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12 TIPS TO KEEP CURRENT INSTALLMENT AGREEMENT WITH THE IRS

By Victor Sy, CPA, MBA

1. Mail your payments to be **received on time**. The monthly due date is the date of receipt at the IRS Service Center, not the date of mailing.
2. Use **certified mail** with return receipt.
3. Do **not skip one payment** and double up on the next payment. One skipped payment causes the entire installment agreement to **default**.
4. Make each payment in the **exact amount** of the agreement.
5. If you have to pay a different amount, pay **more** but not less. Pay an extra whole installment, not just a few dollars that would just add to confusion. Paying less is equivalent to a missed installment that is in violation of the agreement and therefore will also cause the entire agreement to default.
6. **Enclose a reminder notice** from the IRS with your payment. If you do not receive a notice to pay (especially in the first month or two), attach a copy of Form 9465, 433-D Installment Agreement, or acceptance letter with your check.
7. **Write your Social Security Number** (or federal I.D. number for business) on top of your check (preferably in red).
8. **Write "Installment #1"**, then "Installment #2" on the lower left-hand corner of your check. This helps both you and the IRS keep track of your payments.
9. Make your check payable to the **Department of Treasury** and mail that check and notice to the IRS address written in Form 433-D (Do not rely on old addresses. The recent reorganization transferred mailing addresses to different area centers).
10. Mail a copy of your check and the notice to your accountant and **file a copy** to a manila folder labeled "IRS Installment Agreement."
11. If you have an agreement approved by telephone, keep bugging them for a **formal agreement** (a signed one). You do not realize how valuable that written agreement is until you need proof of such agreement and the IRS personnel assigned to your case had already been transferred or reassigned.
12. Follow these tips to keep an approved agreement in place. It keeps the government at bay from garnishing your wages, seizing your bank accounts and other properties. Do not blow it by missing a payment, sending late payments, paying the wrong amount, or using the wrong address. Good Luck.