FTD COMPLIANCE CARD — TFRP Exposure Calculator

Fbaum Enterprises LLC d/b/a The Federal Tax Desk | Version 1.0 | Issued 2026-07-17 | Last verified 2026-07-16

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 IRM 5.7.3 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

TFRP Exposure Calculator, version 1.0

FTD issue date

2026-07-17

Most recent update

2026-07-17

Last verified against source

2026-07-16

Governing authority

IRC §6672; IRM 5.7.3.4.1.1; IRM 5.7.3.4.1.2; IRM 5.7.3.4.2; IRM 5.7.3.6; IRM 5.7.3.7.1

Threshold source

N/A — no dollar threshold; exposure is a direct pass-through; ASED is a fixed 3-year statutory period, IRM 5.7.3.6, fetched 2026-07-17

Source URLs

irs.gov/irm/part5/irm_05-007-003r; law.cornell.edu/uscode/text/26/6672

Note: Unlike several prior Bucket A sessions (M1f CSED, Penalty, IA, Reasonable Comp), this tool's assumed IRM 5.7.3 subsection numbers were all confirmed CURRENT on a live fetch on 2026-07-17 — no correction was needed. This tool computes a TFRP Assessment Statute (ASED), a legally distinct statute from the Collection Statute Expiration Date already live in the M1f tool; per the M1f tool's own prior mislabeling defect (found and fixed previously), this tool's code, tests, and output text never use that other statute's abbreviation.

ELEMENT 2 — WHAT THIS TOOL DOES

The TFRP Exposure Calculator computes trust fund recovery penalty exposure as a direct pass-through of the unpaid trust fund amount, ranks the strength of a responsibility determination against the 7 IRM 5.7.3.4.1.1 indicators (with a distinct, non-weighted caveat for check-signing-authority-only cases), evaluates whether the non-owner ministerial-act exception likely applies, ranks willfulness strength from the entered facts, and estimates the TFRP Assessment Statute Expiration Date.

Inputs

Unpaid trust fund amount; return due date and filed date (or not-yet-filed); 8 responsibility indicators; 3 non-owner ministerial factors; 3 willfulness indicators plus a reason-for-nonpayment selection. No taxpayer-identifying information.

Output

Exposure amount with joint-and-several disclosure; responsibility assessment (strength, factors, check-signing caveat); willfulness assessment (strength, reasoning); TFRP Assessment Statute estimate with basis and waiver note; recommended next steps; limitation disclosure; non-professional-use clause; a copy-paste-ready plain-text block.

What this tool IS

This tool produces a structured reference on TFRP exposure, responsibility strength, willfulness strength, and the assessment statute — a starting point for case preparation, not a liability determination.

What this tool IS NOT

This tool does not determine liability and does not produce tax advice, legal advice, or written advice subject to Circular 230 §10.37. Only the IRS Collection function's Form 4180 interview process, and the resulting formal determination, can establish whether a person is a responsible party. Given the personal, 100%, joint-and-several nature of TFRP liability, this tool's stakes are higher than most Bucket A tools, and its non-professional-use framing is deliberately the strongest of any tool in this inventory to date.

This plain-language disclosure is backed by a click-through confirmation modal ("Before You Continue") that gates the results view on first calculation in each browser visit: the practitioner must check a box affirming they understand this is an estimate, not a determination, and will independently verify responsible-person status and available defenses before relying on it in a client matter, before the "Continue to Results" button unlocks. This is a stronger gate than the standard disclosure box used by the tools whose Tool Inventory deploy gate does not require attorney review (e.g. CSED, QBI, Penalty).

ELEMENT 3 — ACCURACY AND VERIFICATION

Primary sources

IRC §6672 (law.cornell.edu/uscode/text/26/6672); IRM 5.7.3.4.1.1 (Indicators of Responsibility); IRM 5.7.3.4.1.2 (Non-Owner Employees); IRM 5.7.3.4.2 (Establishing Willfulness); IRM 5.7.3.6 (Statutory Assessment Period); IRM 5.7.3.7.1 (Form 2750 Waiver) — all fetched live from irs.gov/irm/part5/irm_05-007-003r on 2026-07-17.

Placeholder citations

None. Every IRM/IRC citation traces to the 2026-07-17 live fetch; all previously assumed subsection numbers were confirmed current, requiring no correction.

Update trigger

This card and the tool are updated within 5 business days of an IRM 5.7.3 renumbering or a correction being discovered.

How to verify the TFRP analysis

1. Navigate to irs.gov/irm/part5/irm_05-007-003r and confirm the current subsection numbers for responsibility indicators, the non-owner ministerial exception, willfulness, the statutory assessment period, and the Form 2750 waiver.
2. Confirm IRC §6672 text at law.cornell.edu/uscode/text/26/6672 or a comparable primary source.
3. Pull the client's account transcript and confirm the actual return due date and filed date before relying on the ASED estimate.
4. Independently assess whether the facts entered actually rise to responsibility and willfulness under IRM 5.7.3 case-development practice — this tool's strength ratings are a starting point, not a determination.
5. Route the case to Collection for a Form 4180 interview before any liability determination is finalized.

Known limitations — KNOWN FAILURE MODES

- This tool ranks responsibility and willfulness indicators; it does not determine liability and does not predict the outcome of a Form 4180 interview or any IRS determination.
- Responsibility and willfulness strength ratings (strong/moderate/weak) are this tool's structured assessment based on the indicators entered only; they do not model every fact pattern IRM 5.7.3 case-development practice considers.
- The ASED estimate assumes the entered due date and filed date are accurate; it does not account for Form 2750 waivers already on file, which must be checked against the account transcript separately.
- The non-owner ministerial-act exception assessment is a likelihood indicator ('likely applies'), not a determination — IRM 5.7.3.4.1.2 case-development practice may weigh additional facts this tool does not collect.

ELEMENT 4 — DATA HANDLING

This tool does not receive or store tax return information. No §7216 consent is required for use of this tool.

Data retention: No inputs are logged. Amounts and indicator selections entered are processed entirely in your browser and are never transmitted to or stored by FTD. Anonymous, aggregate usage events (for example, that a calculation was run) are recorded with no input values 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 Trust Fund Recovery Penalty liability is personal, 100% of the unpaid trust fund amount, and joint and several among every responsible person found, the practitioner's independent professional judgment is especially load-bearing here — this tool's output is not a liability determination, and only the IRS Collection function's Form 4180 interview process can produce one. 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 ranking engine, not a generative AI tool — given the same inputs, it always returns the same ranked output. Its exposure-amount output is a direct pass-through (not a computed reduction), while its responsibility and willfulness outputs are ranked assessments, not single computed numbers, reflecting that responsibility and willfulness are inherently matters of professional and, ultimately, IRS judgment. The practitioner retains full obligation to exercise appropriate judgment and verify outputs before relying on them in client matters.

ELEMENT 7 — UPDATE AND CORRECTION LOG

Table A — Version History

Date	Version	Change Description	Trigger
2026-07-17	v1.0	Initial release — exposure pass-through, responsibility ranking with check-signing caveat, non-owner ministerial exception, willfulness ranking, and ASED estimation; IRM 5.7.3 and IRC §6672 citations verified against a live fetch	Initial build; build gate cleared per Task Schedule v110 (build/deploy gates independent); deploy held pending attorney review (Oct/Nov 2026 target)

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:

IRM 5.7.3 subsections verified against IRS.gov on:

Initials:

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