



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

6.735.2

AUGUST 5, 2025

EFFECTIVE DATE

(08-05-2025)

PURPOSE

- (1) This transmits revised IRM 6.735.2, Ethics Matters, IRS Outside Employment.

MATERIAL CHANGES

- (1) IRM 6.735.2.1, Program Scope and Objectives, deleted Program and Policy Owners; deleted Operations Owner, which is not a requirement in IRM 1.11.2.2.4, Address Management and Internal Controls; added Contact Information, per IRM 1.11.2.2.4, Address Management and Internal Controls.
- (2) IRM 6.735.2.1, Program Scope and Objectives, deleted Program Objectives:, which is not a requirement in IRM 1.11.2.2.4, Address Management and Internal Controls; added Contact Information, per IRM 1.11.2.2.4, Address Management and Internal Controls.
- (3) IRM 6.735.2.1.1, Background, deleted references to 5 CFR 2635 and 5 CFR 3101, which are found in IRM 6.735.2.1.2, Authorities; “corrective action” replaced “discipline including removal from the IRS” in paragraph 6.
- (4) IRM 6.735.2.1.2, Authorities, changed title from Authority.
- (5) IRM 6.735.2.1.3.1, Labor/Employee Relations and Negotiations Division Responsibilities, added “Processes OE requests requiring approval by the Commissioner of Internal Revenue”; deleted “Reviews the IRM procedures regularly to ensure accuracy,” which is covered in paragraph 8 and IRM 6.735.2.1.4, Program Management and Review.
- (6) IRM 6.735.2.1.3.4, Manager Responsibilities, added HRConnect Employee Guide to paragraph 11. IRM 6.735.2.1.3.5, Employee Responsibilities, added reference and link to IRM 6.630.1, Absence and Leave; deleted content that was not an employee responsibility, such as **...an email is sent to an the employee and manager concerning submissions.**
- (7) IRM 6.735.2.1.6, Terms and Acronyms, was moved from former IRM 6.735.2.1.7, per IRM 1.11.2.2.4, Address Management and Internal Controls; added definitions for “Corrective Action” and “Drop File.”
- (8) IRM 6.735.2.1.7, Related Resources, was moved from former IRM 6.735.2.1.6, per IRM 1.11.2.2.4, Address Management and Internal Controls; added “(see Outside Activities and Employment)” next to the EthicsLink.
- (9) IRM 6.735.2.4, Prohibited Outside Employment Activities, in paragraph 1d, deleted “directly” before “related to a tax determination;” in paragraph 1g, deleted “unless it is part of his/her IRS duties” and “With prior approval, employees may accept compensation for teaching such courses even if the content relates to IRS policies, programs, or operations.”
- (10) IRM 6.735.2.5, Outside Employment Activities Exempt from Requesting Approval, in paragraph 1k; added “Note: Employees may not represent an organization in connection with an application for non-profit status.”
- (11) IRM 6.735.2.6, Permitted Outside Employment Activities - Submit Request; Prior Approval Required, in paragraph 2, deleted “directly” before “related to a tax determination;” replaced Chief Counsel contact information with reference to IRM 6.735.2.20, Contact Information; added clarification to paragraph 4a, Campaign manager, (i. e., provided that the employee does not personally engage in

fundraising activities or personally accept donations to the campaign); added clarification to the note in paragraph 4c, Independent candidate (i.e., ... may not apply to Criminal Investigation or career-SES employees, who are considered “further restricted employees” under the Hatch Act).

- (12) IRM 6.735.2.9, Request for the Commissioner of Internal Revenue, clarified regulatory language by adding, “To represent third parties before the government in non-tax matters.”
- (13) IRM 6.735.2.16, Records Retention, added Drop File retention policy.
- (14) IRM 6.735.2.19, changed title from Reporting Misconduct to Reporting Ethics Violations; replaced contact information for the Treasury Inspector General for Tax Administration.
- (15) IRM 6.735.2.20, Contact Information, updated contact information for the Deputy Ethics Official.
- (16) Per, Guidance on Presidential Memorandum Return to In-Person Work, dated, January 22, 2025, all content related to remote work has been deleted.
- (17) Throughout the IRM, updated organizations, contact information, and links.

EFFECT ON OTHER DOCUMENTS

IRM 6.735.2, dated July 12, 2023, is superseded.

AUDIENCE

All IRS employees excluding contractors and Chief Counsel

Max R. Wyche
Acting IRS Human Capital Officer

6.735.2

IRS Outside Employment

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6.735.2.1
(08-05-2025)
Program Scope and Objectives

- (1) **Purpose:** This IRM describes the Servicewide policy on the Outside Employment (OE) program to ensure compliance with the tenth principle of ethical conduct covered in the Office of Government Ethics (OGE) Standards of Ethical Conduct, “Employees shall not engage in outside employment or business activities, including seeking or negotiating for employment, that conflicts with official Government duties and responsibilities.” It also has procedures to request and receive approval to perform permitted OE activities, distribute approved/denied requests, annually update OE records and ensure compliance.
- (2) **Audience:** IRS employees excluding contractors and Chief Counsel.
- (3) **Program Owner:** Human Capital Office (HCO).
- (4) **Policy Owner:** HCO, Policy Office (PO).
- (5) **Primary Stakeholders:** HCO’s Labor/Employee Relations & Negotiations (LERN) Division and Human Resources Shared Services (HRSS) Division.
- (6) **Contact Information:** Complete and submit the *HCO Policy Office contact form* (.pdf) with questions about this IRM.

6.735.2.1.1
(08-05-2025)
Background

- (1) Read and interpret this IRM per relevant law, government-wide regulations, Treasury Human Capital Directives and Issuances, Comptroller General Decisions, and Office of Personnel Management guidance.
- (2) Outside employment and business activities refer to employment or business activities performed separate from an IRS employee’s official position.
- (3) IRS employees may engage in OE, with or without compensation, with prior approval, when needed, if the OE or business activity follows applicable statutes and regulations and the OE does not conflict with the IRS mission.
- (4) Not complying with this IRM or related statutes and regulations can result in corrective action (e.g., discipline).

6.735.2.1.2
(07-12-2023)
Authorities

- (1) 5 CFR 733, Political Activity - Federal Employees Residing in Designated Localities
- (2) 5 CFR 734, Political Activities of Federal Employees
- (3) 5 CFR 2635, Standards of Ethical Conduct for Employees of the Executive Branch
- (4) 5 CFR 3101, Supplemental Standards of Ethical Conduct for Employees of the Department of the Treasury
- (5) 31 CFR 0, Department of the Treasury Employee Rules of Conduct
- (6) *5 USC 73, Subchapter III, Political Activities*
- (7) *18 USC 11, Bribery, Graft, and Conflicts of Interest*
- (8) *18 USC 205, Activities of officers and employees in claims against and other matters affecting the Government*

- (9) *Public Law 117-178*, Civilian Reservist Emergency Workforce Act of 2021, signed September 29, 2022
- (10) Document 12829, General Records Schedule, 2.8, Employee Ethics Records
- (11) For bargaining unit (BU) employees covered by collective bargaining agreements (CBA), such as the Internal Revenue Service (IRS) and National Treasury Employees Union (NTEU) National Agreement (National Agreement), Document 11678, if this IRM conflicts with any CBA provisions, the agreement prevails.

6.735.2.1.3
(07-12-2023)

**Roles and
Responsibilities**

- (1) IRS employees and their managers are responsible for the policy and procedures in this IRM.
- (2) This section provides responsibilities for:
 - a. Labor/Employee Relations and Negotiations Division
 - b. Business Units (Organizations)
 - c. Business Unit Points of Contact (BUPOC)
 - d. Managers
 - e. Employees
 - f. Deputy Ethics Official (DEO)

6.735.2.1.3.1
(08-05-2025)

**Labor/Employee
Relations and
Negotiations Division**

- (1) Notifies HRSS when a business unit adds or replaces a BUPOC so access to the Outside Employment System (OES) can be added or deleted, as appropriate.
- (2) Monitors OES compliance by analyzing OES data.
- (3) Contacts the BUPOC if the organization's records show deficiencies.
- (4) Assists BUPOCs with questions about the OES.
- (5) Processes OE requests requiring approval by the Commissioner of Internal Revenue.
- (6) Contacts HRSS if there are OES issues.
- (7) Approves organizational training materials to ensure compliance.
- (8) Collaborates with PO on revisions to the IRM.
- (9) Takes the lead on responding to data calls associated with audits and coordinates replies with PO.

6.735.2.1.3.2
(07-12-2023)

**Business Unit
(Organizations)**

- (1) Choose a BUPOC to check organizational OE requests and records to ensure compliance and to serve as a representative on the IRS OE team.
- (2) Ensure managers follow the 10 workday processing time. See IRM 6.735.2.1.5, Program Controls.
- (3) Ensure a copy of the approved/denied OE request is printed from the OES site and filed in the employee's non-performance folder (Drop File). See IRM 6.735.2.13, Filing Approved/Denied Requests.

- (4) Ensure the organization's OE presentations and communications are correct and follow this IRM and online resources (see IRM 6.735.2.1.2, Authorities, an IRM 6.735.2.1.7, Related Resources).

6.735.2.1.3.3
(07-12-2023)

Business Unit Points of Contact (BUPOC)

- (1) Serve as the business unit contact to answer questions about using the OES.
- (2) Review business unit presentations or communications to ensure IRM compliance and forward to the IRS OE POC for final approval.
- (3) Serve as the liaison between the business unit and the IRS OE POC.
- (4) Attend meetings with the IRS OE POC and complete associated actions.
- (5) Run OES reports to check OE compliance and share reports with managers and/or POCs to help monitor compliance.
- (6) Monitor organizational data to ensure:
 - a. Requests are processed within 10 workdays. See IRM 6.735.2.1.5, Program Controls.
 - b. Approved records are updated annually in the OES. See IRM 6.735.2.1.2, Authorities, and IRM 6.735.2.17, Annual Requirements.
 - c. Duplicate records are deleted/archived.
- (7) Find discrepancies (compliance issues) in OE records, coordinate proper action and confirm completion.
- (8) Contact the IRS OE POC to resolve OES issues.
- (9) For a list of the BUPOCs and the IRS OE POC, go to the *HCO Outside Employment site*.

6.735.2.1.3.4
(08-05-2025)

Managers

- (1) Serve as the reviewing official if he/she is a supervisor in the employee's supervisory chain and below the approving official.
- (2) Serve as the approving official if he/she is a supervisor in the employee's supervisory chain and at least two levels above the employee who submitted the request.
- (3) Read this IRM to ensure the employee's OE activity follows the regulations and the IRS policy.
- (4) Request more information from the employee, if needed, to evaluate and approve/deny OE requests.
- (5) Read and promptly act on email notices from HRConnect to ensure requests are reviewed/approved within 10 workdays and the annual review is timely completed.
- (6) Add the BU employee's OE request to the OES if it is submitted to them on Form 7995 , Outside Employment or Business Activity Request.

Note: BU employees who cannot access the OES (e.g., they are not assigned an IRS computer or do not have access to a kiosk or shared workstation) may use Form 7995. Once added to OES, an email notice is sent to the employee and manager confirming submission.

- (7) Enter the reason(s) for denying a request in the OES in the Comments section. This is the approving official's responsibility.
- (8) Remind employees annually of the OE policy (e.g., activities that are prohibited, submit requests for approval in advance, update the record in the OES if an employee wants to end his/her OE and submit a new request if his/her approved OE position/duties change).
- (9) Contact the BUPOC with questions about using the OES.
- (10) Request guidance from their manager or the Deputy Ethics Official (DEO) if the reviewing official needs help deciding whether the employee's requested OE activity is permissible and/or if it conflicts with the employee's IRS duties. See IRM 6.735.2.20, Contact Information.
- (11) For step-by-step instructions, go to the *HCO Outside Employment site*. Job aids include, for example:
 - a. HRConnect Employee Guide
 - b. HRConnect Manager Guide
 - c. Annual Review Job Aid
 - d. How to Grant Proxy Rights in HRConnect
- (12) After a request is approved/denied, the first level manager must log into the OES and print a copy to file in the employee's Drop File. See IRM 6.735.2.13, Filing Approved/Denied Requests.

6.735.2.1.3.5
(08-05-2025)
Employees

- (1) Read this IRM to ensure the OE or activity you are interested in pursuing is not prohibited by:
 - a. Statute
 - b. Regulation
 - c. The OGE
 - d. Treasury policies
 - e. IRS policies, and
 - f. Does not conflict with your IRS duties.

Note: If needed, ask your first level manager or the DEO for help to decide if the desired OE activity is allowed or prohibited. See IRM 6.735.2.20, Contact Information.

- (2) Submit your OE request for approval at least 10 workdays prior to the date you expect accepting or starting the OE or business activity.

Note: BU employees who cannot access the OES (e.g., they are not assigned an IRS computer or do not have access to a kiosk or shared workstation) may use Form 7995 to submit a request. If Form 7995 is used, give it to the first level manager who will add it to the OES.

- (3) Do not perform the approved OE during your IRS tour of duty.

Note: With management's approval, employees may engage in approved OE using annual leave, leave without pay, credit or compensatory time. See IRM 6.630.1 , Absence and Leave.

- (4) Do not perform the approved OE at your assigned post of duty or temporary work location.
- (5) Do not perform the approved OE at your approved telework site during your IRS tour of duty.
- (6) Do not perform the OE on Treasury or IRS property.

Exception: This prohibition does not apply to employees who perform an OE with a federal contractor on Treasury or IRS property, if there is a clear separation between the employee's official duties and the employee's duties for the contractor and if the prospects for a conflict of interest are remote.

- (7) Do not use any government property to perform OE.
- (8) Submit a new request if your IRS position changes and the change is recorded on an SF-50, Notification of Personnel Action. (See IRM 6.735.2.14, Change in IRS Position or Duties - When to Resubmit Request) and you want to continue performing OE that was previously approved.

Note: In this scenario (an active OE record exists, and an SF-50 was processed), an email notice, with the subject: Action Required - Outside Employment, is sent from HRConnect to the employee and his/her manager advising them to review and discuss the OE.

- (9) Submit a new request if your approved OE duties change.
- (10) Update your OE record in the OES if you want to end your approved OE or your OE hours change.
- (11) Read and act on email notices for the annual review of previously approved requests. For step-by-step instructions, go to the *HCO Outside Employment site* and review the Annual Review Job Aid.

6.735.2.1.3.6
(11-15-2021)
Deputy Ethics Official (DEO)

- (1) The DEO:
 - a. Responds to IRS employees and managers who seeks help with interpreting or applying the ethics rules, statutes and regulations to ensure the outside employment or business activity follows the policy and the law.
 - b. Processes requests for help on Form 8558, Request for Opinion from the Deputy Ethics Official.
 - c. Does not answer questions about using the IRS OES.

6.735.2.1.4
(07-12-2023)
Program Management and Review

- (1) The PO and LERN gauge the effectiveness of this IRM policy and procedures by considering feedback from customers and stakeholders as part of the review process for all Internal Management Documents. During this process, IRM sections are added, revised or removed. Changes are usually based on statutory and/or regulatory changes.
- (2) The IRS OE POC, managers and BUPOCs pull reports from the OES to check requests, records and ensure compliance. The IRS OE POC notifies the BUPOCs if he/she finds non-compliance issues or emerging trends. Program

management includes measuring the timeliness of processing OE requests and the annual update of approved OES records to ensure IRM compliance.

6.735.2.1.5
(07-12-2023)

Program Controls

- (1) To ensure this IRM is still current and compliant with regulations, the PO and LERN regularly review this IRM and revise content when needed.
- (2) This IRM and Article 6 of the National Agreement require approval/denial of OE requests within 10 workdays of submitting the request in the OES or the date the employee submits a signed Form 7995.
- (3) The OE policy requires managers to timely conduct an annual review and update approved OE records in the OES.

6.735.2.1.6
(08-05-2025)

Terms and Acronyms

- (1) **Corrective Action** - A non-disciplinary, disciplinary or adverse action taken to address misconduct and discourage reoccurrence.
- (2) **Drop File** - A personnel file securely kept by an employee's manager. It is a temporary file that holds documents unrelated to performance, such as corrective actions addressing misconduct. The Drop File is kept separately from Official Personnel Folders, Employee Performance Folders, and Employee Medical Folders.
- (3) **IRS Outside Employment Point of Contact (IRS OE POC)** - The POC in LERN who oversees the OE operations.
- (4) **Outside Employment (OE)** - Paid or unpaid employment or business activities, performed by IRS employees outside their IRS duties.
- (5) **Outside Employment System (OES)** - IRS's online system found in HRConnect (see My Outside Employment tile) for submitting requests, annually reviewing, updating approved records and monitoring OE records to ensure compliance.
- (6) **OES Reviewing Official** - Usually the first-level manager in the employee's supervisory chain below the approving official.
- (7) **OES Approving Official** - Usually the second level manager in the employee's supervisory chain at least two levels above the employee who submitted the request.

Note: For Criminal Investigation employees, refer to IRM 9.1.4, Criminal Investigation Directives and Functional Delegations of Authority, Delegation Order No. 9.

- (8) **OE Business Unit Point of Contact (BUPOC)** - The business unit's point of contact for managers and employees. The BUPOC answers questions about using the OES and helps managers with OE policy compliance.

6.735.2.1.7
(07-12-2023)
Related Resources

- (1) Document 9300, 14 General Principles of Ethical Conduct
- (2) Document 11678, IRS and NTEU National Agreement
- (3) *EthicsLink* (see Outside Activities and Employment)
- (4) Form 7995, Outside Employment or Business Activity Request
- (5) Form 8558, Request for Opinion from the Deputy Ethics Official
- (6) *HCO Outside Employment site*
- (7) *IRS iManage OE*
- (8) IRM 6.735.1, Ethics Program Requirements

6.735.2.2
(07-12-2023)
Delegation of Authority

- (1) Refer to Delegation Order 6-4, Authorization to Engage in Outside Employment, Business, and Other Activities, located in IRM 1.2.2, Servicewide Delegations of Authority.

6.735.2.3
(07-12-2023)
Outside Employment Limitations

- (1) Outside employment or business activities must not conflict with the employee's IRS duties. A conflict exists if:
 - a. The activity is prohibited by statute, regulation, Treasury policy, or IRS standards of ethical conduct, or
 - b. It requires the employee's disqualification from performing IRS duties because the OE activity would materially impair the employee's ability to perform.
- (2) Outside employment or business activities may not be performed:
 - a. During the employee's IRS tour of duty.
 - b. At the employee's assigned post of duty or temporary work location.
 - c. At the employee's approved telework site during his/her IRS tour of duty.
 - d. On Treasury or IRS property.
 - e. Using government property (e.g., supplies, badges, credentials, computers, email, phones, and other Information Technology devices and resources). See IRM 10.8.27, IRS Policy on Limited Personal Use of Government Information Technology Resources, for details.
 - f. If the OE or business activity impedes the IRS mission or is considered likely to negatively affect the public's perception of the IRS.

6.735.2.4
(08-05-2025)
Prohibited Outside Employment Activities

- (1) Prohibited activities must not be performed by IRS employees and may not be performed indirectly, for example, through a business, family members or friends. The types of outside employment or business activities that are prohibited include:
 - a. Performing legal services involving federal, state or local tax matters. A tax matter is one in which the attorney is acting as a tax practitioner/ advisor. For example, giving tax-related estate planning advice is prohibited; however, drafting powers of attorney and simple wills where the estate is not subject to federal, or state estate taxes is permitted.
 - b. Appearing on behalf of any taxpayer as a representative before any federal, state or local governmental agency, in an action involving a tax matter, except with the written authorization of the Commissioner of Internal Revenue.

- c. Engaging in accounting, or the use, analysis, and interpretation of financial records when such activity involves tax matters.
- d. Engaging in bookkeeping, the recording of transactions or the record-making phase of accounting, when such activity is related to a tax determination.
- e. Preparing tax returns for compensation, gift or favor.
- f. Acting as an agent or attorney for anyone in a claim against the United States or in a matter in which the United States is a party or has a direct or substantial interest, before any department, agency, or court, unless permitted by an exception in *18 USC 205*. Employees are also prohibited from accepting or seeking compensation for such *representational* services whether performed personally or by someone else, unless permitted by an exception in *18 USC 203*.
- g. Receiving compensation or honorarium for teaching, speaking, or writing that is related to official IRS duties. Note: The topic "related to" an employee's official duties are broad and include, for example, any ongoing or announced IRS policies, programs or operations. Exception: This restriction does not apply to certain courses offered as part of an established curriculum at a qualified institution of higher education.
- h. Engaging in unlawful or criminal matters.

6.735.2.5
(07-12-2023)

**Outside Employment
Activities Exempt from
Requesting Approval**

- (1) Permission is not needed to engage in the following outside employment or business activities:
 - a. Membership and services (including holding of office) in tax-exempt organizations under the Internal Revenue Code, IRC 501(c). This exemption does not apply to traditional employment or management relationships with organizations such as employment as a nurse in a tax-exempt hospital, serving as a minister of a church or managing the organization's day-to-day activities. For example, requests are not needed for volunteer services (that is, hospital work, Red Cross, animal shelter, museum docent, or grief counselor) or services for homeowners' associations or federal employees' associations.
 - b. Membership and services (including holding office) in federal employee organizations and recognized federal employee unions. However, employees in certain positions (e.g., Senior Executives) are prohibited from holding office in federal employee unions.
 - c. Membership and services (including holding office) in the local office of a credit union, whether it is run by or for IRS personnel. Services may include paid, non-tax related bookkeeping work performed by the treasurer, or part-time clerical or teller services.
 - d. Services as a Notary Public.
 - e. Sales to the public, such as yard sales, garage sales or the occasional sale of personal items on eBay or Facebook Marketplace. The sale of personal items to coworkers, friends, relatives, and neighbors must not be asked for or transacted during work hours or in space occupied by Treasury or IRS.
 - f. Minor services and odd jobs for friends, relatives or neighbors.
 - g. Giving advice and assistance in the preparation of tax returns where no compensation is accepted.
 - h. Rental of personally owned property, real or personal. This exemption does not apply if an employee is engaged in or appears to be engaged in a commercial business venture. Facts suggesting a commercial business venture include but are not limited to rental of commercial real estate,

rental of multiple residential structures or a multi-unit structure (e.g., more than a duplex), or formation of a corporate entity in connection with the activity.

- i. Temporary (30 calendar days or less) assistance in a family enterprise in cases of an emergency, such as the death, serious illness or incapacitating accident of a family member engaged in such business. This exception ensures you can assume a share of the responsibilities in family emergencies. A request and approval are needed if the need for such assistance continues beyond 30 calendar days or occurs more than once in a calendar year.
- j. Custodian of your child's property, or acting as administrator executor, guardian or attorney-in-fact for a relative or friend provided the duties do not entail operation of a business. Such services are not considered legal employment or practice. Acceptance of an executors or trustees fee is permissible if no part of the fee is specifically identified as payment for tax return preparation.
- k. Unpaid bookkeeping, preparation of tax returns and other informational forms required by the Service, and the maintenance of other records for civic, religious, educational, and charitable non-profit organizations which are exempt from federal income tax.

Note: Employees may not represent an organization in connection with an application for non-profit status.

- l. Employment in the National Guard, in any Reserve component of the United States Armed Forces, or as a Federal Emergency Management Agency Reservist.

6.735.2.6
(08-05-2025)
**Permitted Outside
Employment Activities -
Submit Request; Prior
Approval Required**

- (1) **Legal Employment or Practice** - A request to provide legal services may be approved if the proposed activity does not conflict with the employee's official duties (see IRM 6.735.2.1.3.5, Employee Responsibilities). A conflict exists, for example, if the employee would be involved in a prohibited activity (see IRM 6.735.2.4, Prohibited Outside Employment Activities).
- (2) **Bookkeeping and Accounting Activities** - Employees may engage in the full range of bookkeeping activities (e.g., recording transactions and the record-making phase of accounting) provided the activity is not related to a tax determination. Employees may also engage in bookkeeping and accounting related to a tax determination in the following situations:
 - a. Keeping the books for a firm or business owned or run by you or your immediate family if prospects for a conflict of interest are remote, or
 - b. Engaging in business with your spouse or domestic partner.
- (3) **Teaching, Speaking, and Writing** - Teaching, speaking, and writing activities that involve the Office (see below for explanation), which are not part of an IRS employee's duties, are considered outside activities that require approval. An activity involves the Office if it:
 - a. Relates to or involves IRS programs, or activities,
 - b. Draws on information obtained from your IRS employment that has not been made public or is not available to the public upon request (e.g., "Official Use Only" information), or
 - c. Involves cost to the government in either money or time.

- (4) **Hatch Act, Political Activity** - Employees may take an active part in political activities to the extent not prohibited by *5 USC 73, Subchapter III* (the Hatch Act). Some political activities, while permissible per the Hatch Act, are considered outside employment or business activities. Examples of political activities allowed include serving as a:

- a. Campaign manager (provided that the employee does not personally engage in fundraising activities or personally accept donations to the campaign)
- b. Election judge or
- c. *Independent candidate for office in specified localities.

Note: These are examples only and may not apply to Criminal Investigation or career-SES employees, who are considered “further restricted employees” under the Hatch Act. If you have questions about whether your planned political activity requires management approval, contact the DEO.

See IRM 6.735.2.20 Contact Information.

Note: *Federal employees are prohibited from being candidates in partisan elections. There are limited exceptions for employees running as independent candidates in legally specified localities. If you are interested in pursuing candidacy for any elected office, contact Chief Counsel, General Legal Services, as noted above.

Note: For details on the Hatch Act, visit the *EthicsLink* (see Political Activity).

6.735.2.7
(07-12-2023)
Outside Employment System

- (1) In 2021, the IRS implemented the OES in HRConnect.
- (2) The manager and employee data in the OES, including email addresses, is pulled from HRConnect. If the data in the OES is not correct, management must submit a Personnel Action Request to correct it.
- (3) Each pay period, copies of approved/denied requests are automatically sent from HRConnect to the site responsible for the IRS Official Personnel Folder (OPF). A copy of the request is filed in the OPF as required by 5 CFR 3101.104.

6.735.2.7.1
(07-12-2023)
Access to Outside Employment System

- (1) All OE requests must be submitted (or added by the manager/BUPOC if a BU employee uses Form 7995) and processed in the HRConnect OES.
- (2) All employees automatically have access to the OES.
- (3) Managers automatically have access to requests submitted by their employees.
- (4) BUPOCs get access to business unit records through the IRS OE POC.

6.735.2.7.2
(07-12-2023)
Proxy Access

- (1) Managers may grant two types of proxy access:
 - a. Initiator access to someone on their support staff. This individual can add requests submitted on Form 7995 to the OES.

- b. Initiator/approver access to acting managers. This individual can add requests submitted on Form 7995 and review/approve requests or conduct annual reviews on the OES.

- (2) For step-by-step proxy instructions, go to the *HCO Outside Employment site*, and refer to the job aid, How to Grant Proxy Rights in HRConnect.

6.735.2.8
(07-12-2023)
**Submitting an Outside
Employment Request**

- (1) Before submitting a request, read this IRM to ensure the OE or activity is allowed and does not conflict with your IRS duties.
- (2) At least 10 workdays before the expected date for accepting or starting a permitted OE position, add your request to the HRConnect OES.

Note: If you are a bargaining unit employee and cannot access OES (e.g., you are not assigned an IRS computer or do not have access to a kiosk or shared workstation) you may use Form 7995.

- (3) For step-by-step instructions, go to the *HCO Outside Employment site*. Job aids include, for example:

- a. How to Add an Outside Employment Request (Video)
- b. Outside Employment HRConnect Employee Guide

Note: If the requester has an active request(s), a pop-up message will display. The requester will be asked if he/she wants to end the previously approved OE. If he/she is no longer performing that OE, click **Yes**. If he/she wants to continue the previously approved OE, click **No**.

- (4) Email notices are sent to the employee and manager beginning with confirmation after the request is added until it is approved/denied.
- (5) If a request is not approved within 10 workdays, the employee is not allowed to accept or start the OE. An email notice denying the request is sent to the employee and manager. An email is only sent to the second level manager if the request was denied. Employees may resubmit requests for approval.

6.735.2.8.1
(07-12-2023)
**Seasonal/Furlough/
Shutdown Exceptions**

- (1) The OE policy applies to seasonal employees in non-duty status, furloughed employees and all employees when the government is shutdown.

Note: For BU employees, see the National Agreement, Document 11678: Article 6 regarding seasonal employees, and Article 48 regarding furloughs and shutdowns.

- (2) The prior approval requirement is waived for seasonal employees who work permitted OE while in non-duty status and all employees in case of a furlough or shutdown. However, upon return-to-duty status, employees must submit a request to continue the OE activity.

Note: This waiver does not apply to requests under IRM 6.735.2.9, Request for the Commissioner of Internal Revenue.

- (3) If the OE was only performed during the furlough/shutdown period (that is, the OE ended before the employee returned to the IRS), **do not** submit a new OE request.

6.735.2.9
(08-05-2025)
**Request for the
Commissioner of
Internal Revenue**

- (1) IRM 6.735.2.4, Prohibited Outside Employment Activities, requires the written authorization of the Commissioner of Internal Revenue for requests:
 - a. To appear on behalf of any taxpayer, as a representative, before any federal, state, or local governmental agency, in an action involving a tax matter, and
 - b. To represent third parties before the government in non-tax matters.
- (2) Submit requests for the Commissioner's approval into the OES. (see IRM 6.735.2.8, Submitting Outside Employment Request). In the Business Type field, chooses Taxpayer Representative. Complete the remaining steps saving the request and submit it for review/approval.
- (3) After the second level manager approves the request, the IRS OE POC receives the request and provides the following instructions to management:
 - a. The employee's management chain prepares a memorandum, addressed to the Commissioner of Internal Revenue, through the IRS OE POC, describing management's detailed assessment of the request (e.g., any conflict with the employee's IRS duties, the employee's requested representational role, any concerns, whether the DEO provided guidance, if requested [if received, attach to the memo]).

Note: To find the IRS OE POC, go to the *HCO Outside Employment site* (see Outside Employment Business Unit Points of Contact).
- (4) After the IRS OE POC receives a reply from the Commissioner of Internal Revenue, the signed memo will be sent to the BUPOC who will share it with the employee's immediate and second level managers. The first level manager will provide the memo to the employee and file a copy in the employee's Drop File.
- (5) Allow a minimum of 45 workdays to process.

6.735.2.10
(07-12-2023)
**Checking Status of
Request**

- (1) Employees must follow the steps below to check the status of their OE request on OES:
 1. Log into HRConnect.
 2. Select the My Outside Employment tile.
 3. Select the appropriate record, and
 4. Review the Status field and comments, if provided.

6.735.2.11
(07-12-2023)
**Modifying or
Withdrawing an Outside
Employment Request**

- (1) Employees must follow the steps below to withdraw their OE request on OES:
 1. Log into HR Connect.
 2. Select the My Outside Employment tile.
 3. Select the appropriate record.
 4. Slide the radio button to Withdraw, and
 5. Click Continue.
- (2) Employees must follow the steps below to modify an in-progress OE request on OES:
 1. Log into HR Connect.
 2. Select the My Outside Employment tile.
 3. Select the appropriate record.

4. Slide the ratio button to Modify.
5. Make edits as needed, and
6. Click Continue.

(3) Employees must follow the steps below to modify an approved OE request on OES:

1. Log into HR Connect.
2. Select the My Outside Employment tile.
3. Select the appropriate record.
4. Slide the ratio button to Modify.
5. Choose one of the three modification options, which include ending request, and
6. Click Continue.

6.735.2.12
(07-12-2023)
**Viewing/Printing
Requests/Records**

(1) Employees must follow the steps below to view or print requests on OES:

1. Log into HR Connect.
2. Select the My Outside Employment tile.
3. Select the appropriate record.
4. Click View/Print.
5. Choose one of the three modification options, which include ending request, and
6. Click on printer icon which gives the user the option to print or save as an Adobe pdf.

(2) After the employee receives the email approving/denying the request, log into the OES to print/save a copy.

6.735.2.13
(07-12-2023)
**Filing Approved/Denied
Requests**

(1) OES forwards approved and denied OE requests to the IRS OPF site for filing in the employee's OPF, as required by 5 CFR 3101.104(b).

(2) After the first level manager receives the email notice of an approved/denied OE, the manager will print the record and file in the employee's Drop File.

(3) When the first level manager receives email notification of an annual review or an employee update of the record, log into the OES and print the record for filing in the employee's Drop File.

6.735.2.14
(07-12-2023)
**Change in IRS Position
or Duties - When to
Resubmit Request**

(1) Employees and their first level manager and proxy(ies) receive an e-mail when an SF-50 for one of the actions listed below affects an active and approved OE request. Under this circumstance, employees must submit a new request if they wish to continue the OE. Employees must update their record in the OES if they are no longer working the OE.

Nature of Action	Description	Comments
500	Conversion to Career Appointment	If occupational series and/or business unit changes
501	Conversion to Career-Conditional Appointment	If occupational series and/or business unit changes

570	Conversion to Excepted Service Appointment	If occupational series and/or business unit changes
571	Conversion to Excepted Service Appointment Not To Exceed (NTE)	If occupational series and/or business unit changes
702	Promotion	Excludes career ladder promotions
703	Promotion NTE	
713	Change to lower grade	If occupational series and/or business unit changes
721	Reassignment	If occupational series and/or business unit changes
740A	Position change	If occupational series and/or business unit changes
741	Position change NTE	If occupational series and/or business unit changes
930	Detail NTE	
932	Term of Detail	

6.735.2.15
(07-12-2023)
**Ending Outside
Employment**

- (1) Employees must update their OE records in the OES when they stop performing OE.

Note: BU employees who cannot access the OES (e. g., they are not assigned an IRS computer or do not have access to a kiosk or shared workstation) must notify their manager if they want to end their OE. The manager or designee (e.g., the BUPOC) will update the OES record on the employee's behalf.

- (2) When an employee's approved OE ends, he/she cannot reactivate the record. Deactivated records are available for viewing/printing in History in the OES. Employees must submit a new OE request if they want to work a previously ended OE activity.

6.735.2.16
(08-05-2025)
Records Retention

- (1) OES records are purged six years after the employee separates from the IRS, per Document 12829, General Records Schedule (GRS) 2.8, Employee Ethics Records.
- (2) Management annually reviews Drop Files and destroys superseded documents, per GRS, 2.2, Employee Management Records. Drop Files are kept for one year after an employee separates or transfers to another agency. Drop Files are destroyed after the one-year retention period.

Note: Management must keep relevant records in the Drop File if it is needed in connection with a grievance, appeal or judicial proceeding.

6.735.2.17
(07-12-2023)
Annual Requirements

- (1) Email notices are sent from HRConnect to employees 60 days before the annual review is due. Employees may modify portions of their record (e.g., hours worked) or end the OE if no longer performing the activity.
- (2) Email notices are sent from the HRConnect to the employee's second level manager and the employee 30 days before the annual review is due for recertification. The employee may change or end the record as noted above. The manager will access the OES (see number three below) to complete the recertification.

Note: The first level manager does not review the record again for the annual recertification.

- (3) The second level manager annually reviews approved OE records and updates the record in the OES. During the annual review, management ensures there are no changes including, whether the OE conflicts with the employee's current IRS duties, and to decide if the approved OE can continue. This responsibility can be assigned to a higher level manager per Delegation Order 6-4, Authorization to Engage in Outside Employment, Business, and Other Activities, found in IRM 1.2.2.7.4 .

Note: If employees do not complete their annual review, the manager may complete it. The OES will deny (end) the OE if the manager does not promptly update OES. If this happens, the employee must send a new request to continue to OE.

- (4) Go to the *HCO Outside Employment site* for step-by-step instructions.
- (5) Management reminds employees annually of the OE policy and procedures during the mandatory briefings cycle and/or in business unit ethics discussions.

6.735.2.18
(07-12-2023)
Reports

- (1) The OES reports help the IRS OE POC, managers and BUPOCs certify new requests are timely approved/denied and the required annual reviews are timely updated in OES. Reports should be run at least monthly to check OE records.
- (2) Refer to the *Outside Employment OE Specialist SOP (Standard Operating Procedures)* for instructions on creating an Excel report and sorting data.

6.735.2.19
(08-05-2025)
Reporting Ethics Violations

- (1) Allegations of ethics violations (such as performing a prohibited OE activity or working an OE activity without approval) must be reported to your manager or to the Treasury Inspector General for Tax Administration (TIGTA). Report ethics violations to *TIGTA* by completing the form (e.g., click "IRS Employee Crime or Misconduct").

6.735.2.20
(08-05-2025)
Contact Information

- (1) Employees who need help determining whether an activity they are pursuing is permitted or prohibited should talk to their manager or contact the DEO via email at *GLS Ethics*.

- (2) Managers who need help determining if the employee's IRS duties conflict with their employee's requested OE activity should contact their supervisor or the DEO via *GLS Ethics*.
- (3) Employees needing help using the OES, should contact the BUPOC.
- (4) If the BUPOC is unable to resolve an OES issue, contact the IRS OE POC for help.