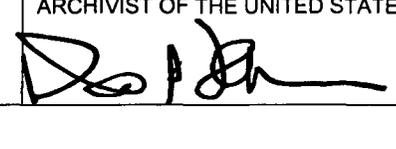


<b>REQUEST FOR RECORDS DISPOSITION AUTHORITY</b>		JOB NUMBER <b>N1-58-09-94</b>	
To: NATIONAL ARCHIVES & RECORDS ADMINISTRATION 8601 ADELPHI ROAD COLLEGE PARK, MD 20740-6001		Date received <b>9/14/09</b>	
1 FROM (Agency or establishment) Department of the Treasury		NOTIFICATION TO AGENCY  In accordance with the provisions of 44 U S C 3303a, the disposition request, including amendments, is approved except for items that may be marked "disposition not approved" or "withdrawn" in column 10	
2 MAJOR SUBDIVISION Internal Revenue Service			
3 MINOR SUBDIVISION Small Business/Self-Employed (SB/SE) Servicewide Penalty Program			
4 NAME OF PERSON WITH WHOM TO CONFER Tracee Taylor (REFM-Records) Denise Baldwin (SB/SE)	5 TELEPHONE NUMBER (202) 435-6308 (202) 283-3430	DATE <b>13 July 10</b>	ARCHIVIST OF THE UNITED STATES 
6 AGENCY CERTIFICATION I hereby certify that I am authorized to act for this agency in matters pertaining to the disposition of its records and that the records proposed for disposal on the attached <u>3</u> page(s) are not needed now for the business for this agency or will not be needed after the retention periods specified, and that written concurrence from the General Accounting Office, under the provisions of Title 8 of the GAO Manual for Guidance of Federal Agencies,  <input checked="" type="checkbox"/> is not required <input type="checkbox"/> is attached, or <input type="checkbox"/> has been requested.			
DATE <b>9/9/2009</b>	SIGNATURE OF AGENCY REPRESENTATIVE  <b>IRS Records Officer</b>		TITLE
7 ITEM NO	8 DESCRIPTION OF ITEM AND PROPOSED DISPOSITION <b>RCS 1.15.28 for Collection</b> <b>Future Updates:</b>  * Reserved Items 135 - 144  * Part VI – Other Program Records (not covered elsewhere in this Schedule)  * Item 145, Reserved for Employee Protection System (EPS)  * Item 146, Reserved for Form 6459, Return Preparer's Checksheet  * Item 147, Reserved for Incorrect Information Penalty (IRP IIP) System  * Item 148, Reserved for Tip Database  <b>1. Add new Item 149, Reasonable Cause Assistant (add to Alphabetical Listing and Numerical Cross-Index at end of Schedule)</b>  <b>See attached for new item 149 under Part VI.</b>	9 GRS OR SUPERSEDED JOB CITATION	10 ACTION TAKEN (NARA USE ONLY)

**RCS 1.15.28, Itc... 149**  
**Reasonable Cause Assistant**

**Background:**

*RCA provides uniform administration of penalty relief using a series of questions that lead the IRS employee to a consistent conclusion while ensuring the appropriate facts and circumstances are addressed. After thoroughly analyzing a taxpayer's account, IRS employees access RCA to determine if penalty relief can be allowed. Employees are prompted by the system to answer a series of questions using drop-down menus that address what happened, when it happened, where it happened, who is responsible, the reasons the taxpayer could not comply, or conversely, how the taxpayer did try to comply. Answers to these questions come from feedback the taxpayer provides the IRS.*

*RCA next performs an account analysis to determine if a taxpayer has a good history of compliancy (generally the three years prior to the year penalized) If so, RCA recommends waiving the appropriate penalty(s) as a first time abate waiver, for example, with the caveat that the taxpayer could be penalized for non-compliance in the future if a similar situation happens again This adjustment process is essentially no different than before RCA The most significant change with using RCA is that RCA makes the decision to accept or deny a penalty relief request rather than the IRS employee The IRS employee then inputs the adjustment to either the Individual Master File (IMF) or Business Master File (BMF) via the Integrated Data Retrieval System (IDRS), and files in hardcopy the taxpayer's request with the adjustment as a source document. The IMF or BMF assigns a Document Locator Number (DLN) to the adjustment, and the source document is filed with a hardcopy DLN. A Computer Paragraph (CP) notice of the penalty abatement is generated from the IMF or BMF to the taxpayer. The IRS employee may also send an IRS Correspondex (CRX, a template letter generation system for the Service) letter to the taxpayer explaining the penalty abatement via IDRS Command Code (CC) LPAGE.*

*If a taxpayer is not in good standing and their explanation does not show that their failure to comply with the requirement(s) for which they were penalized was due to reasonable cause, the penalty(s)*

*is/are sustained. RCA will assist the IRS employee prepare the appropriate denial letter detailing the reason why the request to remove the penalty(s) was denied and providing the taxpayer's appeal rights. The denial letter, an IRS Correspondex letter, is ultimately issued to the taxpayer via IDRS CC LPAGE.*

*If the taxpayer has not supplied enough information, RCA may reach a conclusion to suspend the case. Additional documentation may be needed before a determination can be reached and the appropriate IRS Correspondex letter will be generated via IDRS CC LPAGE asking for the required information.*

**Description:**

RCA is a decision-support system that assists IRS employees to make reasonable cause determinations relative to a taxpayer's penalty relief request for Failure to Pay (FTP), Failure to File (FTF), and Failure to Deposit (FTD) penalties.

**a. Inputs:**

RCA receives electronic transfers of extracts from various IRS sources, including taxpayer penalty history and pertinent account information from the Corporate Files On Line (CFOL) and Taxpayer Information File (TIF).

Records also include information provided IRS by the taxpayer supporting a request for penalty removal.

(1) Data electronically received from IRS sources.

**Disposition:** Temporary. Delete after input verification into RCA master files. Recordkeeping copies of this data are appropriately scheduled under other IRS authorities for specific systems and/or sources providing input.

(2) Taxpayer documentation. Includes taxpayer request for penalty removal and supporting documentation. Request can be made in writing or by phone.

**Disposition:** Temporary. If the taxpayer's request is received by paper, that paper is included in the hardcopy source document filed with the hardcopy adjustment DLN issued by the IMF or BMF. If the

*GRS 20.26*

*Filing instructions*

request is received by phone, the IRS employee notates the information provided by the taxpayer and includes it with the hardcopy source document filed with the hardcopy adjustment DLN issued by the IMF or BMF.

The IMF is scheduled under IRM 1.15.29, item 203 with a 30-year retention.

The BMF is scheduled under IRM 1.15.29, item 210 with a 75-year retention.

**b. Master files:**

Extracts of taxpayer account information and penalty history culled from various IRS sources. Also includes documentation of RCA session, including penalty relief determination.

**Disposition:** Temporary. Write to Accounts Management Services (AMS) History File immediately after RCA session is closed. Delete after 3 years of inactivity on the account.

**c. Outputs:**

Ad hoc reports provided upon request, such as total number of RCA accesses (per site), and the RCA conclusion of each access. Reports also include queries on the number of times each RCA category was selected for review.

GCS 20.4  
20.5  
20.16

**Disposition:** Temporary. Destroy/Delete when superseded, obsolete or no longer needed, whichever is later.

**d. System Documentation:**

Desk Reference Guide (DRG), Facility Security Plan (FSP), Q&A documents, and other related materials.

**Disposition:** Temporary. Destroy 3 years after system is replaced or obsolete.

Exception to  
GCS 20.11a(1)