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Information Paper: Automated Collection System
(ACS)

Internal Revenue Service
United States

Automated Collection System (ACS)

The Automated Collection System (ACS) call sites are part of a district Collection Division. The Collection Division is mainly responsible for collecting unpaid (delinquent) taxes and securing late (delinquent) tax returns from taxpayers.

When taxpayers do not or will not pay taxes, the U.S. tax laws give the Collection Division the right to:

- serve a levy (written notice to the party holding the funds) which allows IRS to collect taxes from wages, bank accounts or other sources of income;
- file a lien (written public notice of the taxpayer's debt) which prevents the taxpayer from selling or transferring his property until taxes are paid and/or
- seize personal or business property that IRS can sell for payment of taxes.

Before the ACS call sites existed, efforts to collect taxes and secure delinquent returns were done manually by Collection Office function. From July 1976 to December 1982, the caseload increased from 614,000 to 2 million and the dollar value from 1.7 billion to 7.6 billion nationwide. It became impossible to manage the large volumes of paper required in this manual system and our phone system was totally inadequate to handle the increased volume of taxpayer contacts needed to effectively collect this revenue. Therefore, the Automated Collection System was born.

Delinquent accounts (taxes owed or returns not filed) are identified by the Integrated Data Retrieval Computer Systems (IDRS) for processing by the ACS computers.

The ACS computer features include:

- A screen display of all account information and current updates on payments and returns filed;
- Automatic scheduling of cases for telephone contact based on the date received in ACS and the most revenue that can be collected;
- Automatic rescheduling of cases for future callbacks;
- Built-in instructions to help employees work cases and use the ACS system and
- A monitoring system managers can use to check the quality of work done by their employees.

Upon receipt of cases from the IDRS computer, the ACS computer system checks each case to determine --

- 1) If a telephone number is available for taxpayer contact; or
- 2) If a levy source is available to collect the taxes from the taxpayer's wages, bank account or other source of income.

Depending on the action that needs to be taken, ACS will send the delinquent account to one of three functions in the call site:

- 1) ~~Contact function - handles outgoing calls to taxpayers~~
- 2) Investigation function - searches for taxpayers and their assets
- 3) Research function - handles incoming calls from taxpayers and responds to taxpayer letters

To simplify the different kinds of work done in each function, the functions are divided into units. (Attachment 1)

Contact Function

Employees in this function:

- Handle outgoing calls to taxpayers concerning individual and business tax accounts;
- Are responsible for requesting the payment of taxes and/or the filing of delinquent returns and
- Are authorized to accept payment plans (installment agreements) and to start actions to file a lien, or serve a levy (enforcement actions).

When a taxpayer has been contacted by this function no further calls are made unless:

- additional information is needed, or
- a promise made by the taxpayer is not kept.

If a taxpayer promises to pay taxes or file a return, the account is scheduled for a follow-up within a few days after the promised date. In the follow-up:

- Enforcement actions such as liens or levies may begin if payments are not received.

- If returns are not filed the call site can prepare returns based on income information provided to IRS or in some instances, forward the case to the Collection Field function.

Investigation Function

Employees in this function:

- Attempt to locate taxpayers and their assets in an effort to resolve accounts when we have not been able to contact the taxpayer by phone or correspondence.
- Are authorized to transfer cases to revenue officers in the Collection Field function for further collection action or determine if further collection action should be continued.

In an attempt to locate taxpayers, different sources (Locator Services) are researched. Locator Services include:

- Automobile registration records
- Courthouse records for ownership of land, houses
- Employment/address records
- State Department of Revenue records
- Credit bureaus for employment information, new addresses and/or telephone numbers
- Bankruptcy records (from U. S. Bankruptcy Court)

Research Function

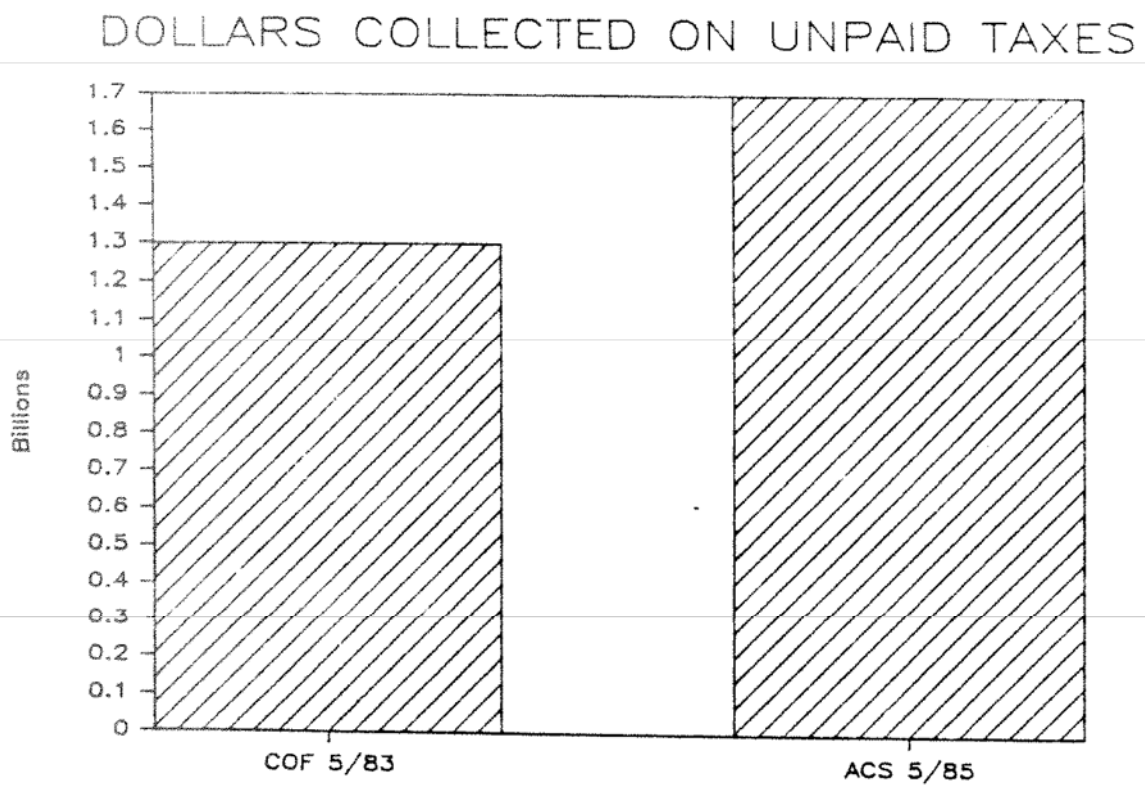
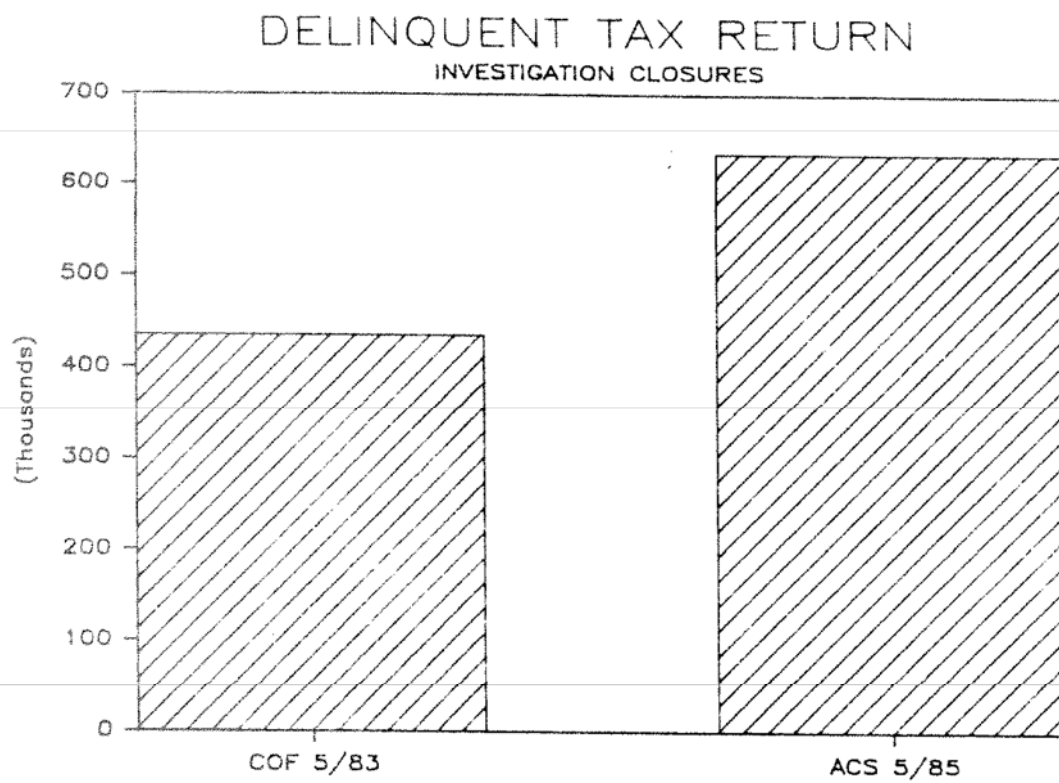
Employees in this function:

- Answer incoming calls from taxpayers
- Respond to letters from taxpayers
- Research for unapplied payments
- Work cases that need special handling, such as letters from congressmen and accounts on which taxpayers have written to IRS before and have not received a response or received an incorrect response.

Summary

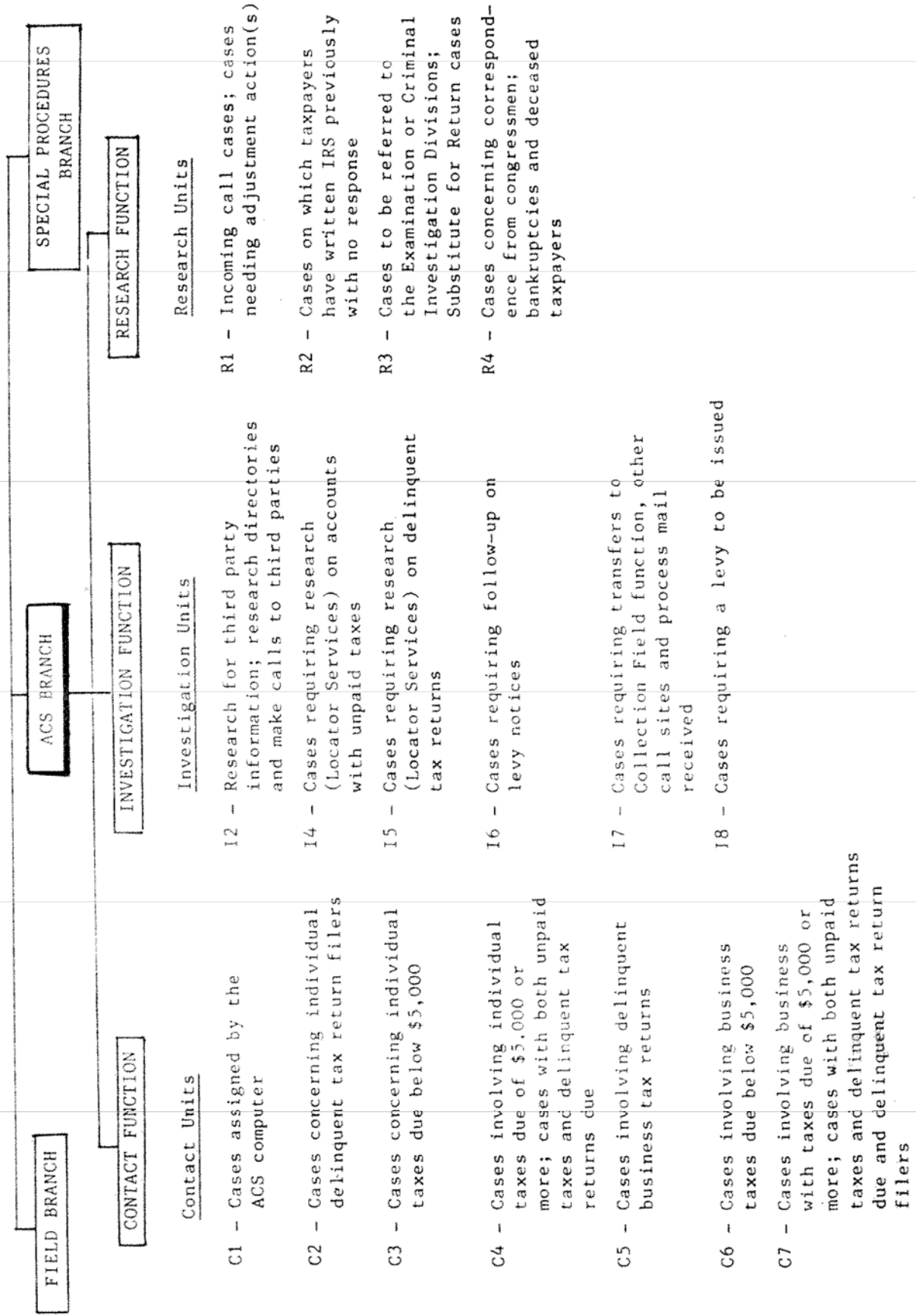
In the paperless system of ACS, telephone calls are the heart of the system. Telephone contact efforts help ACS achieve its goal of increased dollars collected; reduced staffing costs and increased taxpayer compliance.

When ACS call sites have been unable to contact a taxpayer by telephone or letter, the case may then be sent to the Collection Field function.

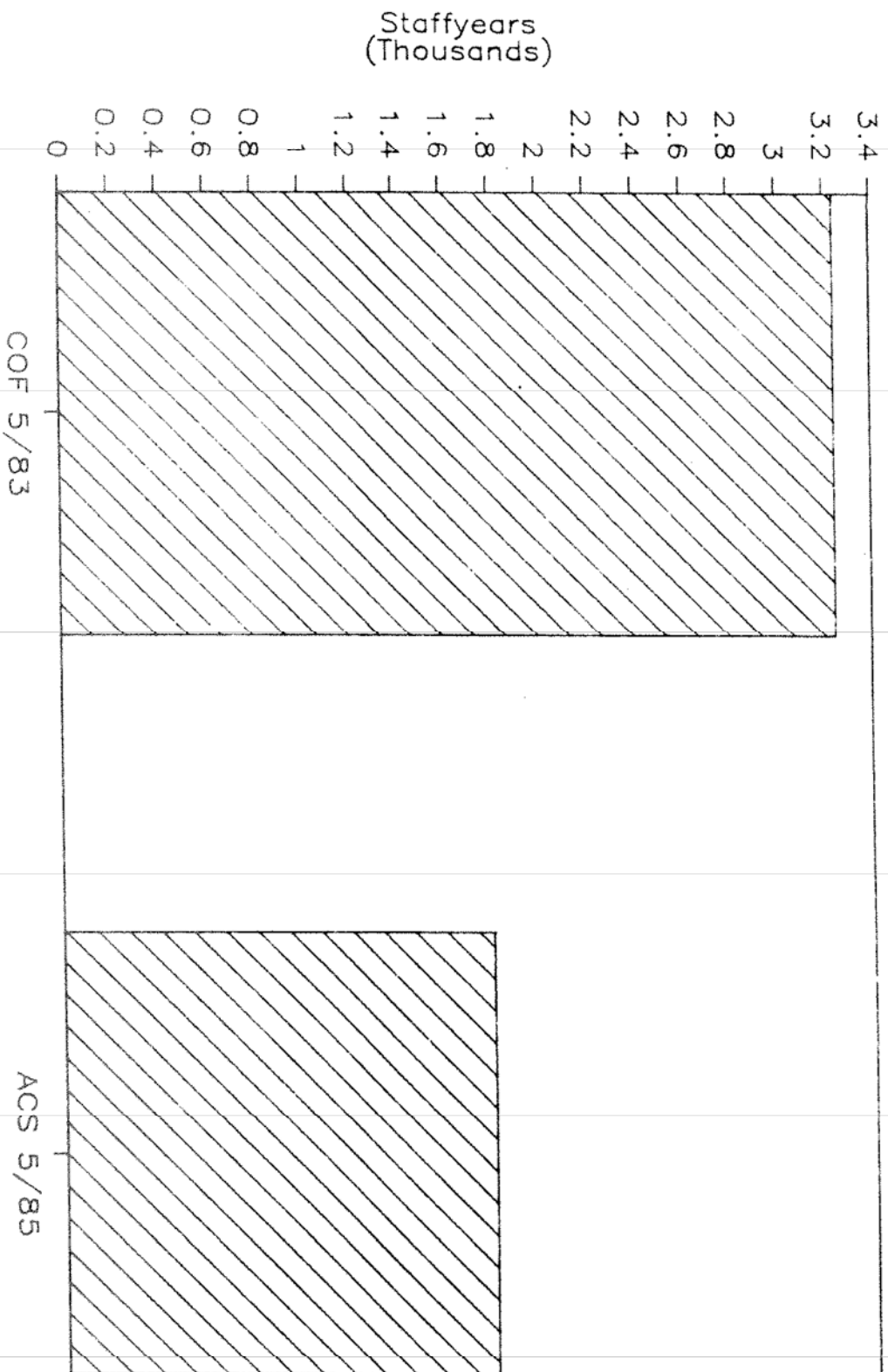


Collection Office function (COF) vs. Automated Collection System (ACS)
(Manual system prior to ACS)

DISTRICT COLLECTION DIVISION



TIME SPENT PROCESSING



Collection Office function (COF) vs. Automated Collection System (ACS)
(Manual system prior to ACS)