



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

8.10.3

OCTOBER 18, 2023

EFFECTIVE DATE

(10-18-2023)

PURPOSE

- (1) This revises IRM 8.10.3, Appeals Inventory Validation Process.

MATERIAL CHANGES

- (1) IRM 8.10.3.1, Program Scope and Objectives, added internal controls section and its related subsections to comply with the Deputy Commissioners of Services and Enforcement Operations Support memo dated September 14, 2016, titled Heightened Awareness, Sensitivity, and Understanding of Internal Controls. Subsequent sections are renumbered accordingly.
- (2) IRM 8.10.3.3, Appeals Inventory Validation Process (AIVP), added language to Paragraph (3), under Physical Validation bullet, **annually** and **and the risk of inaccurate ACDS data**.
- (3) IRM 8.10.3.4.2.1, Normal Update, removed tax period modifier and quick look references, and added two bullets for adding or removing a feature code.
- (4) IRM 8.10.3.4.2.2, Error Correction, removed references for adding or removing a tax period modifier.
- (5) IRM 8.10.3.4.3, ACDS Update Request Forms, added the APS Action Request Form for Collection Source Cases that can also be used to request ACDS updates.
- (6) IRM 8.10.3.4.7, Statute Validation, removed Note referencing tax period modifier.
- (7) IRM 8.10.3.4.7.1, IDRS Updates, changed from selecting the default PTM to selecting the PTM assigned to the user's location and workflow.
- (8) IRM 8.10.3.6, Physical Validation, removed ATE and TE descriptions as common terms are referenced in Terms and Acronyms.
- (9) Exhibit 8.10.3-1, Managerial Certification Memorandum, added additional verbiage required on the Managerial Certification Memorandum.
- (10) Editorial changes to update IRM reference numbers and titles.

EFFECT ON OTHER DOCUMENTS

This supersedes IRM 8.10.3 dated August 24, 2015.

AUDIENCE

Appeals Employees

Patrick E. McGuire
Acting Director, Case and Operations Support

8.10.3

Appeals Inventory Validation Process

Table of Contents

- 8.10.3.1 Program Scope and Objectives
 - 8.10.3.1.1 Background
 - 8.10.3.1.2 Authority
 - 8.10.3.1.3 Responsibilities
 - 8.10.3.1.4 Program Reports
 - 8.10.3.1.5 Terms and Acronyms
 - 8.10.3.1.6 Related Resources
- 8.10.3.2 Validation of Appeals Centralized Database System (ACDS)
- 8.10.3.3 Appeals Inventory Validation Process (AIVP)
- 8.10.3.4 Validation Tracking System (VTS)
 - 8.10.3.4.1 Critical Data Field
 - 8.10.3.4.2 Reason Codes
 - 8.10.3.4.2.1 Normal Update
 - 8.10.3.4.2.2 Error Correction
 - 8.10.3.4.3 ACDS Update Request Forms
 - 8.10.3.4.4 Other System Updates
 - 8.10.3.4.5 Validation Format and Functions
 - 8.10.3.4.6 Validation Types
 - 8.10.3.4.7 Statute Validation
 - 8.10.3.4.7.1 IDRS Updates
 - 8.10.3.4.8 Appeals Technical Employee (ATE) Validations
 - 8.10.3.4.8.1 ATE - Anniversary Validation Listing
 - 8.10.3.4.9 Appeals Team Manager (ATM) Validations
 - 8.10.3.4.10 Tax Examiner (TE) Validations
 - 8.10.3.4.11 Processing Team Manager (PTM) Validations
 - 8.10.3.4.12 Secretary Validations
- 8.10.3.5 Validation Tracking Log (VTL)
- 8.10.3.6 Physical Validation
 - 8.10.3.6.1 Appeals Drawer to List Inventory Validation Process Report
 - 8.10.3.6.1.1 Cases in ATM's Possession
 - 8.10.3.6.1.2 Cases in APS' Possession
 - 8.10.3.6.1.3 Cases in Tax Computation Specialist (TCS) Inventory
 - 8.10.3.6.1.4 Cases in Chief Counsel's Possession
 - 8.10.3.6.1.5 Missing Case or Tax Return
 - 8.10.3.6.2 ATE Case Inventory List

8.10.3.6.3 Physical Inventory Validation for Appeals Processing Services (APS)

8.10.3.6.3.1 PEAS Inventory List

8.10.3.6.3.2 Case Inventory Reports

8.10.3.6.4 Managerial Certification

Exhibits

8.10.3-1 Managerial Certification Memorandum

8.10.3-2 Missing Case Report

8.10.3.1
(10-18-2023)
Program Scope and Objectives

- (1) Purpose: This IRM section describes the Appeals Inventory Process System (AIVP).
 - a. Establishes and provides guidance and procedures for the IRS Independent Office of Appeals employees and managers to update, change, or modify critical data fields in ACDS, without sending paper requests to APS.
 - b. Provides the steps for a physical validation through physical inspection of case files commonly referred to as a Drawer to List Inventory Validation.
- (2) Audience: Appeals Employees
- (3) Policy Owner: Policy, Planning, Quality and Analysis is under the Director of Case and Operations Support.
- (4) Program Owner: Director, Policy, Planning, Quality and Analysis.
- (5) Contact Information: Appeals employees should follow established procedures on *How to Contact an Analyst*. Other employees should contact the Product Content Owner shown on the Product Catalog Information page for this IRM.

8.10.3.1.1
(10-18-2023)
Background

- (1) IRS Business Units are required to report accurate results of operations. Appeals depends upon ACDS data to generate these reports. In addition, we use ACDS reports to effectively manage our operations. Appeals is committed to data accuracy and internal controls on system changes. AIVP Validation Tracking System delivers a systemic solution to data accuracy and monitoring changes in the ACDS database.
- (2) As stated in IRC 7803(e)(3), the Appeals mission is to resolve Federal tax controversies without litigation on a basis that is fair and impartial to both the Government and the taxpayer, promotes a consistent application and interpretation of, and voluntary compliance with, the Federal tax laws, and enhances public confidence in the integrity and efficiency of the IRS. Appeals accomplishes its mission by considering protested and Tax Court cases and negotiating settlements in a manner which ensures Appeals employees act in accord with the Taxpayer Bill of Rights (TBOR) in every interaction with taxpayers. 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 accord with taxpayer rights. See IRC 7803(a)(3), Execution of Duties in Accord with Taxpayer Rights. For additional information about the TBOR, see <https://www.irs.gov/taxpayer-bill-of-rights>.

8.10.3.1.2
(10-18-2023)
Authority

- (1) IRM 8.10, Appeals Reports and Projects, establishes the policy framework for Appeals reports.

8.10.3.1.3
(10-18-2023)
Responsibilities

- (1) The Policy analyst shown on the Product Catalog page as the originator is the assigned author of this IRM.

8.10.3.1.4
(10-18-2023)
Program Reports

- (1) Policy, Planning, Quality, and Analysis (PPQ&A) provides trend and data analyses and detailed summary reports for Appeals.

8.10.3.1.5
(10-18-2023)
Terms and Acronyms

- (1) See IRM 8.1.1-1, Common Terms Used in Appeals, for common terms and definitions used in IRM Part 8. Terms listed in this exhibit are not included in this section.
- (2) The table lists commonly used acronyms and their definitions:

Acronym	Definition
AD2LIV	Appeals Drawer to List Inventory Validation
AIVP	Appeals Inventory Validation System
VTL	Validation Tracking Log
VTs	Validation Tracking System

8.10.3.1.6
(10-18-2023)
Related Resources

- (1) This IRM is the primary source of guidance on this program. The following provide additional sources of guidance.
 - IRM 8.1.3.2.10, Appeals Inventory Validation Process (AIVP)
 - IRM 8.10.1, Appeals Reports and Projects, Internal Reports
 - IRM 8.20.6, Account and Processing Support (APS), Interim Actions
 - IRM 8.21.1, General Statute Responsibility
 - IRM 10.5.4.3, Reporting Losses, Thefts and Disclosures

8.10.3.2
(10-01-2015)
Validation of Appeals Centralized Database System (ACDS)

- (1) All employees share responsibility for ACDS data accuracy and quality. Database validation ensures ACDS is as accurate as possible at all times. It is important to identify and correct data errors throughout the case's life cycle.
- (2) Inventory validation ensures the following:
 - Control of case inventory in Appeals' jurisdiction
 - Verification of statute of limitation dates
 - Quality and reliability of data in ACDS

8.10.3.3
(10-18-2023)
Appeals Inventory Validation Process (AIVP)

- (1) This section establishes requirements for inventory validations to ensure case files and tax returns in Appeals' possession are properly controlled on ACDS and data reflected in the database is accurate.
- (2) All employees who establish cases on ACDS, or who are assigned cases and tax returns for resolution of tax matters, are responsible for controlling and validating Appeals' inventory of case files and tax returns.
- (3) Validating inventory, statute dates, and database accuracy involves both automated and physical validation methods.
 - **Automated validation** of critical data fields is accomplished through the **Validation Tracking System (VTS)**, which systemically requires users to perform case validations throughout the life cycle of each case in Appeals' inventory.
 - **Physical validation** is accomplished annually through physical inspection of case files and is conducted as an **Appeals Drawer to List**

Inventory Validation (AD2LIV). Taking into consideration resources, budget constraints, and the risk of inaccurate ACDS data, each Area Director can approve the use of an alternative method to conduct physical validations. Examples of alternative methods include: physical validation of a statistically valid sample of cases, physical validation of all or part of the inventory of one or more co-located employees, delegating physical validation to a proxy, or any other method approved by the Area Director. Appeals Team Managers (ATM) and Processing Team Managers (PTM) are responsible for completing the physical validation process jointly with their employees who are assigned an inventory of cases. For the purpose of efficiency managers could also complete an annual AD2LIV in conjunction with a workload review when possible.

8.10.3.4
(10-01-2015)
**Validation Tracking
System (VTS)**

- (1) The VTS was designed to make it easier to achieve data accuracy and improve the data quality of the ACDS database. The VTS systemically requires validation at various designated points in the life cycle of all cases in Appeals inventory.
- (2) The VTS allows users to confirm that the data in ACDS is accurate at the time of validation. If an update is needed, the user may update, change or modify entries in any of the current critical data fields they have permission to change. See IRM 8.10.3.4.1 (2), Critical Data Field, for a list of critical data fields by position and validation type. All updates, changes or modifications made to critical data fields through the VTS post on ACDS immediately.
- (3) The system **requires** validation of critical data fields at the following designated points in the life cycle of the case:
 - Case receipt (card-in)
 - ATE assignment
 - Anniversary (over 365 days old)
 - Case closing

8.10.3.4.1
(10-01-2015)
Critical Data Field

- (1) A critical data field is an ACDS data field identified as essential to ensuring that Appeals' data is accurate and reliable. A data field is designated critical by headquarters.
- (2) A document listing *Critical Data Fields* by position and validation type is posted on the Appeals website. Use the hyperlink in this paragraph or navigate to the document from the Appeals Home page by clicking on Systems and Technology → Appeals Applications → AIVP VTS → Critical Data Fields (under the heading Resources).

8.10.3.4.2
(10-01-2015)
Reason Codes

- (1) Users are required to make a determination as to the nature of the change to a critical data field and designate a reason code:
 - Normal Update (N) - No one is "charged" with an error when a change is designated as a normal update.
 - Error Correction (E) - The prior team in possession of the case is "charged" with an error when a change is designated as an error correction.
- (2) Reason codes are captured as part of the ACDS data accuracy calculation and reports.

8.10.3.4.2.1
(10-18-2023)

Normal Update

- (1) A normal update is a change to a critical data field that is required as part of normal case management. Examples of normal updates include:
- Changing an address because the taxpayer or the representative moved while the case was in process
 - Changing the statute date or code because you executed a statute extension
 - Changing the statute date or code because you received an agreement during the 90-day period
 - Changing the statute date or code because of an event or tax law, such as bankruptcy or TEFRA
 - Adding a required feature code
 - Removing a feature code because the feature no longer applies

8.10.3.4.2.2
(10-18-2023)

Error Correction

- (1) An error correction is a change to a critical data field because information on the system is not accurate based on source documents in your possession. This could be due to an incorrect determination or an input error. Examples of error corrections include:

- Changing data due to key stroke errors
- Changing the statute date or code due to statute determination errors

Note: An input error does not mean it's an APS input error. Because the VTS allows others to input changes to critical data fields, the error is charged to the prior team in possession of the case.

8.10.3.4.3
(10-18-2023)

ACDS Update Request Forms

- (1) Prepare ACDS Update Request Form or APS Action Request Form for Collection Source Cases found on APGolf to make an ACDS update request to APS. The VTS eliminates the need for most ACDS update requests to APS. The ATE must update critical data fields on their assigned cases from the VTS unless the case is in APS' possession. APS will reject ACDS update requests that the ATE is required to make. When an update to ACDS is needed that cannot be made through the VTS, APS will make the update to ACDS upon receipt of a completed request form. See IRM 8.20.6.3, Account and ACDS Updates, Changes, or Corrections Required as an Interim Action, for the procedures and timeframes for APS to complete the ACDS update.

Note: To update a non-timesheet case through the VTS, access the validations menu by clicking the "Validations" button at the bottom of the "search case results screen". Non-timesheet cases are not accessible from CARATS. Non-timesheet cases are related records linked to timesheet cases with the same workunit number.

8.10.3.4.4
(10-01-2015)

Other System Updates

- (1) If an ACDS update made through the VTS requires APS to make an update to another related system (for example, ISTS), submit an update request to APS, using the appropriate form or format for the related system.

8.10.3.4.5
(10-01-2015)
Validation Format and Functions

- (1) All of the validation screens display the current data on the system for each critical data field in a column headed "Original Data." The person validating the case makes changes to critical data fields in the column headed "Data" by either entering new data in write-in fields or making a selection from a drop-down list, if one is provided. For each change made, the user must check a box to indicate whether the change was a "normal update" or "error correction." See IRM 8.10.3.4.2, Reason Codes.
- (2) All of the validation screens provide the user with options to:
 1. **Save Draft and Exit** - this option allows the user to save changes as a draft and exit the screen and return later to complete the validation. Any changes saved as draft will remain on the system for 30 calendar days from the date of the last update saved as draft. Only the person who saved the draft can view the draft. A dialog box will appear after the user clicks the button to confirm that the validation was saved as a draft. Click OK to Exit the validation screen.
 2. **Validate** - this option submits the user's changes, or, if no changes were made, validates that the information on the system is accurate. The user should click the Validate button only after reviewing all data on the screen and determining that it's correct. After the user clicks the "Validate" button, the system displays a message confirming that the validation was successful. When Validate is clicked, the change is immediately written to ACDS. New CARATS Action Code VA is systemically generated when a validation is submitted.
 3. **Cancel** - this option deletes all changes input on the screen and returns the user to the previous screen. A dialog box appears warning the user the change will not be saved, asking, "Are you sure you want to exit without saving or validating?" Click "Yes," and the system will cancel the changes and return to the previous screen. Click "No" and the screen remains available for updates.
 4. **Print** - this option allows users to print the validation screen. The print button is located in the top right hand corner of the screen.
 5. **Help** - this option opens a pop-up window that explains the validation process. The button is located next to the print option in the top right hand corner of the screen.

8.10.3.4.6
(10-01-2015)
Validation Types

- (1) The following is a list of validation types by position:

Validation Type	Position
Statute	<ul style="list-style-type: none">• ATE• ATM• TE• PTM
Create Case	TE
Assignment	ATE
Anniversary	ATE
Sample	<ul style="list-style-type: none">• ATM• PTM
Workload	ATM

Validation Type	Position
Closing	<ul style="list-style-type: none"> • ATE • TE
Other	<ul style="list-style-type: none"> • ATE • ATM • Secretary • TE • PTM

8.10.3.4.7
(10-18-2023)
Statute Validation

- (1) The assigned employee will perform a data accuracy validation, which includes a statute validation.
 - a. APS Tax Examiners (TEs) are required to verify case information as part of the card-in process, and will complete a “Create Case” validation in ACDS prior to sending the case to the Appeals Team Manager (ATM) for assignment or the Processing Team Manager (PTM) for sample validation.
 - b. Appeals Technical Employees (ATEs) are required to validate case information on all cases in their inventory, and will complete an “Assignment Validation” in VTS as directed for the procedures applicable to the workstream.
- (2) The “statute validation” lists only statute-related critical data fields:
 - TAX PERIOD
 - STATUTE DATE
 - STATUTE CODE
- (3) See IRM 8.10.3.4.7.1, IDRS Updates, for information on updating IDRS when submitting a validation including a change to a statute date or statute code on a tax period controlled on ACDS with an AIMS Indicator “Y”.

8.10.3.4.7.1
(10-18-2023)
IDRS Updates

- (1) APS users will also update IDRS when required whenever they update a statute date or statute code on ACDS.
- (2) When a non-APS user completes a validation that includes a change to a statute date or statute code on a tax period with an AIMS Indicator “Y” on ACDS, the system:
 - a. Selects the PTM that has been assigned to support the user’s location and workstream, and
 - b. Creates a new PEAS case with PEAS Type = AIVP/Sub Type = AIMS in the selected PTM’s inbox.

The systemic creation of an unassigned PEAS case ensures the IDRS statute date/code update will be assigned to an APS TE.

8.10.3.4.8
(10-01-2015)
**Appeals Technical
Employee (ATE)
Validations**

- (1) ATEs will ensure all assigned cases are properly controlled on ACDS
- (2) ATEs will validate critical data fields (CDF) using the Validation Tracking System (VTS). Once validated, ACDS updates made through VTS will display immediately.
- (3) All changes to critical data fields are tracked on the Validation Tracking Log (VTL), accessible from the CARATS screen menu.

Note: See IRM 8.10.3.4.1 (2) for a listing of all fields available for updates in VTS.

- (4) ATEs may access the validations menu for their assigned cases by clicking the “Validations” link from CARATS or the “Validations” button at the bottom of the search case results screen. Some menu options may be “grayed out” or not listed when not systemically required. You must complete systemically required validations when required or the system will prevent subsequent updates. ATEs perform the following types of validations:
 - **ATE - Assignment** - systemically required when the ATE saves the CARATS entry CR/NR.
 - **ATE - Anniversary** - systemically required at the received date plus 365 days.
 - **ATE - Closing** - systemically required when the ATE saves the CARATS entry AC/FR
 - **ATE - Other** - this option is available at any time and includes all critical data fields open to the ATE for edit
 - **ATE - Statute** - this option available at any time and includes statute-related critical data fields open to the ATE for edit
- (5) The ATE will directly update all available critical data fields through the VTS. The ATE will designate each change identified as part of the validation process as either a Normal Update (N) or an Error Correction (E).
- (6) When a change is required that is not part of the VTS critical data fields, the ATE will prepare and submit an ACDS Update request to APS, identifying the required update, change or modification.

8.10.3.4.8.1
(10-01-2015)
**ATE - Anniversary
Validation Listing**

- (1) An Anniversary Validation is required when a case has been open in the Appeals inventory for more than 365 days. The Anniversary Validation supports the Appeals annual inventory validation requirement to review each case at least once every 365 days and is an opportunity to ensure ACDS data matches information in the source documents.
- (2) A system notification alerts the ATE that an Assignment validation is required. No further action can be taken on the case until the Anniversary Validation is completed, for **each** case in the work unit.
- (3) If there has not been a previous validation of the case, both the Assignment and Anniversary validations may be required.
- (4) An Anniversary Validation is not required if any of the following conditions are met:
 - The ATE completed the Assignment Validation within the previous 30 days.
 - The CAR shows AC/FR or AC/OD entry

- The case shows ACAPDATE entry
- The case is assigned in PEAS
- The case has a DATECLSD and closing code <22 or = 45

(5) The ATE - Anniversary Validation Listing is located on the Main Reports Menu. This is a listing of workunits that need an anniversary validation. The list contains the following information for each workunit listed:

- TPNAME
- WUNO
- TIN
- MFT
- DKTNO
- KeyYear
- Assigned
- Part
- Status

8.10.3.4.9
(10-01-2015)

**Appeals Team Manager
(ATM) Validations**

(1) ATMs may access the “Validations” menu for their team’s assigned cases from the ATM main menu or from the search case results screen. Some menu options may be “grayed out” or not listed when not systemically required. ATMs perform the following types of validations:

- **ATM - Workload Review** - this option is available at any time
- **ATM - Sample** - required on a systemically selected sample of cases when the ATM enters the ATM approved date (ACAPDATE). The ATM Sample size is set by Headquarters. (Setting the sample size at zero removes the requirement to conduct the sample validation.)
- **ATM - Other** - this option is available at any time and includes all critical data fields open to the ATM for edit
- **ATM - Statute** - this option is available at any time and includes statute-related critical data fields open to the ATM for edit

8.10.3.4.10
(10-01-2015)

**Tax Examiner (TE)
Validations**

(1) TEs may access the “Validations” menu for any case they have permission to access from the search case results screen. Some menu options may be “grayed out” or not listed when not systemically required. TEs perform the following types of validations:

- **APS - Create Case** - systemically required when the TE cards a case.
- **APS - Closing** - systemically required when the TE closes a case
- **APS - Other** - this option is available at any time and includes all critical data fields open to the TE for edit
- **APS - Statute** - this option available at any time and includes statute-related critical data fields open to the TE for edit

8.10.3.4.11
(10-01-2015)

**Processing Team
Manager (PTM)
Validations**

(1) PTMs may access the “Validations” menu for any case they have permission to access from the search case results screen. Some menu options may be “grayed out” or not listed when not systemically required. PTMs perform the following types of validations:

- **PTM - Sample** - required on a systemically selected sample of cases when the APS TE cards the case on ACDS before it goes to the ATM

for assignment. The PTM Sample size is set by Headquarters. (Setting the sample size at zero removes the requirement to conduct the sample validation.)

- **PTM - Other** - this option is available at any time and includes all critical data fields open to the PTM for edit
- **PTM - Statute** - this option is available at any time and includes statute-related critical data fields open to the PTM for edit

8.10.3.4.12 (10-01-2015) **Secretary Validations**

- (1) Secretaries may access the “Validations” menu for any case they have permission to access from the search case results screen. Some menu options may be “grayed out” or not listed when not systemically required. Secretaries may perform the “Secretary - Other” validation. This option is available at any time and includes only critical data fields related to preparing correct letters:
 - TPName
 - TP Address
 - POA
 - POA Address
 - TYPE
 - Tax Period

8.10.3.5 (10-01-2015) **Validation Tracking Log (VTL)**

- (1) The Validation Tracking Log (VTL) lists all validations submitted on a case and can be used to interpret changes to critical data fields. All ACDS users have read-only access to the VTL.
- (2) To access the VTL, select the case from search results, then click on the **VTL** button for that case at the bottom of the search case screen. There are various other VTL entry points in ACDS, depending upon the user’s permissions.
- (3) The VTL displays data for one case at a time and includes the history of critical data field changes made through the VTS. You can view or print detailed information about each validation by clicking on the “plus” sign to expand the data for the validation type listed.

8.10.3.6 (10-18-2023) **Physical Validation**

- (1) Physical validation is accomplished through physical inspection of case files. Physical validation is performed to ensure cases and tax returns assigned to or in the possession of employees for resolution of tax matters are established, processed or controlled on ACDS. A physical validation identifies:
 - a. Cases in possession of an Appeals employee but not controlled on ACDS.
 - b. Cases controlled on ACDS but not in the possession of an Appeals employee.
 - c. Erroneous statute of limitation dates and/or codes.
- (2) The physical validation process is commonly referred to as an Appeals Drawer to List Inventory Validation. Each fiscal year, Appeals Team Managers (ATM) and Processing Team Managers (PTM), in collaboration with their employees who are assigned an inventory of cases, are responsible for conducting a physical validation. For efficiency, managers could complete the physical validation in conjunction with a workload review when possible.

Note: Physical inventory validation does not relieve employees of statute verification upon receipt of the case as outlined in IRM 8.21.1, General Statute Responsibility.

- (3) ATMs can use the AD2LIV to conduct a physical IVL in collaboration with their employees.
- (4) PTMs can use the PEAS Inventory List to conduct a physical IVL in collaboration with their employees.
- (5) Area Directors can approve using an alternative method to conduct physical validations.

8.10.3.6.1
(10-01-2015)

**Appeals Drawer to List
Inventory Validation
Process Report**

- (1) The Appeals Drawer to List Inventory Validation Process report is located on the Appeals Team Manager Functions menu.
- (2) The Appeals Drawer to List Inventory Validation Process report was designed for ATMs to use when conducting a drawer to list physical IVL of all cases assigned to and in the possession of an ATE. It can be worked on-screen from ACDS without printing until the validation is completed.
- (3) Validate cases from the drawer to the list. Pull each administrative file in the ATE's possession and compare it to the listing.

Note: Do not validate from the list to the drawer.

- (4) When the report is initially displayed, the "Validated" checkbox will be checked for any case that has had an "ATM - Workload Review Validation" within the last 365 days by the ATM running the report.
- (5) To validate a case, click on the TPNAME hyperlink to open the "ATM - Workload Review Validation" for the case.
- (6) At a minimum, validate the accuracy of the following required critical data fields (CDFs):
 - TAX PERIOD(S)
 - STATUTE DATE(S)
 - STATUTE CODE(S)
- (7) Update the required CDFs as needed. You may also update any of the other CDFs included on the validation screen. After you've changed CDFs or determined no changes are needed, click "Validate."

Note: You may also exit without making updates to return to the report.

- (8) When you are returned to the report after clicking "Validate," a check mark will appear in the "Validated" check box for the case. If you change one of the following CDFs, you will see the change when you are returned to the report:
 - TAXPAYER
 - TYPE
 - FEATURE
 - MFT
 - TAX PERIOD
 - STATUTE DATE

- STATUTE CODE

- (9) Insert comments about each case, if warranted, by typing up to 250 characters in the “Comments” field.

Note: Comments are saved when you click “Save the Draft.” Validations are saved when you click “Validate.”

- (10) Click “Save the Draft.” to save the report in draft form when you are not able to complete the report in one sitting.

Note: You may exit ACDS and return where you left off to complete the validation for up to two weeks. If not completed in two weeks, the draft will be discarded, no validation will be recorded, and you must start over.

- (11) When all cases have been validated, thus inserting check marks into all of the “Validated” check boxes, the “IVL Completed” button will become enabled. Click on this button to finish the “Drawer to List” process. The “Print” dialog screen will then be displayed, giving you the opportunity to print the report.

Note: Print the report on legal size (8 1/2 X 14) paper, landscape orientation. Or, print to an Adobe file and save and backup the file. Destroy the worked report in accordance with Document 12990, Records Control Schedules, Appeals, Section 10.

- (12) Update ACDS to account for any administrative file in the ATE’s physical possession and not on the listing.
- (13) Follow the procedures in IRM 8.10.3.6.1.5, Missing Case or Tax Return, for any case or tax return that is on the list but not in the drawer and not accounted for.
- (14) If a change is needed to a CDF that is not included on the “ATM - Workload Review Validation”, the ATE should use the “Other Validation” option.

8.10.3.6.1.1 (10-01-2015) Cases in ATM’s Possession

- (1) The ATM will validate cases on the Appeals Drawer to List Inventory Validation Process report that were closed to the ATM but do not have an ACAPDATE.

8.10.3.6.1.2 (10-01-2015) Cases in APS’ Possession

- (1) If a case is on the ATE’s Appeals Drawer to List Inventory Validation Process report but clearly in APS’ physical possession and ACDS research supports the determination of the location of the case, the ATM and ATE are not responsible for physically inspecting the file but must add appropriate comments to the Appeals Drawer to List Inventory Validation Process report. Enter and save the comments and validate the case with no changes to critical data fields, to “check” the case off the report. Examples of appropriate comments include:
 - “ACAPDATE MM/DD/YYYY and assigned on PEAS for closing MM/DD/YYYY to (TE Name)”
 - “ACAPDATE MM/DD/YYYY and assigned on PEAS for interim assessment to (TE Name)”
 - “ACAPDATE MM/DD/YYYY and assigned on PEAS for SND (NOD) to (TE Name)”
 - “ACAPDATE MM/DD/YYYY and ACTION = STIPFF/STATUS = E/STP ”

- “ACAPDATE MM/DD/YYYY and SNTYPE = 090A/SNDATE = MM/DD/YYYY/STATUS = E/TSN”

- (2) If a case has been reviewed, approved and forwarded to APS but not assigned on PEAS, annotate the Appeals Drawer to List Inventory Validation Process report with “ACAPDATE and not on PEAS”. Notify the PTM to locate the case. Do not validate the case until it has been accounted for. If the case cannot be located, follow the procedures in IRM 8.10.3.6.1.5, Missing Case.

8.10.3.6.1.3
(10-01-2015)
**Cases in Tax
Computation Specialist
(TCS) Inventory**

- (1) TCS is not required to conduct a physical IVL. If a case needs to be validated and it's in TCS inventory, the TCS working the tax computation request is not responsible for validating the case. The ATM/ATE or PTM/TE will validate any case in TCS inventory on the inventory list.

Note: TCS does not need to generate an open inventory listing.

8.10.3.6.1.4
(10-01-2015)
**Cases in Chief
Counsel's Possession**

- (1) Docketed cases in the possession of IRS Chief Counsel for trial preparation should be identified as “Part 3” on ACDS. “Part 3” cases are excluded on the Appeals Drawer to List Inventory Validation Process report. No other validation is required for “Part 3” cases in Counsel's possession.
- (2) If a docketed case is in Counsel's physical possession for trial preparation but in “Part 2” on ACDS, then update the “Part” to “Part 3”.

Note: APS must update the “Part” using closing code 43.

- (3) If a docketed case is in Appeals' physical possession but listed as “Part 3” on ACDS, then update the “Part” to “Part 2”. Then, validate the case in Appeals' possession.

Note: APS must update the “Part” using closing code 42.

- (4) Validate “Part 1” or “Part 2” cases in Counsel's physical possession, such as for decision document preparation, notice of deficiency review, OIC legal sufficiency review, etc. It may be necessary to retrieve the file to perform the validation.

8.10.3.6.1.5
(10-01-2015)
**Missing Case or Tax
Return**

- (1) List cases or tax returns that you could not locate during the physical validation on the Missing Case Report.
- (2) Include the plan of action for how the case was located or resolved on the Missing Case Report.
- (3) Include the Missing Case Report as an attachment to the Managerial Certification Memorandum.
- (4) Exhibit 8.10.3-2 provides a template for the Missing Case Report.
- (5) See also IRM 10.5.4.3, Reporting Losses, Thefts and Disclosures, and its subsections, for procedures on reporting the loss of sensitive information immediately upon discovery.

8.10.3.6.2
(10-01-2015)
ATE Case Inventory List

- (1) The ATE Case Inventory List is another validation report option within ACDS for ATEs. ATEs may generate an ACDS ATE Case Inventory List, (titled “AO Inventory List”) as needed.
- (2) Generate a current ACDS ATE Case Inventory Listing as follows:

Step	Action Required
1	The AO Inventory List is located under Reports→Case Inventory Reports→ AO Inventory List.
2	Employee’s name defaults to their name automatically.
3	Sort inventory by “KEYCASE+TPNAME”. Note: DO NOT check the box that reads - “Include closed cases in inventory?”
4	Select the button option that reads - “Print Part 3 and related WUNOs separately at bottom of listing.”

8.10.3.6.3
(10-01-2015)
Physical Inventory Validation for Appeals Processing Services (APS)

- (1) APS inventory consists of assigned and unassigned inventory. APS conducts physical inventory validations using a variety of reports and methods, including:
 1. Validation Tracking System - APS validates cases using the VTS when required by the system throughout the life cycle of the case.
 2. PEAS Inventory List - The PTM can use this report to conduct a physical inventory validation of assigned cases with the Tax Examiner, preferably during a workload review.
 3. Other inventory validation related reports - APS generates and works other inventory validation related reports related to controlling the physical location of assigned and unassigned cases and statutes, as required in IRM 8.10.1, Appeals Reports and Projects, Internal Reports. .

8.10.3.6.3.1
(10-01-2015)
PEAS Inventory List

- (1) Generate a current PEAS Inventory List as follows:

Step	Action Required
1	Access the “PEAS Inventory List” located under APS→Re-ports→IVL
2	Select the employee from the drop-down list
3	Select “Just Cases in Inventory”
4	Sort by TPNAME
5	Check the box to “Include open PEAS cases with no open returns”

- (2) In addition to the PTM using this list for the physical IVL, the TE may generate and work this report on an as needed basis.

8.10.3.6.3.2
(10-01-2015)

Case Inventory Reports

- (1) As required in IRM 8.10.1, Appeals Reports and Projects, Internal Reports, APS generates and works a variety of case inventory reports. The following case inventory reports and report parameters are also used for physical inventory validation:
 - ACDS Unassigned Report – Select the 2nd option and then select Action
Note: ACTION =“(blank)” OR ACTION = “SHIPPED”
 - Statutory Notice Report
Answer Y to question whether to include NPS cases
Enter Beginning SN Issued Date: Subtract one year from default date (first date of current month less one year)
Enter Ending SN Issued Date: Use default date (last date of current month).
Answer Y to question whether to print the earliest Statute Date
 - STIPFF (Stipulated Decision Documents for Filing) Alpha List - see IRM 8.10.1.4.3.1.12 (6), PROCEDURES FOR THE STIPFF ALPHA LIST.

8.10.3.6.4
(10-01-2015)

Managerial Certification

- (1) Managers will follow their Area’s instructions to certify conducting the physical IVL and results.
- (2) Areas will follow their Director’s instructions to certify conducting the physical IVL and results.
- (3) See Exhibit 8.10.3-1. This exhibit provides a template to use as the Managerial Certification Memorandum.

Exhibit 8.10.3-1 (10-18-2023)

Managerial Certification Memorandum

(memo)						
<p>DATE:</p> <p>TO: (Name and Title)</p> <p>FROM: (Certifying Manager's Name and Title)</p>						
<p>SUBJECT: FYXX Appeals Physical Inventory Validation - Managerial Certification</p> <p>This memorandum serves as my certification that I have completed the FYXX physical validation for the following employees on the following dates:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 60%;">Employee Name</th> <th style="text-align: left; width: 40%;">Date Validation Completed</th> </tr> </thead> <tbody> <tr> <td>[Employee Name]</td> <td>[Date Completed]</td> </tr> <tr> <td colspan="2">[Insert additional rows as needed]</td> </tr> </tbody> </table> <p>The following critical data fields were corrected during the physical inventory validation:</p> <p>[Include WUNO, ATE Last Name, Critical Data Field Corrected (name of field), Description of what was corrected]</p> <p>[Insert additional rows as needed]</p> <p>[Insert appropriate paragraph.]</p> <p>There were no missing cases identified.</p> <p>or</p> <p>Cases and/or tax returns that could not be found are listed on the Missing Case Report attached to this memorandum.</p> <p>Please contact me if you have any questions or require additional information.</p> <p>[Certifying Manager's Name]</p> <p>[Certifying Manager's Telephone Number]</p> <p>[Certifying Manager's email Address].</p> <p>Attachments: Missing Case Report (If applicable)</p>	Employee Name	Date Validation Completed	[Employee Name]	[Date Completed]	[Insert additional rows as needed]	
Employee Name	Date Validation Completed					
[Employee Name]	[Date Completed]					
[Insert additional rows as needed]						

Exhibit 8.10.3-2 (10-01-2015)**Missing Case Report**

AREA	TEAM	EMPLOYEE ASSIGNED	TAXPAYER NAME	TAX PERIOD(S)	ACDS STATUTE DATE	ACTIONS (Include date of discovery and actions taken to locate or reconstruct the missing case or tax return.)
[Insert additional rows as needed]						