail to the APA Director for disposition.
- E. The APA Secretary must date-stamp and log mail relating to APA annual reports and then forward it to the Team Leader responsible for overseeing the APA annual report process.

VIII. Preparing the APA Quarterly Report

- A. Drafting the APA Quarterly Report
1. At the end of each month, the Secretary to the APA Director will print the APA Quarterly Report worksheets and schedules and compare them to the documents collected in the APA Quarterly report bin to ensure that all of the information has been recorded.
 - a. The Secretary to the APA Director will provide the corrected worksheets and schedules to the APA Director.
 - b. The Secretary to the APA Director will ensure that the documents are returned to the APA Quarterly Report bin.
 2. Upon the completion of the quarter, each APA Branch Chief must provide the Secretary to the APA Director with a list of APAs and RNPs completed during the quarter.
 - a. The Secretary to the APA Director must ensure that all completed APAs are closed on CASE-MIS and all cases with completed RNPs reflect a "515" status code.

- b. To ensure the accuracy of CASE-MIS reports, the Secretary to the APA Director must update CASE-MIS, as necessary, within the first week of the quarter.
3. The APA Branch Chiefs will also annotate the attachments to the previous quarter's APA Quarterly Report, indicating the case information that should be deleted, changed or added.
4. Based on the APA Branch Chiefs' annotations, the Secretary to the APA Director will draft a proposed APA Quarterly Report and a red-lined version (See paragraph VIII, B., 1., (c)).
 - a. Prior to submitting the proposed APA Quarterly Report for review, the Secretary to the APA Director will compare the APA Branch Chiefs' annotations to the documents in the APA Quarterly Report bin (See next paragraph) to ensure that all required information is included in the proposed APA Quarterly Report.
 - b. The APA Quarterly Report bin should contain all quarterly incoming or outgoing correspondence, originals or copies, that provides information necessary for compiling the APA Quarterly Report, including:
 - (i) Dollar file transmittal letters;
 - (ii) Submission transmittal letters;
 - (iii) APAs with transmittal letters;
 - (iv) RNPs with transmittal letters to Competent Authority;
 - (v) User fee refund requests (APA Request withdrawals).
5. The Secretary to the APA Director must obtain the number of completed annual report reviews during the quarter from the Team Leader responsible for overseeing the annual report process.

B. Reviewing the Proposed APA Quarterly Report

1. The Secretary to the APA Director will complete the proposed APA Quarterly Report during the first week of the quarter and submit it to the assigned reviewer, along with:
 - a. the APA Branch Chiefs' annotated copies of the previous Quarterly Report;

- b. the contents of the APA Quarterly Report bin; and
 - c. a red-lined copy of the report, which highlights information added to or deleted from the previous APA Quarterly Report.
2. During the second week of the quarter, the assigned reviewer will provide a copy of the proposed APA Quarterly Report to each APA Branch Chief to ensure that the report is accurate and complete. In addition, a copy of the unilateral and bilateral worksheets (sorted by Team Leader) should be provided to each Team Leader to ensure accuracy.
3. By the 15th of the month, the assigned reviewer will forward the proposed APA Quarterly Report to the APA Director for review and signature.

C. Additional Actions Prior to Issuing the APA Quarterly Report

1. The Secretary to the APA Director will provide the APA Director with a list of pending bilateral and unilateral APA requests, sorted by the date the request was received by the APA Office.
2. The Secretary to the APA Director will ensure that the listed receipts, withdrawals and completions in the APA Quarterly Report are entered into CASE-MIS.
3. The Secretary to the APA Director will provide the Team Leader responsible for overseeing the APA Survey database with a copy of the proposed APA Quarterly Report so that the Team Leader may compare the quarterly completions and receipts to the database records.
4. The Secretary to the APA Director will maintain an archive of APA Quarterly Reports in the APA Docket Room.
 - a. Archived APA Quarterly Reports will include all attachments, and copies of the APAs executed and RNPs issued during the quarter.
5. The Secretary to the APA Director will provide the Special Counsel with an electronic copy of the cover memo of the APA Quarterly Report.

- a. The Special Counsel will post the cover memo on the APA internet and intranet sites.

D. Updates to the APA Quarterly Report Database and CASE-MIS

- 1. During the quarter, Team Leaders will advise the Secretary to the APA Director by email of cases that have changed from unilateral to bilateral, or vice-versa, or otherwise changed status.
 - a. The Secretary to the APA Secretary will immediately update the APA Quarterly Database and CASE-MIS.
 - b. The Secretary to the APA Director will place a copy of the Team Leader's email in the APA Quarterly Report bin.
- 2. As necessary, the next APA Quarterly Report will highlight any information (*e.g.*, a reconciliation footnote) to make the report consistent with the prior APA Quarterly Report.