



Electronic Signing for Forms 8878 and 8879

According to the IRS electronic signature guidance for forms 8878 and 8879:

If the taxpayer uses the e-signature option, the electronic return originator (ERO) must use software that includes identity verification. The software must record the following data:

- Digital image of the signed form
- Date and time of the signature
- Taxpayer's computer IP address (remote transaction only)
- Taxpayer's login identification — user name (remote transaction only)
- Results of the identity verification check validating that the taxpayer's ID verification was successful
- The e-signature method used to sign the record

VeriFyle **automatically** records all of these *except* the results of an identity verification check. In order for VeriFyle to record these results, the user must either (1) enter their own identity verification check results into VeriFyle as a Document or Message, or (2) conduct an identity verification check inside a VeriFyle Message Thread.

To conduct an identity verification check of a VeriFyle guest (your client) inside a VeriFyle Message Thread, you can ask them to confirm a piece of information that only they would know. This is known as knowledge based authentication, or KBA.

Below is a simple method for conducting and recording the results of your own identity verification check using a VeriFyle Message Thread:

- 1) Outside of VeriFyle (for example, by phone or text message), share a unique 4-digit code with your client.
- 2) Inside a Message Thread you have shared with this client, paste the following request: "In order to verify your identity, please confirm the 4-digit code I shared with you over the phone (or sent to you via text message). In doing so, you also give your consent to do business electronically."
- 3) Confirm that your client entered the correct code. If they did not enter the correct code, then the KBA has failed and any subsequent electronic signatures are invalid until a successful KBA has been recorded.