



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

25.5.9

MAY 24, 2021

EFFECTIVE DATE

(05-24-2021)

PURPOSE

- (1) This transmits a revision to IRM 25.5.9, Summons, Fees and Costs for Summoned Witnesses.

MATERIAL CHANGES

- (1) 25.5.9.1.2: Removed references to IRC 7801. Added reference to Delegation Order 25-1.
- (2) IRM 25.5.9.1.3: Added executives responsible for oversight and their roles.
- (3) IRM 25.5.9.1.4: Added information about Collection summons program reviews.
- (4) IRM 25.5.9.1.6(1): Placed the information in (2) through (8) into a table.
- (5) IRM 25.5.9.3(1): Removed reference to IRC 7801.
- (6) IRM 25.5.9.6(1): Removed language encouraging a witness to submit summoned information via electronic storage media, such as CD, DVD & thumb drives.
- (7) IRM 25.5.9.8.1(3): Added a Note referring revenue officers to IRM 25.5.9.8.6.
- (8) IRM 25.5.9.8.2: Subsection name changed to Authorization and Certification of Form 6863 (Section B)
- (9) IRM 25.5.9.8.5(2): Added information about revenue officer use of ICS to process Form 6863 electronically.
- (10) IRM 25.5.9.8.6: Subsection added to provide guidance on revenue officer use of the ICS Form 6863 application.
- (11) IRM 25.5.9.8.7(1): Added information about potential ICS processing of Forms 6863.
- (12) Replaced Beckley Finance Center with its current name, Chief Financial Officer Organization (CFO), throughout this IRM.
- (13) Replaced “examiner” with “IRS employee” throughout this IRM.
- (14) The revisions to this IRM section include editorial changes, formatting, and IRM reference corrections throughout.

EFFECT ON OTHER DOCUMENTS

IRM 25.5.9 dated August 09, 2019 is superseded.

AUDIENCE

All operating and functional areas

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Small Business Self Employed

25.5.9

Fees and Costs for Summoned Witnesses

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25.5.9.1
(05-24-2021)
Program Scope and Objectives

- (1) The Summons Handbook provides guidelines for all IRS functions in one multi-functional handbook.
- (2) **Purpose:** This IRM provides instructional procedures relating to the payment and processing of summons invoices.
- (3) **Audience:** All employees authorized to obligate appropriated funds for payment of search costs, reproduction costs, and transportation costs in connection with third-party summonses issued under the Internal Revenue laws.
- (4) **Policy Owner:** Director, Collection Policy, SBSE.
- (5) **Program Owner:** Collection Policy Enforcement, SBSE.
- (6) **Primary Stakeholders:** Employees who prepare and approve summons invoices.
- (7) **Program Goals:** Provide guidance and procedures relating to the payment of summons invoices.

25.5.9.1.1
(04-27-2017)
Background

- (1) The Summons Handbook provides guidelines for all IRS functions in one multi-functional handbook. This section provides information concerning the payment of witness fees and other costs, invoice processing guidelines, and witness inquiries concerning payment of summons invoices associated with summons responses.

25.5.9.1.2
(05-24-2021)
Authority

- (1) IRC 7610 provides for the payment of witness fees and mileage to summoned witnesses and the payment of search, reproduction, and transportation costs to certain third-party witnesses. Third parties complying with a summons will be paid under the terms and conditions as set forth in 26 CFR 301.7610-1.
- (2) Search, reproduction, and transportation cost payments are in addition to and not a substitute for a summoned witnesses' right to witness fees and travel expenses.
- (3) IRC 7610 provides for payments to third parties who request reimbursement for costs incurred in complying with a summons. Payments may be made to third parties without the issuance of a summons for records needed in an investigation which are available to the general public. See IRM 1.32.1.14.4, Claiming Reimbursement.
- (4) The procedures and rates of payment contained herein take their authority from:
 - a. 26 USC 7610, as enacted by Public Law 94-455, October 4, 1976 (Tax Reform Act of 1976)
 - b. Treasury Department Order No. 150-10, dated April 22, 1982
 - c. IRS *Delegation Order* 25-6, dated August 8, 1997 (formerly Delegation Order No. 178)
 - d. Treas. Reg. 301.7610-1
- (5) *Delegation Order SBSE 25-6-1* provides the levels of authority delegated to obligate funds for payment to third parties who request reimbursement for the cost of complying with a summons, Form 6863, Invoice and Authorization for Payment of Administrative Summons Expenses. See IRM 25.5.9.2, Delegation of Authority, for additional information.

- (6) *Delegation Order 25-1* provides the levels of authority delegated to various IRS employees to approve and perform activities concerning summonses.

25.5.9.1.3
(05-24-2021)
Responsibilities

- (1) The Director, Headquarters Collection, is the executive responsible for providing policy and guidance for IRS employees and ensuring consistent application of policy, procedures, and tax law to effect tax administration while protecting taxpayer rights. See IRM 1.1.16.2.3, Headquarters Collection, for additional information.
- (2) The Director, Collection Policy, reports to the Director Headquarters Collection, and is responsible for the delivery of policy and guidance that impacts the summons program. See IRM 1.1.16.2.3.1, Collection Policy, for additional information.
- (3) The Program Manager, Enforcement, reports to the Director, Collection Policy and is responsible for providing policy and procedural guidance on specialized processes to employees. See IRM 1.1.16.2.3.1.2, Enforcement, for additional guidance.
- (4) Paragraph (9) of *Delegation Order 25-1* lists the employees delegated to issue summonses except "John Doe" summonses.

25.5.9.1.4
(05-24-2021)
Program Management

- (1) There are no servicewide program reports tracking summons issuance. The Collection Policy program analyst will periodically review summonses issued by revenue officers to ensure taxpayer rights were protected during the summons process and to determine that all standards for preparation, issuance and service of the summonses were met.
- (2) Summons invoices are processed by the Chief Financial Officer Organization (CFO), *formerly known as Beckley Finance Center*.

25.5.9.1.5
(04-27-2017)
Program Controls

- (1) The IRS employee who issued the summons keeps the original summons invoice in their administrative case file. The summons invoice is subject to the same retention standards as the case file.

25.5.9.1.6
(05-24-2021)
Terms and Acronyms

- (1) The following is a list of terms commonly used by the IRS when a third-party summons is served for books, records, and documents:

Term	Definition
Taxpayer	The person with respect to whose liability the summons is issued.
Third Party	Any person served with a summons other than: <ol style="list-style-type: none"> a. A taxpayer; or b. An officer, employee, agent, accountant, or attorney of a taxpayer who, at the time the summons is served, is acting as such.

Term	Definition
Third Party Records	Books, papers, records, or other data in which the taxpayer does not have a proprietary interest at the time the summons is served.
Directly Incurred Costs	Costs incurred solely, immediately, and necessarily as a consequence of searching for, reproducing, or transporting records in order to comply with a summons. Directly incurred costs do not include proportional allocation of fixed costs, such as overhead and equipment depreciation. However, where a third-party's records are stored at an independent storage facility that charges the third party a fee to search for, reproduce, or transport particular records requested, such fees are considered to be directly incurred by the summoned third party and are payable at the same rate the summoned third party is entitled to receive under Treas. Reg., 301.7610-1, (\$8.50/hour for personnel time used by the independent storage facility and \$0.20/page for copies of documents produced by the independent storage facility).

Term	Definition
Search Costs	<p>Include only:</p> <ul style="list-style-type: none"> • The total cost of personnel time directly incurred in locating and retrieving records or information; and • Direct costs of extracting information stored by computer. Salaries of persons locating and retrieving summoned material are not includible in search costs. <p>Note: Persons are paid a set amount for time directly incurred regardless of their salary or wage. Also, search costs do not include salaries, fees, or similar expenditures for analysis of material or for managerial or legal advice, expertise, or research, nor does it include time spent for such activities.</p>
Reproduction Costs	Costs incurred in making copies or duplicates of summoned documents, transcripts, and other similar material.
Transportation Costs	Costs incurred to transport personnel to search for records or information requested and costs incurred solely by the need to transport the summoned material to the place of examination.

(2) The table below lists commonly used acronyms and their definitions.

Acronyms

Acronym	Definition
CD	Compact Disc
CFO	Chief Financial Officer Organization
DVD	Digital Video Disc
EFT	Electronic Funds Transfer
ICS	Integrated Collection System

Acronym	Definition
IRC	Internal Revenue Code
IRM	Internal Revenue Manual
IRS	Internal Revenue Service
SB/SE	Small Business Self Employed
SF	Standard Form
SSN	Social Security Number
TIN	Taxpayer Identification Number
USC	United States Code

25.5.9.1.7
(08-09-2019)

Related Resources

- (1) IRM 25.5, Summons, provides guidelines for all IRS functions in one multifunctional handbook. The sections are:
 - IRM 25.5.1, Introduction
 - IRM 25.5.2, Preparation
 - IRM 25.5.3, Procedures
 - IRM 25.5.4, Examination of Books and Witnesses
 - IRM 25.5.5, Summons for Taxpayer Records and Testimony
 - IRM 25.5.6, Summonses on Third-Party Witnesses
 - IRM 25.5.7, Special Procedures for John Doe Summonses
 - IRM 25.5.8, Use of Summons Special Applications
 - IRM 25.5.9, Fees and Costs for Summoned Witnesses
 - IRM 25.5.10, Enforcement of Summons

25.5.9.2
(05-24-2021)

Delegation of Authority

- (1) The Commissioner of Internal Revenue Service (IRS) has delegated to the Area Directors, and to such persons as the Area Directors deem appropriate, the authority to obligate appropriated funds for making payment for search, reproduction, and transportation costs in connection with complying with a third-party summons. See *Delegation Order 25-6*. As a result of this delegation order, each business unit then delegates to the level of authority needed for obligation of funds.
- (2) Throughout this IRM, the term “IRS employee” will be used to reflect an employee with delegated authority to issue summonses, such as a Revenue Officer, Revenue Agent, Tax Compliance Officer or a Special Agent.
- (3) IRS employees should estimate the obligation needed for payment of the cost of compliance with the summons and initiate the necessary administrative action to obtain the required level of approval authority under Area Delegation Orders, if needed.

25.5.9.3
(05-24-2021)
**Payments for Costs in
Complying with
Summons**

- (1) IRC 7610 provides for payments to third parties who request reimbursement for costs incurred in complying with a summons. Payments may be made to third parties without the issuance of a summons for records needed in an investigation which are available to the general public. See IRM 1.32.1.14.4, Claiming Reimbursement.

- (2) No payment may be made under IRC 7610 until the third party has satisfactorily complied with the summons and has submitted an itemized bill or invoice per Treas. Reg. 301.7610-1(c)(1).
- (3) If a third party has satisfactorily complied with a summons but the invoice is determined to be incomplete, the agency shall:
 - **Return the invoice** to the witness as soon as practicable after receipt, but **no later than seven calendar days after receipt** of the invoice, and
 - Notify the witness in writing **of all defects** that prevent payment, and **request invoice re-submission** as soon as possible. The IRS employee's notification should clearly outline the actions necessary to complete, or perfect, the document.
- (4) The IRS must perfect and timely process and pay an invoice not returned to the witness within seven calendar days of invoice receipt, but only when the witness has first satisfactorily complied with the summons. The IRS employee is responsible for perfecting and processing the invoice when the seven calendar day review time-frame is not met.
- (5) The IRS employee that issued the summons is in the best position to determine what costs are reasonable based on the type of documents received and the age of the documents. Examples of allowed costs include:
 - Paper copies, when the same documents are not also included on storage media or by electronic transmission, paid at \$0.20/page (two-sided pages are counted as two separate pages)
 - Cost of storage media (such as CD, DVD and thumb drives)
 - Search (provided in number of hours spent to comply with the summons and paid at \$8.50/hour)
 - Other costs (such as transportation, postage and shipping)
- (6) Examples of disallowed costs include:
 - Charges for duplicate records (if the IRS employee requests both electronic and paper copies, the IRS must pay for both the electronic and paper copies)
 - Legal fees (Treas. Reg. 301.7610-1 allows \$8.50/hour for search and processing). Request the witness to correct the invoice and delete the number of hours legal personnel spent reviewing the accuracy of the summoned records.
 - Certification fee (only allowed if the IRS employee requested certification of the records)
 - Charges based on formulas (such as 50 statements an hour or 100 checks an hour). When this occurs, request the witness to correct the invoice and provide the actual search hours spent complying with the summons.
- (7) Send an e-mail to **CFO BFC Summons Help Desk* if there are questionable charges on the invoice.

Note: It is the IRS employee's responsibility to notify the third party when a claim is reduced, explaining the amount disallowed and the reason for the disallowance. The IRS employee or their manager can later allow the charge after additional information is provided by the third party. See IRM 25.5.9.8.8, Previously Disallowed Expense.

25.5.9.3.1
(08-18-2010)
**Responsibilities of
Federal Agencies**

- (1) The IRS is committed to the following:
 - a. Issue internal procedures to monitor the cause of untimely payments, implement necessary corrective actions, and promptly address inquiries.
 - b. Ensure effective internal control systems are established and maintained as required. Administrative activities required for payments to witnesses are subject to periodic quality control validation to be conducted once annually.
 - c. Ensure financial management systems capabilities provide accurate and useful management reports on payments.
 - d. Ensure the Inspector General and Internal Auditors review payment performance and systems accuracy, consistent with the Chief Financial Officers (CFO) Act requirements, and
 - e. Ensure timely payments.

25.5.9.4
(05-24-2021)
**Claims for Witness Fees
and Travel Expenses**

- (1) Witness fees and travel expenses are payable upon request to witnesses who are required to appear to give testimony or produce records before IRS personnel in compliance with administrative summonses issued under IRC 7602, IRC 6420(e)(2), IRC 6421(g)(2), or IRC 6427(j)(2). Amounts for these fees are prescribed in 28 USC 1821 and are separate from reimbursement of third parties for search, transportation, and reproduction costs for summoned information. This includes a per diem rate and a rate per mile for associated travel. Witness fees and payments for mileage may be made to all summoned witnesses, whether a third-party witness, the taxpayer, or the taxpayer's employee. Payment may be made whenever a summons is issued, regardless of the investigative state of the matter involved.
- (2) Procedures for payment of witness fees and travel expenses are detailed below. Use *Standard Form (SF) 1157, Claims for Witness Attendance Fees, Travel and Miscellaneous Expenses (Original)*, for this purpose.
 - a. The witness should prepare SF 1157 with the assistance of an IRS employee, if necessary, and sign in block 9. The name of the taxpayer should be shown under the name and case number in lines d and e, Part I, unless there is an assigned, non-SSN case number. Do not use the taxpayer's Social Security Number (SSN) in line e. The IRS employee before whom the summoned party appears should review the claim and sign on line 3, Part I and complete all information in Part III to indicate approval for payment.
 - b. The fees paid to a witness are taxable income and, if the applicable dollar threshold is met during the year, a Form 1099 will be issued. The Social Security Number of the witness must be included on SF 1157 next to their name on Line 1 of Part 1 -- Attendance Certification.
 - c. Forward SF 1157 through channels to the appropriate Business Unit Budget Analyst for review and completion of the information in Parts I and III. The Budget Analyst will forward the request to CFO for payment.
 - d. When the person summoned demands assurance or guarantee that payment will be made, prepare an additional copy of SF 1157 and give the copy to the person. Insert the following statement: "Payment of witness fees and travel expenses as stated above are guaranteed by the Internal Revenue Service" immediately above the space for approval.
- (3) If the person summoned cannot comply unless travel expenses are provided, then make an advance payment, not to exceed the amount allowable. Use the following procedures:

- a. Prepare SF 1157 in the name of the witness and enter the date scheduled for testimony on the line provided. Mark the original and any copies as "Advance Payment" and forward to the appropriate Business Unit Budget Analyst for review. The Budget Analyst will sign and forward to CFO for payment processing.
- b. When the advance payment covers only a part of the allowable fees and travel expenses, the SF 1157 submitted for the remainder of the allowance will bear a reference to the SF 1157 covering the advance payment.

25.5.9.5
(10-24-2014)
Basis of Payment

- (1) Payment for search, reproduction, and transportation costs will be made only to third parties served with a summons to produce third-party records or information and only for material requested by the summons, unless the records are available to the general public.
- (2) Make payment only for search, reproduction, and transportation costs that are both directly incurred and reasonably necessary. To determine whether costs are reasonably necessary, it is essential to consider search, reproduction, and transportation costs separately.
- (3) Do not make any payment until the third party satisfactorily complies with the summons.

Note: Enforcement of the summons due to a third party's partial summons compliance can be made.

- (4) Do not make any payment unless the third party submits an itemized bill or invoice showing specific details concerning the search, reproduction, and transportation costs. Information that a third party must include on the invoice is discussed in section IRM 25.5.9.8.1, Review of Form 6863 (Section A).

25.5.9.5.1
(08-09-2019)
Obligational Payment Authority

- (1) Effective August 8, 1997, *Delegation Order 25-6* grants authority to obligate appropriated funds for payment of search, reproduction, and transportation costs in connection with third-party summonses issued under the Internal Revenue laws. Each IRS employee should review their individual operating unit's Delegation Order to determine who has authority to obligate funds and to what dollar level.
- (2) Before issuance of a summons, make a reasonable estimate of the obligational authority level required for payment of the witness' costs for compliance with the summons. If the IRS employee does not have obligational authority for the expected costs, initiate the necessary administrative action to have the appropriate official approve the estimated costs of compliance prior to issuance of the summons.
- (3) Consider the need for the information sought in relationship to the anticipated costs of compliance.
- (4) Ensure Part B of the summons accompanies service of any summons and provide the witness with Form 6863, Invoice and Authorization for Payment of Administrative Summons Expenses. Upon full or satisfactory compliance with a summons, inform the witness that Form 6863 may be used to request reimbursement and provide the IRS employee's office address for billing.

- (5) A third-party invoice resulting from compliance with a summons which is \$25 or less (\$100 or less for revenue officers) may be paid in cash by the issuing IRS employee with obligational authority. This threshold does not include amounts which are claimed separately as witness fees and mileage. Input a claim for reimbursement under Miscellaneous Expenses on the travel voucher and provide a copy of the third-party invoice with the signed voucher. This expense type may be claimed in conjunction with local or city-to-city travel expenses, and may not be claimed as the only expense on the travel voucher. Prior to paying the witness and signing the travel voucher:
- Ensure the invoice itemizes the specific details of search, reproduction and transportation costs and that charges are at authorized rates.
 - Forward a copy of the invoice to the official who initially approved the obligation or the official with obligation authority appropriate to the amount of the bill if other than the IRS employee.
 - The obligating official will evaluate the charges in terms of accuracy and reasonableness and certify the bill for payment processing by signing the following statement: "Payment is approved and is within my delegated obligational authority," and print their title and organizational identification.

25.5.9.6
(05-24-2021)
**Information Received by
Electronic Storage
Media**

- (1) A witness may submit summoned information via electronic storage media, such as CD, DVD and thumb drives. Electronic format is normally less expensive and takes less time than paper documents, ultimately reducing summons invoice expenses.
- (2) Follow the procedures outlined in IRM 25.5.3.5, Records on Encrypted Storage Media, when the witness provides the summoned information via electronic storage media in lieu of paper documents.
- (3) If the witness claims expenses for submission of both paper documents and electronic media, verify that the paper records are different from the records provided on the CD. Notate on the invoice **NO duplicate records on CD**. Only allow the most cost effective expense claimed on the summons invoice when duplicate records are provided. A witness cannot be paid for duplicate reproduction of information. Reflect the appropriate disallowed expenses on Line 16a of Form 6863, Section B, and notify the third party of the adjustment.

Note: If the IRS employee requests both electronic and paper copies, the IRS must pay for both the electronic and paper copies.

- (4) The witness is allowed search costs under Treas. Reg. 301.7610-1 (\$8.50/hour).
- (5) Send an e-mail to **CFO BFC Summons Help Desk* when the witness includes a charge for providing the electronic records on storage media and the charges appear questionable.

25.5.9.7
(04-27-2017)
**Information Received by
Electronic Transmission**

- (1) A witness may respond to a summons by providing the summoned information via electronic transmission through a secure service or portal. See IRM 25.5.3.6, Electronic Summons Processes.

- (2) The witness cannot claim expenses for paper documents when all summoned information is provided via electronic transmission. Reflect the appropriate disallowed expenses on Line 16a of Form 6863, Section B, and notify the third party of the adjustment.
- (3) The witness is allowed search costs under the Treas. Reg. 301.7610-1 (\$8.50/hour).
- (4) Send an e-mail to **CFO BFC Summons Help Desk* when the witness includes a charge for providing the records by electronic transmission and the charges appear questionable.

25.5.9.8

(05-24-2021)

**Necessary Actions Upon
Receipt of Witness
Invoice**

- (1) Upon receipt of an invoice at an IRS office, an employee should date stamp the Form 6863 and forward the form to the IRS employee for review. If the witness sends an unmarked or unidentifiable content package containing the summoned information prior to the “quash” date and it is opened prematurely and the invoice is date stamped at that time, the IRS employee should strike over the date stamp and reseal the material received. Re-open the package and re-stamp the invoice the day after the quash period expired. Notate on the Form 6863 the reason for the strike over of the first date stamp.
- (2) After a third-party witness has satisfactorily complied with a summons, the IRS employee must **review any invoice within seven calendar days of receipt** from a witness and either:
 - Return it to the witness for correction, or
 - Forward the invoice to CFO for payment processing.
- (3) The IRS employee is responsible for reviewing Section A for completeness as submitted by the witness. If Section A is found to be complete and accurate, the IRS employee is responsible for completion and certification of Section B of Form 6863 and timely submission to CFO for payment. Incomplete invoices sent to CFO may delay payment and impair the government’s ability to pay the witness timely. Examples of invoice errors which delay invoice processing are:
 - a. Untimely submissions
 - b. Missing tax identification number
 - c. Missing accounting code data
 - d. Missing signature and signature dates

Note: CFO will return the Form 6863 to the originating employee if there are missing signatures and signature dates from the payee, the agent/officer, or the approving official.

25.5.9.8.1

(05-24-2021)

**Review of Form 6863
(Section A)**

- (1) Several line items of Section A **must** be completed by the witness for the invoice to be processable. The IRS employee **must review** the following Form 6863 Section A lines for completeness of witness preparation:
 - a. **Line 2 - Payee’s Federal Tax Identification Number (TIN):** The witness must list their Federal Tax Identification Number (TIN).
 - b. **Line 3 - Name and Address of Payee:** The witness must include their full remittance name and address, to include the zip code.
 - c. **Line 4 - Name and Address of taxpayer to whose liability the summons relates:** Self-explanatory.

- d. **Line 5 - Payment method:** Payment method is required for EFT (electronic funds transfer) direct deposit per Debt Collection and Improvement Act; however, the IRS employee should not hold the Form 6863 to obtain this information. CFO will pursue any needed information that is missing.
 - e. **Line 6 - Service/Financial Records Provided (Reproduction):** The witness must provide the applicable required information (such as the hours spent searching for the documents, the actual cost of extracting electronic information, number of paper copies, transportation cost to deliver records, and other expenses, along with any other details which substantiate the claim.
 - f. **Line 7 - Printed Name of Financial Institution Official or Payee:** Self-explanatory
 - g. **Line 8 - Title and Business E-mail Address:** The Title of the authorized employee of the witness is the only required item. An e-mail address is not required for processing.
 - h. **Line 9 - Signature of Financial Institution Official or Payee:** A signature is required for payment processing.
 - i. **Line 10 - Date Signed:** The witness must date Form 6863.
 - j. **Line 11 - Telephone Number:** A contact number is required.
- (2) After a witness has satisfactorily complied with a summons, if any of the information in the lines listed in paragraph (1) is missing or incomplete on the Form 6863 received from the witness, the IRS employee must return the invoice to the witness **within seven calendar days** with a document identifying the lines the witness must complete in order for the invoice to be processed. The IRS employee can complete the missing information if known or if obtained from the witness telephonically. However, if the IRS employee does not know and cannot complete the missing information themselves and the invoice is not returned to witness and documented within seven days of the date stamp, the IRS employee must obtain the missing information and process the invoice for payment immediately.
- Note:** The IRS employee can secure the missing line items verbally from the witness, but verbal communication does not extend the seven day time frame to return the invoice to the witness. The IRS employee must still return the incomplete invoice to the witness within seven calendar days.
- (3) Section A of Form 6863 does not require information on Lines 1, 5, and 8b from the witness in order to be processed for payment. The invoice cannot be returned to the witness for corrections or invoice processing delayed if the following lines are not completed:
- a. **Line 1 - Payee's Invoice Number:** The witness can assign their own unique invoice number. This is helpful to monitor and track for accounting control purposes.
 - b. **Line 5 - Payment Method:** The witness completes this section in order to receive payment via Electronic Funds Transfer (EFT).
 - c. **Line 8b - Title and E-mail address:** The title is required. An e-mail address is not.

Note: Revenue officers using ICS, see IRM 25.5.9.8.6, ICS Form 6863.

- (4) When a previously incomplete invoice is returned by the witness, follow the above procedures to review and process the invoice. Notate on the face of the Form 6863 the reason for more than one date stamp on the Form 6863.

25.5.9.8.2
(05-24-2021)

**Authorization and
Certification of Form
6863 (Section B)**

- (1) The IRS employee has responsibility for completion and certification of Form 6863 Section B. The IRS employee must certify and forward the invoice according to operating unit guidelines, or to CFO within seven calendar days of receipt of a correct and accurate invoice from a witness, provided the witness has satisfactorily complied with the summons.
- (2) The IRS employee will review amounts claimed by the witness for reproduction costs and determine if they are appropriate. The IRS employee **must** enter the appropriate information in the following lines of Form 6863 Section B:
 - a. **Line 12 - Date Summons Issued:** Enter the date the IRS employee issued the summons to the third party
 - b. **Line 13 - Date Complied With:** Enter the date the witness satisfactorily complied with the terms of the summons.
 - c. **Line 14 - Date Invoice Received:** Enter the date that a perfected and accurate invoice is received from the witness. Do not use the date an invoice with missing or incomplete information was received. Use the date the invoice containing all required witness line items in Section A was received. Although this can be the same as the date stamp date, it is not always the same.
 - d. **Line 15 - Total Amount Claimed:** Enter the total amount claimed by the witness from line 6e.
 - e. **Line 16a - Disallowance (if any):** Review the reimbursement amounts claimed by the witness. If any amounts are inappropriate or incorrect, (such as incorrect hourly rate, incorrect number of documents claimed versus amount actually received, duplicate information received by both electronic and paper means), enter the dollar amount to be disallowed. If the amount shown by the witness on line 6e and entered on Line 15 is correct, enter "\$0".

Note: It is the IRS employee's responsibility to notify the third party when a claim is reduced, explaining the amount disallowed and the reason for the disallowance.
 - f. **Line 16b - Disallowance reason:** Briefly explain the disallowance amount, such as incorrect hourly rate, incorrect number of documents claimed versus amount actually received or duplicate information received.
 - g. **Line 17 - Amount to Payee:** Subtract Line 16a from Line 15 and enter the total.
 - h. **Line 18 - Accounting Classification:** Enter the Requisition Number **or** Cost Center and Functional Area codes. The accounting codes change annually to reflect charges to the new fiscal year. Contact your area Budget Office for assistance to obtain the correct codes.
 - i. **Lines 19 through 23 - Certification:** Self-explanatory. Enter information as the IRS employee and sign on Line 22.
 - j. **Lines 24 through 28 - Certification:** Self-explanatory. The IRS employee enters their information and signs on Line 27 if they have obligational authority. If the obligating official is someone other than the IRS employee, route the Form 6863 for that person to enter their information and sign on Line 27.

Note: Complete Lines 19 through 28 even if the IRS employee is the same person certifying in both areas. The first certification indicates articles and services were received, and the second certification is for the obligation of funds.

- k. **Line 29 and 30: Before transmitting** the invoice to CFO, mark the manner of submission and the date the invoice is submitted.

25.5.9.8.3
(10-24-2014)
**Summoned Information
Received Without An
Invoice**

- (1) Process witness invoice submissions in formats other than Form 6863 in the same manner as Form 6863. Provided the witness has satisfactorily complied with the summons, the IRS employee must review the invoice **within seven calendar days** to ensure all items required in Section A are contained on the invoice. If so, use the steps in the following table to process the invoice for payment:

Step	Action
1	Complete and certify Section B of Form 6863.
2	Attach the witness' invoice to Form 6863.
3	Write "See attached invoice" in the "Signature of financial institution official or payee" line of Section A.
4	Transmit the documents to CFO as described in IRM 25.5.9.8.5, Invoice Submission to Chief Financial Officer Organization (CFO).

- (2) If the invoice does not contain all required information, refer to IRM 25.5.9.8.1, Review of Form 6863 (Section A), for necessary actions to correct or return the invoice for completion and perfection by the witness.

25.5.9.8.4
(08-18-2010)
**Invoice Processing
Table**

- (1) The following table provides guidance on processing invoices from the point of initial receipt by the IRS employee:

If	And	Then	And
Section A contains all required information	all documents and information required by the summons is received	complete and sign Part B of Form 6863	send to CFO for payment.
An invoice is received without Form 6863	all information required by the summons is received	staple the invoice to Form 6863 and write "see attached invoice" in the witness signature area of Part A. Complete and sign Part B of Form 6863	send to CFO for payment.

If	And	Then	And
Section A contains all required information	only partial documents and information required by the summons is received	the request for payment may not yet be processed	notify the witness that no request for payment may be processed until the witness has satisfactorily complied with the summons. Also, notify the witness in writing of the additional documents and information required by the summons.
Section A does not contain all required information	no information, partial information, or all information required by the summons is received	return the invoice to the witness with specific instructions on what needs to be done to perfect the invoice and any additional information required by the summons; document on the Form 6863 the date of return to the witness (for example, "Form 6863 returned to witness 3/31/21")	wait to receive satisfactory compliance with the summons and a perfected invoice from the witness before submitting anything to CFO for payment.

25.5.9.8.5
(05-24-2021)
**Invoice Submission to
Chief Financial Officer
Organization (CFO)**

- (1) The preferred method for submission of Form 6863 invoices to CFO is by fax or scanned invoice via e-mail for all IRS employees except revenue officers using ICS. Transmittal information is as follows:
- Fax an invoice to (855) 787-4385, (855) 787-4388, (855) 787-4389, or (855) 787-4818
 - E-mail scanned invoices to **CFO BFC Invoice Link*

If either option is used, **do not** forward or mail a copy of the original invoice to CFO in any other manner. Retain the original invoice in the administrative case file.

- (2) Effective January 1, 2021, revenue officers will use ICS to process Forms 6863 to CFO electronically. See IRM 25.5.9.8.6, ICS Form 6863, for details.
- (3) The least preferred method for submission of an invoice is by mail or private delivery service at:

Mailing Address	Private Delivery Service Mailing
Internal Revenue Service Chief Financial Officer Organization (CFO) P O Box 9002 Beckley, WV 25802	Internal Revenue Service Chief Financial Officer Organization (CFO) 110 North Heber Street Beckley, WV 25802

- (4) Once the invoice is submitted to CFO, the invoice at CFO is considered the “original invoice” and is subject to invoice retention standards. A copy of the invoice is maintained with the administrative case file and is subject to the same retention standard as the rest of the case file. See IRM 25.5.9.1.5, Program Controls.
- (5) Include any third party detailed invoice with the Form 6863. It is not necessary to include a copy of the summons.
- (6) If a Form 6863 was already submitted to CFO and an error is found, **do not** send a corrected form without first contacting CFO at (304) 254-3300, or sending an e-mail to **CFO BFC Summons Help Desk*. This eliminates the possibility of a duplicate payment. Follow the instructions given by CFO to correct the original invoice.

25.5.9.8.6
(05-24-2021)
ICS Form 6863

- (1) Effective January 1, 2021, revenue officers will use ICS to transmit Form 6863 invoices to CFO. Rather than completing Form 6863 (Section B) and submitting a manual invoice for payment, the ICS Form 6863 application submits the invoice electronically.
- (2) Follow the procedures to review the Form 6863 provided by the witness as discussed in IRM 25.5.9.8, Necessary Actions Upon Receipt of Witness Invoice and IRM 25.5.9.8.1, Review of Form 6863 (Section A). Revenue officers will complete and certify the Form 6863 (Section B) on ICS.

Note: The ICS Form 6863 application requires an entry in Line 1 (Payee’s Invoice No). **If Line 1 on Form 6863 received from the witness is blank, type NA in Line 1 of the ICS Form 6863 application.**

- (3) When it is determined that the witness has satisfactorily complied with the summons and the claimed expenses are appropriate, revenue officers will process the Form 6863 invoice through ICS.
- (4) Complete the ICS Form 6863 application by transferring the information provided by the witness on Form 6863 (Section A) into the ICS application. Revenue officers (GS-9 and above) will certify and authorize payment within

their authority through ICS and the invoice is processed to CFO electronically. Detailed instructions are available in the *ICS Summons Guide* and on the *Summons Knowledge Base*.

Note: Pursuant to *Delegation Order SBSE 25-6-1*, revenue officers, GS-9 and above, are authorized to obligate appropriated funds for payment to third parties for reimbursement of certain costs incurred when complying with a summons up to \$2,500.

- (5) When the TIN provided by the witness is entered into the ICS Form 6863 application; ICS automatically loads the witnesses' name, address, bank routing and account numbers. ICS also loads the revenue officer's information and the accounting codes.
- (6) If it is necessary to disallow a claim for reimbursement, see IRM 25.5.9.8.2(2) e and f.

Note: The ICS Form 6863 application will guide you through disallowing a claimed expense.

- (7) After processing the invoice electronically through ICS, maintain the original Form 6863 submitted by the witness in the administrative case file. See IRM 25.5.9.1.5, Program Controls.
- (8) In most instances, the ICS Form 6863 application is available for revenue officers to process Form 6863 invoices to CFO. There are some occasions when manual Form 6863 processing is required; such as:
 - **The invoice is over \$2,500.** Invoices over \$2,500 require additional approval. See *Delegation Order SBSE 25-6-1*.
 - **The witness was not previously approved by CFO.** ICS maintains a database of previously approved witnesses. If the witness was not previously approved, ICS will direct the revenue officer to process the Form 6863 manually. Once the manual Form 6863 is processed, CFO will add the witness to the approved list for future Form 6863 processing through ICS.
 - **The witnesses' name, bank routing and account numbers on Form 6863 does not match ICS.** The witnesses' name, bank routing and account number on the Form 6863 must exactly match the information on ICS that loads when the witnesses' TIN is entered. If this information does not match, process the Form 6863 manually. It is not necessary for the witnesses' address to match.
 - **The witness did not complete Form 6863, Line 5, to provide a payment method.** When this occurs, ICS will direct the revenue officer to process the Form 6863 manually. See IRM 25.5.9.8.1(1)d.
 - **The witness provides an invoice in a format other than Form 6863.** When this occurs, follow the procedure in IRM 25.5.9.8.3, Summoned Information Received Without an Invoice.
- (9) When manual processing is required, revenue officers will follow the procedures provided in IRM 25.5.9.8.2, Authorization and Certification of Form 6863 (Section B), IRM 25.5.9.8.4, Invoice Processing Table and IRM 25.5.9.8.3, Invoice Submission to Chief Financial Officer Organization (CFO), to process the invoice to CFO manually. The preferred method of manual transmission is by fax or scanned invoice sent via e-mail.

25.5.9.8.7
(05-24-2021)
**Duplicate Invoices or
Witness Payment
Inquiries**

- (1) Do not send duplicate copies of invoices to CFO. If the original was faxed, e-mailed or processed through ICS, retain the original in your case file and **do not** mail or re-transmit the original in any manner to CFO. A duplicate Form 6863 transmittal, in any manner, regardless of how the original invoice was transmitted, may result in duplicate processing and payment to the witness.
- (2) Process witness inquiries received using one of the following options.
 - Communicate to the witness to contact CFO at (304) 254-3300, or
 - E-mail an employee communication concerning duplicate invoices or witness payment to **CFO BFC Summons Help Desk*.

Note: Do not transmit the invoice to CFO using normal routing procedures.

- (3) Write in bold letters “**Duplicate Invoice Inquiry**” or “**Witness Payment Inquiry**” across the face of the Form 6863 for any suspected duplicate invoice or witness payment inquiry communication that contains a copy of the invoice. If the IRS employee still has a copy of the original invoice, the original submission manner and date must be clearly indicated on Form 6863 Lines 29 and 30 and include the appropriate bold letters across the face.
- (4) If the witness submits two invoices for the same case but on different dates and you suspect or it appears to be a duplicate, determine if the invoice is duplicate and already transmitted to CFO. If so, follow the guidance in paragraph (2).

Note: Do not complete Section B and resign or recertify a copy of Form 6863 received with a witness’ payment inquiry.

25.5.9.8.8
(04-27-2017)
**Previously Disallowed
Expense**

- (1) After submitting the invoice to CFO with a disallowed expense, the IRS employee may reconsider the disallowed expense after receiving additional information.
- (2) Write in bold letters “**Reconsideration of Disallowed Expense**” on the face of the Form 6863.
- (3) Change Line 16a of Form 6863, Section B and notate the expense now allowed.
- (4) E-mail the scanned invoice to **CFO BFC Summons Help Desk*.

25.5.9.9
(08-18-2010)
**Inter-Area Courtesy
Summons**

- (1) Special procedures apply to courtesy summonses served in another area.
 - a. When one area requests a summons to be served by another area, the obligating authority official in the initiating area will obligate funds for the payment of that summons. The requesting area will forward a completed summons, exclusive of the time and place for appearance and the agent before whom the witness is to appear. The transmittal document or Courtesy Investigation accompanying the summons should indicate the level of obligation authority and Form 6863 with the appropriate Office and funding codes.
 - b. If the serving office anticipates costs to exceed the obligational amount of the official indicated, the serving employee in the receiving area will advise the requesting area of the need for the approval of an official with higher obligational authority.

- c. The IRS employee of the area serving the summons and the issuing official of the requesting area should coordinate to determine that compliance has occurred.
- d. Within **four** calendar days of receipt from the witness who has satisfactorily complied with a summons, the serving employee will review the invoice for completeness as described in IRM 25.5.9.8.1, Review of Form 6863 (Section A). If invoice corrections are needed, the serving employee will fax or e-mail the invoice to the originating official in the requesting Area within **four** calendar days of invoice receipt or return the invoice to the witness for corrections within **seven** calendar days of receipt.
- e. Provided the witness has satisfactorily complied with the summons, the issuing official will review, certify for payment, and forward to CFO for payment processing within **seven** calendar days of original invoice receipt.

25.5.9.10
(04-27-2017)

**Additional Invoice
Processing Information**

- (1) Instructions for using *Form 6863*, Invoice and Authorization for Payment of Administrative Summons Expenses, are found on page two of the form.
- (2) If a petition to quash the summons is received timely and the summoned records have not been examined for completeness, the Form 6863 invoice cannot be paid. A timely petition to quash prevents the IRS employee from viewing the records to determine if the summons is satisfactorily complied. When a petition to quash is received timely, the IRS employee will:
 - Keep a copy of the invoice with the administrative file.
 - Send the original invoice back to the witness with a cover letter explaining that a petition to quash the summons was received and that we cannot pay the invoice until we can view the records to determine if the summons was satisfactorily complied.