FTD COMPLIANCE CARD — Business Transcript Analyzer (Form 941/940)

Fbaum Enterprises LLC d/b/a The Federal Tax Desk | Version 1.7 | Issued 2026-07-25 | Last verified 2026-08-01

HOW TO USE THIS CARD FOR §10.36 COMPLIANCE

OPR Alert 2026-19 (June 24, 2026) requires firms to vet third-party tools and document that vetting under Circular 230 §10.36. To satisfy this requirement using this card:

1. Print or save this PDF. Date your review in the space provided at the bottom of this card.
2. Add this card to your firm's AI tool inventory or WISP third-party provider list.
3. Before first use with any client matter, verify the current Doc 6209 §8A.2 and IRM 5.7.3/5.7.1 subsection numbers against current IRS.gov content.
4. Document that verification with the date and your initials.
5. Your completed card constitutes the §10.36 vetting documentation for this tool.

ELEMENT 1 — TOOL IDENTIFICATION

Tool name / version
Business Transcript Analyzer (Form 941/940), version 1.1

FTD issue date
2026-07-25

Most recent update
2026-07-31

Last verified against source
2026-07-31

Governing authority
Doc 6209 §8A.2 (BMF transaction codes); IRM 5.7.1; IRM 5.7.3; IRC §6672; IRM 5.19.14; IRC §6656; IRM 20.1.4; IRM 5.1.19; IRC §6502

Threshold source
N/A — mechanical lookup only, no computed threshold or exposure

Source URLs
irs.gov/pub/irs-6209/6209sec8amasterfilecodes.pdf; irs.gov/irm/part5/irm_05-007-001r; irs.gov/irm/part5/irm_05-007-003r; law.cornell.edu/uscode/text/26/6672; irs.gov/irm/part5/irm_05-019-014; law.cornell.edu/uscode/text/26/6656; irs.gov/irm/part20/irm_20-001-004; irs.gov/irm/part5/irm_05-001-019; law.cornell.edu/uscode/text/26/6502

Note: This tool extends the already-live IRS Transcript Analyzer with a third transcript type. Its transaction-code data reuses tc-database.json (Doc 6209 §8A, built against Individual Master File semantics). As of 2026-07-26, every one of the 185 entries in tc-database.json carries an explicit, required `bmf.disposition` — 'parity' (142 codes: Doc 6209 §8A.2 gives one combined row spanning IMF and BMF, so the individual-account meaning applies unchanged), 'override' (24 codes: a live diff against Doc 6209's Business Master File remarks found a practitioner-facing meaning change, and a business-account addendum is shown), or 'suppressed' (19 codes: Doc 6209 §8A.2 gives no Business Master File row at all, so the tool states plainly that this code's business-account meaning is not established rather than defaulting to the individual-account text). A structural guard in dec-lookup.js (lookupTC) makes this the required behavior going forward: any transaction code reachable under a business-account lookup without a recorded disposition degrades to the same honest-uncertainty note as 'suppressed' — it can never silently present unverified individual-account text as BMF-confirmed. An initial informal count against 184 codes found 20 codes 'meaningfully different' and 24 'BMF-only,' but that count's underlying extraction artifacts were not retained, so all 185 entries were independently re-extracted and re-classified against a fresh Doc 6209 §8A.2 fetch, producing the disposition counts above as the current, live-verified figures.

ELEMENT 2 — WHAT THIS TOOL DOES

The Business Transcript Analyzer parses a pasted Form 941 (or 940) Business Account Transcript's transaction table, lays every transaction on a chronological timeline, and returns each transaction code's plain-English meaning, practitioner next action, and governing citation — flagging, via a business-account note, any code whose meaning or effect differs from an individual account. It also mechanically surfaces (never computes) two downstream signals already present on the transcript: a CSED-relevant tag for codes shared with the individual-account CSED weave, and a TFRP-relevant tag keyed to TC 538 (the module's own posted trust-fund-balance figure), each offering a one-click, pre-filled handoff into the CSED Calculator or TFRP Exposure Calculator.

Inputs

Pasted text of a Form 941/940 Business Account Transcript. No file upload, no OCR. No taxpayer-identifying information is transmitted — parsing runs entirely in the browser.

Output

Chronological transaction timeline with plain-English meaning, next action, and IRM/Doc 6209 citation per code; a business-account divergence note where the code's meaning differs from an individual account; optional one-click prefill into /csed and/or /tfrp; a copy-paste-ready plain-text summary.

What this tool IS

A mechanical extraction and definitional lookup tool for a business account transcript — the same class of tool as the existing IRS Transcript Analyzer, extended to a third master file.

What this tool IS NOT

This tool does not compute or estimate a Trust Fund Recovery Penalty amount, does not identify, suggest, or score a responsible person under IRC §6672, does not assert that a TFRP assessment is likely, imminent, or warranted, does not compute a CSED for the business liability or assert tolling, and does not recommend a collection alternative. Each of those is cross-code reasoning reserved for the attorney-gated M2 Transcript Analyzer (SRS §14.13, Tier 3). Surfacing that a TC 538 balance appears on the transcript, with a link to the TFRP Calculator's own input form, is not an assertion that TFRP applies — the practitioner supplies every responsibility, non-owner-status, and willfulness input themselves.

ELEMENT 3 — ACCURACY AND VERIFICATION

Primary sources

Doc 6209 (2023 edition, posted 2023-07-26) §8A.2, fetched live from irs.gov/pub/irs-6209/6209sec8amasterfilecodes.pdf and diffed word-position-by-word-position against all 185 transaction codes in tc-database.json — first on 2026-07-25 and independently re-extracted and re-classified in full on 2026-07-26 (the initial extraction artifacts were not retained) — resulting in an explicit disposition for every entry. IRM 5.7.1, IRM 5.7.3, IRC §6672, IRM 5.19.14, IRC §6656, IRM 20.1.4, IRM 5.1.19, and IRC §6502 citations carried from already-verified entries and the TFRP Exposure Calculator's own compliance card.

Format verification

No redacted, real Form 941/940 transcript sample was available at the time of this writing. The transaction-row grammar (TC/date/amount table shape) is reused verbatim from the individual Account Transcript parser on the documented basis that IRM 21.2.3 describes both CC IMFOLT (individual) and CC BMFOLT (business) as rendering the same underlying 'Explanation of Transaction' table. The 'Report for Tax Period Ending' header-line extraction is UNVERIFIED against a real business sample — it assumes the same label text confirmed on a real individual Account Transcript. Flag and correct if a real sample later contradicts this.

Update trigger

This card and the tool are updated within 5 business days of a Doc 6209 §8A.2 edition change or a correction being discovered, and as soon as a real Form 941/940 sample becomes available to confirm or correct the format assumptions above.

How to verify a business transcript analysis

1. Navigate to irs.gov/downloads/irs-6209 and confirm the current edition's §8A.2 Transaction Codes table, especially for any code flagged with a business-account note.
2. Confirm the module's MFT before relying on any MFT-dependent divergence note (e.g. TC 660).
3. Pull the actual transcript and confirm every transaction, date, and amount against the source before use.
4. For any TFRP prefill, independently verify the TC 538 amount and complete the responsibility, non-owner-status, and willfulness sections yourself — none of those are inferred from the transcript.
5. For any CSED prefill on a business liability, treat it with the same manual-review requirement as the individual-account CSED weave — a TC 520/521 closing code is recognized only when the pasted transcript text explicitly labels it (e.g. 'CC 76', 'Closing Code 76'); action codes are read from the transcript's own qualifier text the same way. Neither ever produces an automatic tolling-date prefill — confirm both from the source transcript before relying on them.

Known limitations — KNOWN FAILURE MODES

- Every one of the 185 transaction codes now carries an explicit BMF disposition (142 parity, 24 override, 19 suppressed); a code marked 'suppressed' means Doc 6209 §8A.2 gives no Business Master File row for it at all, and the tool says so plainly rather than guessing — it is not the same as a confirmed absence of divergence.

- The 'Report for Tax Period Ending' quarter/period extraction is unverified against a real sample (see Element 3).
- This tool does not distinguish Form 941 from Form 940 transactions structurally — both parse through the same generic row grammar; the practitioner must know which form's transcript they pasted.
- TC 971/972 action-code semantics (e.g. the specific action code marking trust-fund designation referenced in TC 538's own citation) are not parsed or surfaced — doing so would edge toward Tier 3 TFRP/responsible-person reasoning and is out of scope for this Tier 1 tool.

ELEMENT 4 — DATA HANDLING

This tool does not receive or store tax return information on any server. No §7216 consent is required for use of this tool — all parsing runs client-side in the browser; pasted transcript text never transits FTD's server.

Data retention: No inputs are logged. Pasted transcript text is processed entirely in your browser and is never transmitted to or stored by FTD. Anonymous, aggregate usage events (for example, that a business-transcript analysis was run) are recorded with no transcript content and no personal data.

ELEMENT 5 — CIRCULAR 230 / SSTS 1.4 COMPLIANCE STATEMENT

This tool is designed for use by tax practitioners subject to Circular 230. Use of this tool does not satisfy the practitioner's obligation to exercise due diligence under Circular 230 §10.22 or to possess technological competence under Circular 230 §10.35. Because a Trust Fund Recovery Penalty determination is personal, 100% of the unpaid trust-fund amount, and joint and several among every responsible person found, this tool deliberately stops at mechanical surfacing of the TC 538 figure and never scores, ranks, or asserts responsibility — that judgment belongs entirely to the practitioner and, ultimately, the IRS's Form 4180 process. OPR Alert 2026-19 (June 24, 2026) confirms that practitioners may not delegate professional judgment to software tools.

ELEMENT 6 — TOOL CLASSIFICATION

TOOL CLASSIFICATION: This tool is a deterministic, rules-based mechanical extraction and lookup engine, not a generative AI tool — given the same pasted transcript text, it always returns the same extracted timeline and citations. It performs zero cross-code reasoning and makes zero recommendations across the account as a whole. The practitioner retains full obligation to verify outputs before relying on them in client matters.

ELEMENT 7 — UPDATE AND CORRECTION LOG

Table A — Version History

Date	Version	Change Description	Trigger
2026-07-25	v1.0	Initial release — Form 941/940 business transcript parsing woven into the Account Transcript Analyzer as a third transcript type; BMF/IMF transaction-code divergence classified against a live Doc 6209 §8A.2 fetch (184 codes: 122 identical, 20 different, 24 BMF-only, 18 IMF/EPMF-only); per-entry bmf override added to 10 highest-relevance codes; mechanical TC 538 TFRP prefill added to /tfrp (route remains 'holding' pending attorney review)	Initial release; SRS v8.17 §15.2 Row 4 (employment tax family only — 1120/1120S deferred to a later release)

2026-07-26	v1.1	Divergence gap closed — the prior release's intermediate extraction artifacts were not available, so all 185 tc-database.json entries were independently re-extracted (word-position PyMuPDF pipeline against a fresh Doc 6209 §8A.2 fetch) and re-classified; every entry now carries a required bmf.disposition ('parity': 142, 'override': 24, 'suppressed': 19, honest-uncertainty notes where Doc 6209 gives no BMF row). Added a structural guard to lookupTC() (dec-lookup.js) so any future code lacking a disposition degrades to the same honest-uncertainty note rather than silently returning unverified IMF text, plus a test asserting every entry has one. Confirmed the Business toggle is production-visible (no beta gate) once deployed — this closure was a hard prerequisite. 998/998 tests green, branch coverage 95.91% (up from 95.86%).	Independent re-classification to close a gap flagged as blocking deploy
2026-07-27	v1.2	Record of Account + Return Transcript parsing added to lib/account-transcript-analyzer.js (two new transcript types, SRS §15.2 row 2) — the file this card hashes, so its SHA-256 changed even though nothing about the Form 941/940 BMF path itself was touched. New functions parseReturnTranscriptText()/buildReturnTranscriptSummary()/buildRecordOfAccountTimeline() extract Return Transcript line items verbatim (no citation attached — nothing is decoded, so none is needed) and, for a Record of Account, run independently alongside the existing TRANSACTIONS-table parser without merging the two halves' meanings. UNVERIFIED against a real sample — no redacted Return Transcript or Record of Account transcript was available at the time; format assumptions extend the one confirmed real-sample structural fact already in this file (the 'Filing status:'/'Adjusted gross income:' preamble) rather than a recalled generic IRS sample. 1020/1020 tests green (998 baseline + 22 new), branch coverage 95.97% (up from 95.91%).	SRS §15.2 row 2 — Record of Account and Return Transcript parsing added

2026-07-29	v1.3	Two rounds of real-sample fixes to lib/account-transcript-analyzer.js since v1.2, both changing the hashed file. The first fixed four confirmed defects found by running the v1.2 parsers against real redacted samples for the first time — a missing Record of Account return-section anchor, wrapped-label-across-linebreak corruption, Schedule C/SE divider mis-parsing, and digit/percent-prefixed labels fusing into adjacent fields; that regeneration was done correctly and did not go stale. The second fixed a related divider-parsing defect — dash-character variants (en dash, em dash, doubled hyphen) not recognized by the divider check, normalized via a canonical-dash comparison — but the card was not regenerated afterward. The recorded hash then went stale until an automated drift guard, added later, caught the mismatch on its first run. No further parsing defects found in this pass; regenerated via scripts/compliance-business-transcript.js.	Real-sample fixes plus dash normalization; an automated drift guard caught the resulting stale hash

2026-07-30	v1.4	Live production testing against real IRS transcripts (Account, Return, Record of Account) found parseReturnTranscriptText() silently dropped four confirmed field shapes with no warning (401 line items reported, 405 actually present) — an unclosed-parenthesis label wrap, a value wrapping across two plain-text lines, and the same value-wrap shape recurring for two dependents' 'Relationship:' field. Rejoin logic rewritten to correctly disambiguate a single buffered plain-text line (a wrapped LABEL prefix) from two or more (a wrapped VALUE), and a reconciliation check (candidate field-shaped lines vs. what was emitted) now surfaces any future unresolved field as a visible warning instead of a silent gap. Separately, confirmed via the in-browser PDF-upload path that a page-footer artifact ('Page N/M', the sensitive-data banner) sometimes lands concatenated onto the end of the preceding token with no separator at all, rather than only ever on its own line — parseAccountTranscriptText() and parseReturnTranscriptText() both now strip this before any line-based parsing runs, closing a latent gap that had only avoided corrupting real output by luck of which page boundary the artifact happened to land on.	Defects found and fixed via live production testing against real transcripts, not hypothesized

2026-07-31	v1.5	Four changes to lib/account-transcript-analyzer.js, the file this card hashes. (1) parseAccountTranscriptText() no longer silently drops every row after a second period's own front matter in a multi-period paste (e.g. two Form 941 quarters pasted together) — it now searches ahead for a repeated table header, attributes rows to the correct period via a new periodBoundaries return value, and a reconciliation check surfaces any row-shaped line that still can't be resolved. buildBusinessTranscriptTimeline() gained a taxPeriods array (taxPeriod, singular, is kept for backward compatibility as the first period found). (2) parseReturnTranscriptText()'s MAX_VALUE_CONTINUATION_LINES, previously a hard 2-line cap, is now a 50-line safety ceiling — a value wrapping across 3 or more lines used to lose its 3rd-and-later lines and glue them onto the front of the next field's label; it now resolves correctly, and only exceeding the ceiling itself produces a warning. (3) Added detectTranscriptType(), mechanical best-effort type detection off each of the five transcript types' own confirmed real-sample title line, used only to warn the practitioner of a probable type-selection mismatch and offer a switch — it never reroutes which parser runs. (4) The tool itself was renamed from 'Account Transcript Analyzer' to 'IRS Transcript Analyzer' (the old name described only one of the five supported transcript types); TOOL_NAME in this file changed accordingly, which is also why this card's two prose references to the tool's own name were updated. Full regression suite re-verified green after these changes. No change to BMF/IMF divergence classification, tc-database.json, or any citation.	Multi-period row loss, 3+ line value-wrap corruption, and type-mismatch fixes; tool renamed

2026-07-31	v1.6	STATUS: The Business (941/940) transcript type is on hold. It is no longer selectable in the IRS Transcript Analyzer's transcript-type control — the option stays visible, labeled "coming soon," but is disabled, and an on-screen notice asks practitioners to send a redacted 941 or 940 transcript so the parser this card describes can be validated against a real IRS document before it reopens. No parsing logic changed; every fact this card documents about the parser itself remains accurate and unchanged. This reverses v1.1's note that the Business toggle was production-visible with no gate — that is no longer the case as of this version.	The parser has not yet been validated against a real 941/940 transcript; disabled until a real sample is available
2026-08-01	v1.7	One change to lib/account-transcript-analyzer.js, the file this card hashes: the account-header block's "Account balance plus accruals" line was fixed to render with just its amount, and no parsing warning, when a real transcript prints it with no "AS OF" date — a real 2026 transcript confirmed that shape as normal for this specific line, unlike "Accrued interest"/"Accrued penalty," which keep the existing warn-and-omit rule for a missing date since that IS anomalous for those two lines. Two related, non-hashed fixes shipped in the same session: the CSED-relevance badge's TC 971/972 note (lib/csed-transcript-bridge.js — hashed separately by the CSED card, unaffected here) now names a printed numeric Action Code or states plainly when only a CP notice appears instead, rather than always pointing back at the source transcript; and the redacted-941/940-sample ask (BusinessSampleAsk, previously gated to a selection state the disabled Business radio can never produce) is restored as an always-visible standing request below the results area. cc91-monte-carlo-harness.mjs extended with a generator case and a red-team scenario for the accrual fix; 25,000 cases, 0 failures.	False parsing warning on a real-transcript-confirmed no-date shape for "Account balance plus accruals"

Table B — Correction Log (OPS-002)

Date	Error Class	Description	Authority	Affected TCs
(no entries)				

FIRM ADOPTION RECORD

Tool reviewed and adopted by (practitioner name and credentials):

Firm name:

Date of initial review:

Doc 6209 §8A.2 / IRM 5.7.3 subsections verified against IRS.gov on:

Initials:

[ ] This card has been added to firm's §10.36 AI tool inventory.