



Electronic Lien (E-Lien) Program

Briefing for International Association of Commercial Administrators

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E-Lien Objectives Update

- **Improve the current Federal Tax Lien (FTL) filing and payment process with State and Local Jurisdictions (SLJ) by automating:**
 - Lien delivery process
 - Lien Recording and release process
 - Lien filing fee payment process
 - Establishing an SLJ web interface with E-lien
 - Reduce number of SLJ paper filing locations
 - Establish State Hubs where possible (Single point filing)
 - Improve Customer Service through technology and efficiency

E-Lien Program Vision

- **E-Lien will deliver a modernized system designed to achieve:**
 - Enhance speed and timeliness of Lien filings and releases
 - Reduce staffing costs at the IRS and recording locations
 - Improve data integrity and ensure taxpayer privacy
 - Change the method of lien delivery from paper to electronic
 - Change the payment process from paper to electronic
 - Increase filing, recording and lien release efficiency
 - Manage the process workflow more effectively
 - Decrease manual interventions
 - Increase standardization and uniformity
 - Establish Electronic lien filing/release timeframes by MOU

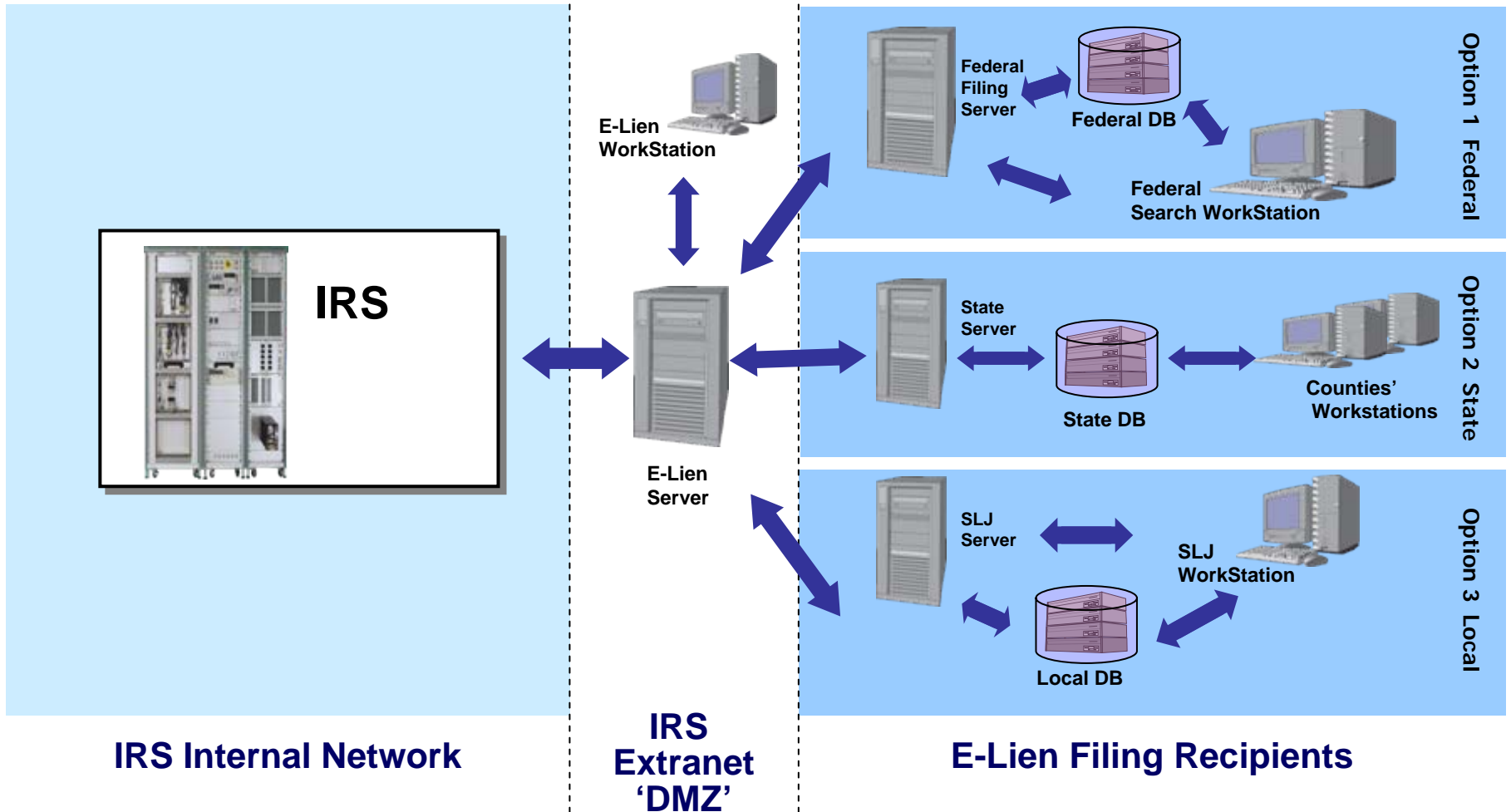
E-Lien Detailed Benefits

- **One** national IRS electronic lien filing model
- **Compatible** with county recording office technology
- Follows national **standardization** efforts for uniformity
- Provides opportunities for IRS **partnerships** with state recording offices
- **Streamline** campus lien program
 - **Automates** manual lien activities
 - **Reduces** mailing, printing **and** paper costs to 4,000 SLJ's
 - **Eliminates** imprest checks and BSV's to 4, 000 SLJ's
 - **Automates** filing fee payments through IFS and EFT **to SLJ's**
 - **Reduces** lost lien report
- **Accelerate** lien filing and lien recordation
- **Increased** employee resources through automation of current manual process
- **Reduced** number of filing locations using state hub's (single point of filing)
- SLJ's want E-Lien and providing local resources to accept E-Lien
- **Lien filing fee's reduced** in several states if paper stops

Current ('As-Is') Federal Tax Lien Process

- 1.0M FTL documents filed yearly (only 6% are electronic)
- Current **IRS** Electronic Lien Filing (ELF) delivery methods vary: email, dedicated terminals, SLJ client software, paper and zip files.
- 4,000+ State and Local Jurisdictions (SLJ)
- Different State laws, regulations, procedures and technologies across the country
- The current paper manual process is error prone and resource intensive (delivery & payment)
- Many organizations and SLJs are moving towards E-Lien solutions, e.g., IACA, PRIA & NACRC

E-Lien Conceptual Architecture



Completed E-Lien Proof Of Concept (POC) with San Bernardino, CA

- **Created an XML format for FTL, release, refile, withdrawal, revocation and refile documents**
- **E-Lien sends an encrypted XML FTL file**
- **San Bernardino server receives file**
 - Loads XML file in database
 - Displays lien image
 - Records and archives FTL
- **SB returns lien recording data**
- **Status reports are generated**

E-Lien Proof of Concept Application with San Bernardino, California

The screenshot shows a Microsoft Internet Explorer browser window titled "E-Lien - Microsoft Internet Explorer provided by Avineon, Inc.". The address bar shows the URL "http://localhost:3056/E-Lien/SplashScreen.aspx". The main content area features a blue header with "Internal Revenue Service" and "E-Lien Electronic - Lien". To the right of the header are logos for the Internal Revenue Service and "SB/SE Small Business/Self-Employed". Below the header, there are three sections: "Welcome" with a paragraph describing the application, "E-Lien News" with a notice about a system outage on Friday 1-19-07, and "Disclaimer" with a legal notice. At the bottom, there are two buttons: "Agree/Enter" and "Disagree/Exit". A footer message provides support information: "For support information please call 1-800-000-0000 or send email to [E-Lien Admin](#)". The browser's status bar at the bottom shows "Done" and "Local intranet".

Internal Revenue Service

E-Lien
Electronic - Lien

Internal Revenue Service

SB/SE
Small Business/
Self-Employed

Welcome

This is a proof-of-concept application that automates the transmission of federal tax liens between the IRS and states and local jurisdictions. This application also monitors the entire federal tax lien status from transmitting to recording.

E-Lien News

E-Lien will be down from 22:00 - 22:30 EST on Friday 1-19-07.

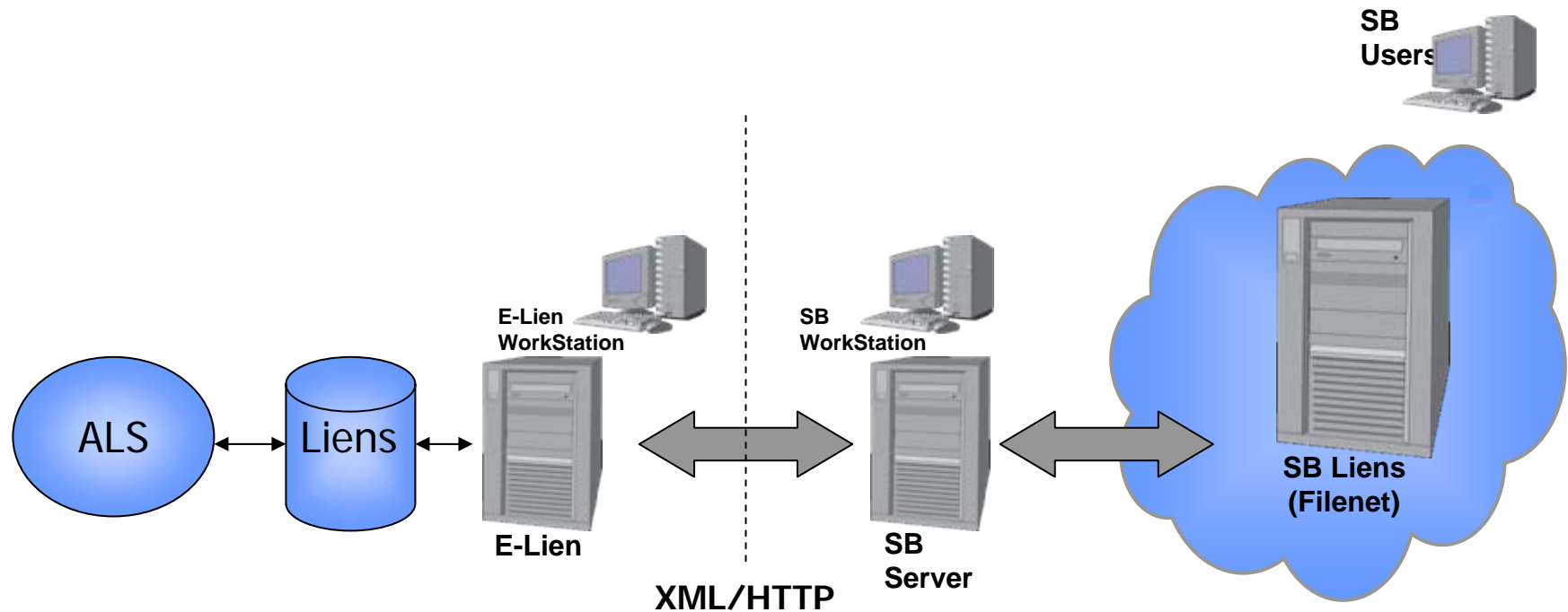
Disclaimer

You are using an Official United States Government System, which may be used only for authorized purposes. Unauthorized modification of any information stored on this system may result in criminal prosecution. The Government may monitor and audit the usage of this system, and all persons are hereby notified that the use of this system constitutes consent to such monitoring and auditing. Unauthorized attempts to upload information and/or change information on this web site are strictly prohibited and are subject to prosecution under the Computer Fraud and Abuse Act of 1986 and Title 18 U.S.C. Sec. 1001 and 1030

For support information please call 1-800-000-0000 or send email to [E-Lien Admin](#)

Done Local intranet

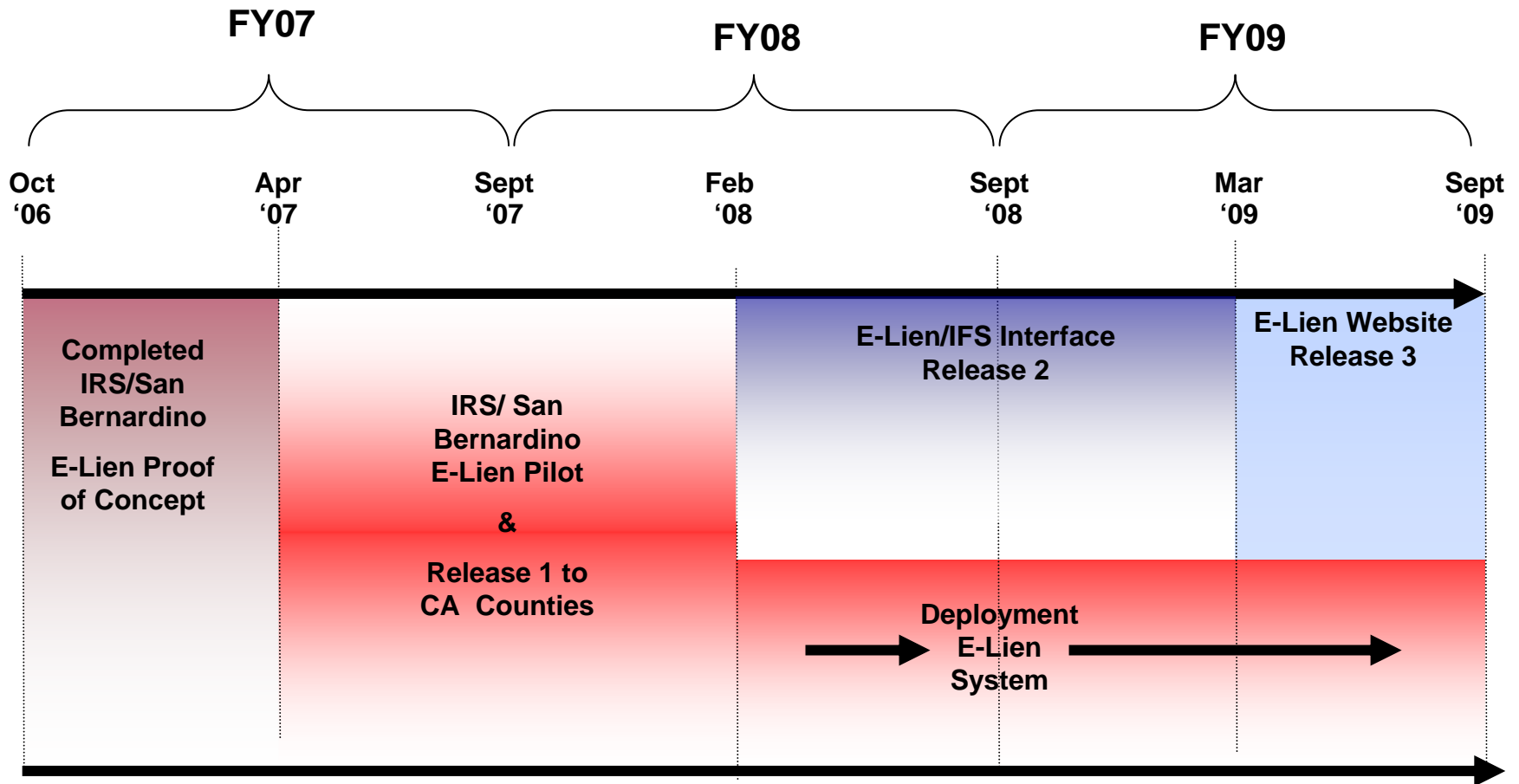
San Bernardino Proof of Concept Architecture



- E-Lien converts ALS layout to XML
- E-Lien transmits liens to SB
- E-Lien receives transmission and recording information in XML format

- SB receives and sends transmission receipt to E-Lien
- SB converts FTLs to its internal format and transfers to its custom application (Filenet)
- Custom application records liens
- SB sends recording information to E-Lien

E-Lien Project Schedule – FY2007



Proposed Lien Fee Payment Methods

- **Payments made at time of lien filing**
- **Payments made via Electronic Fund Transfer (EFT)**
- **No invoices required for payments**
- **All transactions and payment control records will be electronic**
- **Credits and adjustments will be made electronically**
- **All payments will be made electronically through IFS**
- **All manual imprest and invoice payments will cease**

Current Overview of Lien Fee Payment Process

- **IRS pays filing fees to State & Local Jurisdictions (SLJ) for recording Federal Tax Lien documents.**
- **Two main activities:**
 - Imprest payment (Front-end payment) – Imprest check submitted with lien package to SLJs.
 - Billing invoice (Back-end payment) - SLJ submits monthly paper invoice to IRS for lien docs recorded.

Proposal to Improve Lien Fee Payment Activity

- **Pay lien recording fees with lien filing**
- **Use Integrated Financial System for all payments as the standard system**
- **Task force created to implement significant improvements to the current business process**
- **Build an interface to pay lien fees electronically**

Benefits to Receiving Electronic Payments

Major Benefits:

- **Major Improvements to Lien Fee Payment Process (efficiency, timeliness, accuracy)**
- **No requirements to submit invoices for payment**
- **Filing fees can be received electronically even if liens are not received electronically**
- **Lien fee payments will be received through electronic funds transfer to your local bank**
- **No longer having to wait for IRS to process invoice before receiving filing fee payments**

Summary

- **IRS is committed to this project**
- **We need your active support and partnership**
- **Contact the IRS E-Lien team and express your interest in this project**
- **Work with the counties to centralize lien processing in your state**
- **IRS will work with IACA members and with county recorders**
- **We are available by phone or email to answer your questions**
- **We look forward to our partnership**