

IRM PROCEDURAL UPDATE

DATE: 06/09/2015

NUMBER: WI-21-0615-0992

SUBJECT: ERS; Forward Refund Checks; Return RAL/RAC; Bank Contact Information

AFFECTED IRM(s)/SUBSECTION(s): 21.4.1

CHANGE(s):

IRM 21.4.1.3.1.2.4(1) Table - Delayed response to Letter 12C; link to ERS status codes.

1. Review the CC ERINV screen for the status codes. The following provides some of the most common ERS status codes and their time frames. Advise the taxpayer of the correct time frames via telephone or "C" letter. For additional codes and time frames, see Exhibit 21.4.1-1, *Error Resolution System (ERS) STATUS CODES*, or Exhibit 21.4.1-2, *Error Resolution System (ERS) Action Codes (For use by ERS/Reject Unit)*.

NOTE: For any ERS Status Code not specifically noted below, allow 8 weeks from the RJ 150 cycle date to pass before submitting a Form 4442, *Inquiry Referral*, to ERS. If the original return was processed in Andover, refer to Cincinnati; if the original return was processed in Philadelphia, refer to Ogden.

NOTE: The complete list of ERS status codes is in Exhibit 3.12.37-21, **ERS Status Codes**. The time frames related to the suspense periods for these codes is in Exhibit 3.12.37-2, **Use of Action Codes on ERS Records**.

If the Status Code is	And	Then
100	It is an unworked error record that is usually a simple problem that is corrected in three to four days.	1. Advise taxpayer to allow normal processing time and to visit Where's My Refund at irs.gov , or from the IRS2Go phone application from a smart phone, for current information. Where's My Refund can inform the taxpayer of the projected date of the refund. Also

		<p>advise the taxpayer not to call before the normal processing time frames have passed as no additional information will be available.</p> <ol style="list-style-type: none"> If problem is not resolved, taxpayer will receive a letter during normal processing time explaining any additional requirements.
221/224	<p>The taxpayer received correspondence. The case is in unworkable suspense and waiting for the taxpayer's response. The case will remain in suspense for 40 workdays.</p> <p>NOTE: Taxpayers will be contacted via Letter 12C, <i>Individual Return Incomplete for Processing: Form 1040, Form 1040A and 1040EZ</i>. CC ENMOD will display the selective paragraphs input on these letters except for selective paragraph "i" which is used for a narrative fill-in.</p>	<ol style="list-style-type: none"> Advise taxpayer to provide requested information; AND Advise them of the 6 week normal processing time frame. This time frame would begin from the time the taxpayer responded to the information request.
221/224	<p>The taxpayer indicates that the response must be delayed because of illness, the preparer is out of town, or other valid reason.</p>	<ol style="list-style-type: none"> Advise the taxpayer to immediately fax a statement requesting an extension to the fax number on the letter, and include a copy of the Letter 12C. If unable to fax, the taxpayer should immediately write to the address on the letter requesting an extension,

		<p>and include a copy of the Letter 12C.</p> <ol style="list-style-type: none"> 3. Advise the taxpayer to fax or mail the delayed information within 30 days of the current date. 4. Include a history item on AMS with this information.
221/224	The taxpayer did not receive correspondence.	<ol style="list-style-type: none"> 1. Check CC ENMOD to determine if a letter was prepared. If a letter was prepared, and it has been 14 days or less from this date, inform the taxpayer he/she will receive a letter within the next 2 weeks. Do not prepare Form 4442, <i>Inquiry Referral</i>, until more than 14 days have passed from letter preparation. If the address has changed, see (5) below. 2. If a letter was prepared more than 14 days ago, prepare Form 4442, <i>Inquiry Referral</i>, and fax to ERS/Rejects. Advise taxpayer to expect a letter within three weeks. 3. If CC ENMOD indicates no letter was sent, and CC ERINV shows the remaining days in suspense is greater than 30 days, DO NOT prepare a Form 4442, <i>Inquiry Referral</i>. Inform the taxpayer they will receive a letter within the next 2 weeks. If the address has changed, see (5) below. 4. If CC ENMOD indicates no letter was sent, and CC ERINV shows the remaining days in suspense to be 30 days or

		<p>less, prepare Form 4442, <i>Inquiry Referral</i>, and fax to the appropriate ERS/Reject Unit. Advise taxpayer to expect a letter within three weeks.</p> <p>5. Verify taxpayer's address. If it is a different address than the one on the original tax return, indicate the new address on Form 4442, <i>Inquiry Referral</i>. In this instance, prepare and send the Form 4442 immediately. See IRM 3.13.5.28, <i>Address Changes from Oral Statements/Telephone Contact</i>, for oral statement authority information. If the taxpayer does not meet oral statement authority for the address change, advise the taxpayer to obtain Form 8822, <i>Change of Address</i>, per IRM 21.3.6.4.1, <i>Ordering Forms and Publications</i>, and mail the form to the center where they filed their return. If the taxpayer filed electronically, provide the IRS address based on which state they would have sent a paper return.</p>
If the Status Code is:	And	Then
321/324	No reply has been received	<p>1. Reject Unit will work the case without the requested information.</p> <p>2. It should be worked in 10 business days.</p> <p>3. Advise taxpayer if they do not receive correspondence or the refund in four weeks to contact us</p>

		again.
421/424	Correspondence has been received.	Cases should be worked in 10 business days . Advise the taxpayer they should receive a refund within four weeks .

IRM 21.4.1.3.4(2) - USPS forwarding refund checks.

2. If research shows a refund has been generated and the taxpayer states he did not receive the check, use the following "If-And-Then" table to assist in resolving the issue:

CAUTION: Do not initiate a refund trace over the phone if there is IDT involvement on the module. When providing a pre-populated Form 3911, verify all information is for the correct taxpayer. See IRM 21.6.2.4.2.1(4), *Telephone Inquiries Regarding MXEN, MXSP, IDT1, IDS1, IDT3, IDT6, IDS6, IDT8, IDTS8, IDT9, IDS9, and Scrambled Cases*, for additional information.

CAUTION: Do not initiate a refund trace over the phone if there is IVO involvement on the module. When providing a pre-populated Form 3911, verify all information is for the correct taxpayer. See IRM 21.5.6.4.35.3, *-R freeze Modules With Integrity Verification Operation (IVO) or Taxpayer Protection Program (TPP) Involvement*, for additional information.

NOTE: Many U.S. Post Offices will forward the refund check if the taxpayer has a forwarding address on file with the local post office. If this is the case, advise the taxpayer to allow 2 additional weeks to the IDRS refund payment date for receipt of the check. If the check is not received by the end of those 2 weeks, follow normal refund trace procedures.

If taxpayer states he/she did not receive a refund	And the date is	Then
TC 846 is present on the module and a paper check was issued	Less than two weeks from the mailing date which is found on CC IMFOLT on the line below the TC 846 as "RFND-PAY-DATE:", and on CC TXMOD on the line below the TC 846 as "RFND-PYMT-DT>".	<ul style="list-style-type: none"> ○ Advise taxpayer to call back when four weeks from the mailing date has passed, except married filing joint taxpayers. ○ Advise married filing joint taxpayers to call back when two weeks from the mailing date has

		passed.
TC 846 is present on the module and a paper check was issued	More than two weeks but less than four weeks since the mailing date which is found on CC IMFOLT on the line below the TC 846 as "RFND-PAY-DATE:", and on CC TXMOD on the line below the TC 846 as "RFND-PYMT-DT>".	<ul style="list-style-type: none"> ○ Married filing joint taxpayers may file Form 3911, <i>Taxpayer Statement Regarding Refund</i>, if it has been at least 2 weeks since the mailing date. See IRM 21.4.2.4.1, <i>Form 3911, Taxpayer Statement Regarding Refund</i>, for additional guidance regarding Form 3911. ○ Advise all others to call back when four weeks from the mailing date has passed.
TC 846 is present on the module and a paper check was issued	More than four weeks since the mailing date which is found on CC IMFOLT on the line below the TC 846 as "RFND-PAY-DATE:", and on CC TXMOD on the line below the TC 846 as "RFND-PYMT-DT>".	See IRM 21.4.2, <i>Refund Trace and Limited Payability</i> . If married filing joint, see the box directly above for procedures.
TC 846 is present on the module and the refund is a direct deposit (DD)	<p>At least five calendar days since scheduled DD date</p> <ul style="list-style-type: none"> ○ Scheduled date of DD is found on CC IMFOLT on the line below the TC 846 as "RFND-PAY-DATE:", and on CC TXMOD on 	<p>Verify the routing transit number (RTN) or numbers if the deposit is a split refund, see IRM 21.4.1.4.7.1, <i>Direct Deposit of Refunds</i>.</p> <p>Initiate refund trace per IRM 21.4.2, <i>Refund Trace and Limited Payability</i>, if appropriate.</p>

	the line below the TC 846 as "RFND-PYMT-DT>".	
TC 846 is present on the module and the refund is a DD	The caller states they were told by their bank that their refund was returned to the IRS.	<ul style="list-style-type: none"> ○ Follow the IF and THEN chart in IRM 25.25.8.4, <i>Responding to Taxpayer Inquiries</i>, or ○ If the conditions in IRM 25.25.8.4, do not exist, follow IRM 21.4.1.4.7.1, <i>Direct Deposit Refunds</i>.
TC 840 manual refund NOTE: If TC 840 carries a blocking series and serial number 9XXXX series with a Julian date less than 400, it is a "Dummy TC 840" and no actual check has been issued. Research for the SSN where the refund was issued.	10 calendar days from the "RFND-PAY-DATE" on CC IMFOLT or the "RFND-PYMT-DT" on CC TXMOD, either of which is located below the TC 840	Advise the taxpayer to file Form 3911, <i>Taxpayer Statement Regarding Refund</i> . See IRM 21.4.2.4.1, <i>Form 3911, Taxpayer Statement Regarding Refund</i> , for additional guidance regarding Form 3911. See exception below for taxpayers located in a disaster area.
TC 740 Undelivered Refund		See IRM 21.4.3, <i>Returned Refunds/Releases</i> , for resolving undelivered refunds.
TC 841 Returned/Stopped Refund		<ol style="list-style-type: none"> 1. Determine cause of the refund stop 2. Attempt to resolve issue 3. See IRM 21.5.6, <i>Freeze Codes</i> for resolving freeze releases. <p>NOTE: Refer to</p>

		Exhibit 21.4.2-3, <i>Reason for Cancellation Codes and Generated Account Information</i> , to determine the cause of refund cancellation.
TC 898/899 TOP Offset		See IRM 21.4.6.5.1, <i>Taxpayer Inquiries on TOP Offset</i> .
TC 960 is posted and a refund has been issued		<ul style="list-style-type: none"> ○ Research CC CFINK for receipt code "R" and advise the taxpayer to check with the POA of record for receipt of the refund check. ○ If the taxpayer has already asked the POA, follow the appropriate guidance above.

NOTE: If the taxpayer alleges preparer fraud as the reason for non-receipt of the refund, advise the taxpayer that while the IRS will conduct a trace to determine the disposition of the refund, the restoration of the refund to the taxpayer may become a civil matter. Refer to IRM 21.1.3.14, *Preparer Issues and Complaints/Form 14157*.

NOTE: When sending a Form 3911 to the taxpayer, enclose a return envelope with your affiliated Refund Inquiry Unit's address. Input the following history item on the account:

EXAMPLE: H,39112TP

EXCEPTION: If the taxpayer is located in a Presidentially-Declared Disaster area and the check is issued between 10 days before the disaster and 30 days after the disaster, a Form 3911 is not required. Oral authority should be taken from all taxpayers including those who filed a joint return.

IRM 21.4.1.4.7.1(7) - Returning a RAL/RAC refund.

7. If the refund is in the form of a RAL or a RAC, refer the taxpayer to the financial institution (FI) or Tax Preparer. Bank account numbers for RAL or RAC refunds commonly display the taxpayer's SSN as the last nine digits, or displays the SSN in reverse order, in the account number on CC IMFOBT. For a list of most common Refund Anticipation Loan (RAL) Financial Institutions, see Exhibit 21.4.1-3, *Most Common Refund Anticipation Loan Banks*.
 - If the taxpayer states they did not receive the RAL/RAC, advise them to contact the preparer or FI prior to initiating a trace.
 - If the taxpayer states they have contacted the FI and the FI requests proof of deposit, initiate a refund trace, see IRM 21.4.2, *Refund Trace and Limited Payability*.
 - If the taxpayer states he/she wants to bypass the RAL or the RAC, see IRM 21.4.4, *Manual Refunds*, and IRM 3.17.79.6.4.2, *Certifying ACH/Direct Deposit Hardship Refunds*.

CAUTION: For refund requests on original electronically filed returns, with the exception of an Injured Spouse claim filed with the original return (see IRM 21.4.4.4, *Preparation of Manual Refund Forms*), the IRS can only bypass the RAL/RAC if the application was denied by the FI and the contract between the taxpayer and the FI is no longer in effect. The taxpayer must provide written proof of the denial of the RAL/RAC from the FI. The taxpayer may fax the information. Determine if the documentation can be faxed while you are on the telephone with the taxpayer. If the taxpayer can fax, provide them with your fax number. See IRM 21.5.2.4.3, *Adjustments Requiring an Amended Return or Taxpayer Documentation*, for additional information on accepting faxed documentation. If the taxpayer cannot fax immediately, advise them to call back when they are able fax or, if unable to fax, they may submit the request and supporting documentation to the address where they would normally file a paper return. Provide the address based on the following link <http://www.irs.gov/uac/Where-To-File-Addresses-for-Tax-Professionals>. Process the request if the refund has not been issued and the taxpayer agrees to a systemic refund. Unless denied by the FI, the RAL/RAC request remains valid until after the issuance of the original requested refund. If a taxpayer requests a manual refund due to economic hardship, refer the case to TAS per IRM 21.1.3.18(3), *Taxpayer Advocate Service (TAS) Guidelines*.

- If the taxpayer states they didn't file the return that resulted in the RAL/RAC, input TC 971 AC 522 and the appropriate IDT tracking code if not already on the account. See IRM 10.5.3.2.5, *Initial Allegation or Suspicion of Tax-Related Identity Theft - Identity Theft Indicators*, for codes and additional information.

See IRM 21.4.3.4.4, *Returned Refund Check Procedures*, for guidance to send the RAL/RAC to the IRS.
 Enter a narrative in AMS with the advice to the taxpayer and reason for it.

Exhibit 21.4.1-3 - University National Bank contact information.

The most common Refund Anticipation Loan (RAL) banks are listed below. If the number provided by the taxpayer is not listed below, use the following link to find the financial institutions for specific routing numbers: [Financial Institution Routing Numbers](#). If the number still isn't found, advise the taxpayer to contact their return preparer.

Bank and Address	RTN
Bank of New York Mellon Mellon Client Support Rm 154-0960 Pittsburgh, PA 15259-0001 (412) 236-3338	031100047 043000261
JP Morgan Chase Bank 10430 Highland Manor Drive Tampa, FL 33610 (302) 984-4664	031100267
Discover Bank 502 E. Market Street Greenwood, DE 19950 (302) 323-7391 English speaking assistance only	031100649
HSBC Trust Co. Delaware NA 1201 N. Market Street Suite 1001 Wilmington, DE 19801	031101208

(877) 472-2249	
JP Morgan Chase Bank, NA ACH Dept, Attn: S. Sell 9000 Haggerty - MI 1-8205 Belleville, MI 48111 (800) 677-7477	044000037
Ohio Valley Bank Co. Gallipolis, OH 45631 (740) 446-2631	044204370
HSBC Bank USA One HSBC Center 14 Floor Buffalo, NY 14203 (877) 472-2249	071002053
MetaBank PO Box 50588 Storm Lake, IA 50588 (605) 782-0740 RAL loans to Military Personnel	073972181 273970116
River City Bank 500 South Sixth St. Louisville, KY 40202 (502) 585-4600	083000726
Republic Bank Trust 601 West Market Street Louisville, KY 40202-2700 (502) 584-3600	083001314
Bank of America	121000358

<p>Direct Deposit Coordinator</p> <p>PO Box 27025</p> <p>Richmond, VA 23261</p> <p>(800) 446-0135</p>	
<p>University National Bank</p> <p>St. Paul, MN</p> <p>651-265-5690</p>	096017418
<p>Zions First National Bank</p> <p>PO Box 25837</p> <p>Salt Lake City, UT 84125</p> <p>(801) 974-8800</p> <p>English speaking assistance only - assistance not available</p>	124000054