EFFECTIVE DATE

(10-01-2023)

PURPOSE

(1) This transmits revised IRM 21.4.4, Refund Inquiries, Manual Refunds.

MATERIAL CHANGES

(1) IRM 21.4.4.1 - Removed references to monitoring manual refund due to change in manual refund monitoring process.

(2) IRM 21.4.4.1.1 - Removed reference to monitoring manual refund due to change in manual refund monitoring process.

(3) IRM 21.4.4.1.3 - Removed the Course 42841 as a requirement for monitoring and removed references to monitoring due to change in manual refund monitoring process.

(4) IRM 21.4.4.1.6 - Removed link to IRM 21.4.4.6.1, Monitoring Manual Refunds, due to change in manual refund monitoring process.

(5) IRM 21.4.4.2(2) 2nd Note - Added new requirement information on how the digital signature should be created. IPU 23U0225 issued 02-03-2023

(6) IRM 21.4.4.2(2) - Updated Note related to TAS issuing manual refunds; removed subsequent paragraph due to change to monitoring process.

(7) IRM 21.4.4.3(3)(g) - Updated dollar amounts for inputting manual refunds. IPU 23U0738 issued 06-15-2023

(8) IRM 21.4.4.3(3)(l) - Updated IRM reference for State Income Tax Levy Program (SITLP). IPU 22U1183 issued 12-09-2022

(9) IRM 21.4.4.4.5(2) - 4th bullet updated IRM reference title. IPU 22U1183 issued 12-09-2022

(10) IRM 21.4.4.5(2) and (3) - Created new paragraphs to advise when manual refunds cannot be done until certain account actions have posted.

(11) IRM 21.4.4.5(2)(d) Note - Added new requirement information on how the digital signature should be created. IPU 23U0225 issued 02-03-2023

(12) IRM 21.4.4.5(3)(e) - Removed item due to new monitoring changes.

(13) IRM 21.4.4.5(6)(e) Note - Added new requirement information on how the digital signature should be created. IPU 23U0225 issued 02-03-2023

(14) IRM 21.4.4.5(6)(m) - Removed monitoring requirements. Added a note stating it was okay to keep a control open for other account actions.

(15) IRM 21.4.4.5(6)(m) and (n) - Removed monitoring requirements and added that no open control needed for new manual refunds effective June 20, 2023. IPU 23U0738 issued 06-15-2023

(16) IRM 21.4.4.5(6)(p) - Removed (p) regarding how to use EMT Tool.

(17) IRM 21.4.4.5(7) - Added item to list about Accounting inputting a TC 971 AC 664 when Form 3753 processed.

(18) IRM 21.4.4.5(7)(d) - Removed monitoring requirements and added that no open control needed for new manual refunds effective June 20, 2023. IPU 23U0738 issued 06-15-2023

(19) IRM 21.4.4.5(7)(d) - Added note that open control can remain open for actions other than monitoring for refund.

(20) IRM 21.4.4.5(7)(f) Note - Added new information on how the digital signature should be created. IPU 23U0225 issued 02-03-2023

(21) IRM 21.4.4.5(7)(i) - Removed item due to new monitoring changes.

(22) IRM 21.4.4.5(8) - Added Note to explain that a reject will be given but Accounting will input CC REFAP if the only reject issue is the naming convention. IPU 22U1183 issued 12-09-2022

(23) IRM 21.4.4.5.1(1) - Updated dollar amount for manual refunds. IPU 23U0738 issued 06-15-2023

(24) IRM 21.4.4.5.1(1) Note - Removed link to link to IRM 21.4.4.6.1, Monitoring Manual Refunds, due to change in manual refund monitoring process.

(25) IRM 21.4.4.5.1(3) - Added that each manual refund needs its own sequence number. IPU 23U0225 issued 02-03-2023

(26) IRM 21.4.4.5.1(4) Block 13 - Updated to include that effective June 20, 2023, no open control needed. Change made due to new manual refund monitoring process. IPU 23U0749 issued 06-16-2023

(27) IRM 21.4.4.5.1(5) - Updated CC COMPA IRM reference and added a note that the person signing the manual refund cannot be the same as the person who initiated it. IPU 23U0738 issued 06-15-2023

(28) IRM 21.4.4.5.1(6) - Added new information on how the digital signature should be created. IPU 23U0225 issued 02-03-2023

(29) IRM 21.4.4.5.2(1) - Updated dollar amount of manual refunds. IPU 23U0738 issued 06-15-2023

(30) IRM 21.4.4.5.2(6) - Updated 4th bullet to add statement if the BPI box is checked. IPU 22U1183 issued 12-09-2022

(31) IRM 21.4.4.5.2(9) - Added new information on how the digital signature should be created. IPU 23U0225 issued 02-03-2023

(32) IRM 21.4.4.5.2(11) - Added that no new open control needed effective June 20, 2023. IPU 23U0749 issued 06-16-2023

(33) IRM 21.4.4.5.2(11) - Removed paragraph due to new monitoring changes.

(34) IRM 21.4.4.6.1 - Removed all monitoring requirements.

(35) IRM 21.4.4.6.1(1) - Updated EMT monitoring requirements effective June 20, 2023. IPU 23U0738 issued 06-15-2023

(36) IRM 21.4.4.7.2.1(1) - Updated link and title to Payment by Credit Card, Debit Card or Digital Wallet (general). IPU 22U1183 issued 12-09-2022

(37) IRM 21.4.4.7.2.2(6) - Changed the tolerance to $100,000.00

(38) Exhibit 21.4.4-2(2) & (3) - Removed requirement for an open control based on new monitoring changes.

(39) Editorial changes were made throughout the IRM for clarity. Reviewed and updated plain language, grammar, and IRM references.

EFFECT ON OTHER DOCUMENTS

IRM 21.4.4, Manual Refunds, dated 9-8-2022 (effective 10-01-2022) is superseded. This IRM also incorporates the following IRM Procedural Updates (IPU's): IPU 22U1183 issued 12-09-2022, IPU 23U0225 issued 02-03-2023, IPU 23U0738 issued 06-15-2023, and IPU 23U0749 issued 06-16-2023.

AUDIENCE

Employees located in all business operating divisions who have contact with taxpayers either by phone, correspondence, or personal contact.

Joseph Dianto
Director, Accounts Management
Wage and Investment Division

21.4.4
Manual Refunds

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21.4.4.1
(10-01-2023)
Program Scope and Objectives

(1) **Purpose:** This IRM covers general information on preparing manual refunds. Any specific program instructions for issuing a manual refund are found in the issue specific IRM.

(2) **Audience:** The primary users of this IRM are all IRS employees in any Business Operating Divisions (BODs) who prepare and input manual refunds.

(3) **Policy Owner:** The Director of Accounts Management.

(4) **Program Owner:** Process and Program Management, Accounts Management, Wage and Investment (WI).

(5) **Primary Stakeholders:** The primary stakeholders are organizations that collaborate with Accounts Management (e.g., Return Integrity Verification Operations (RIVO) and Submission Processing).

(6) **Program Goals:** To provide manual refund customers (all BOD's and taxpayers) with high quality procedures to prepare and input manual refunds.

21.4.4.1.1
(10-01-2023)
Background

(1) Employees in the Accounts Management (AM) organization respond to taxpayer inquiries and process claims and other internal adjustment requests.

(2) In the course of their duties, it is sometimes necessary for employees to bypass the normal Master File processes that result in a systemically generated refund, and instead issue a manual refund. This IRM provides specific guidance for preparing and inputting manual refunds.

21.4.4.1.2
(10-01-2017)
Authority

(1) For information, refer to:

- IRM 1.2.1.13, Policy Statements for Customer Account Services Activities,
- IRC 6402, Authority to make credits or refunds, and
- IRC 6511, Limitations on credit or refund.

21.4.4.1.3
(10-01-2023)
Responsibilities

(1) The Wage and Investment Commissioner has overall responsibility for the policy related to this IRM, which is published on a yearly basis.

(2) Additional information is found in IRM 1.1.13.7.3, Accounts Management and IRM 21.1.1, Accounts Management and Compliance Services Overview.

(3) Employees **MUST** complete these manual refund courses via ITMs annually:

If the employee	And	Then the employee
Initiates, reviews and/or signs manual refunds	**HAS NOT** previously completed ITM Course 30914, Manual Refunds	**MUST** complete ITM Course 30914, Manual Refunds, annually
Initiates, reviews and/or signs manual refunds	**HAS** completed ITM Course 30914, Manual Refunds, previously	**MUST** complete ITM Course 30914a, Manual Refunds Recertification, annually

Note: Your function may require additional training courses. For example, Submission Processing Accounting employees may be required to take Course 54710 in addition to these requirements.

21.4.4.1.4
(10-01-2017)
Program Controls

(1) **Program Reports**: The program reports provided in this IRM are for identification purposes for the Accounts Management Customer Service Representatives (CSR's) and Tax Examiners (TE's). For reports concerning quality, inventory, and aged listings, refer to IRM 1.4.16, Accounts Management Guide for Managers. Aged listings can also be viewed by accessing Control Data Analysis, Project PCD, on the Control D/Web Access server, which has a login program control.

(2) **Program Effectiveness**: Program Effectiveness is determined by Accounts Management's employees successfully using IRM guidance to perform necessary account actions and duties.

(3) **Program Controls**: Goals, measures and operating guidelines are listed in the yearly Program Letter. Quality data and guidelines for measurement are referenced in IRM 21.10.1, Embedded Quality (EQ) for Accounts Management, Campus Compliance, Field Assistance, Tax Exempt/Government Entities, Return Integrity and Compliance Services (RICS) and Electronic Products and Services Support.

21.4.4.1.5
(10-01-2019)
Acronyms

(1) For a comprehensive listing of any IRS acronyms, refer to the *Acronym Database*.

(2) The following are the common acronyms found in this IRM:

Acronym	Definition
ACT	Automated Computation Tool
BFS	Bureau of the Fiscal Service
BPI	Bypass Indicator
CII	Correspondence Imaging Inventory
DMI	Decision Modeling Inc
EMT	Erroneous Manual Refund Tool
HAL	IRS Holds Automated Listing
OBL	Outstanding Obligation
OBR	Offset Bypass Refund
RAC	Refund Anticipation Check
RAL	Refund Anticipation Loan
RFC	Regional Finance Center
RPD	Return Processable Date
TOP	Treasury Offset Program
ULC	Universal Location Code

21.4.4.1.6
(10-01-2023)
Related Resources

(1) The Taxpayer Bill of Rights (TBOR) lists rights that already existed in the tax code, putting them in simple language and grouping them into 10 fundamental rights. Employees are responsible for being familiar with and acting in accord with taxpayer rights. See IRC 7803(a)(3), Execution of Duties in Accord with Taxpayer Rights. For additional information about the TBOR, see *Taxpayer Bill of Rights*.

(2) Additional related resources include:

- *Integrated Automation Technologies (IAT) Tool Instructions*
- *Document 6209 (IRS Processing Codes and Information)*

21.4.4.2
(10-01-2023)
What Is a Manual Refund?

(1) A manual refund, transaction code (TC) 840, is a refund that is not generated through normal Master File processing (TC 846). Manual refunds are requested on either Form 3753, Manual Refund Posting Voucher, or Form 5792, Request for IDRS Generated Refund.

(2) Employees from all functions can initiate requests for manual refunds. The Form 3753 or Form 5792 manual refund requests are prepared by the initiator and are processed by the Accounting Function of the Submission Processing Campus who schedules and certifies manual refunds.

Note: The open control BOD should be the one initiating the MR in general. TAS can initiate manual refunds only if they have the delegated authority to do so and the taxpayer is entitled to a refund. Otherwise, TAS employees can only initiate requests for manual refunds (MR) after the IRS has determined the taxpayer is entitled to a refund and the amount of such refund. TAS can initiate refunds without the IRS approval, such as OBRs, provided TAS have delegated authority to do so. meaning - if there are no open controls to another function. If open control, then TAS would have to get the BOD approval first if they won't initiate it.

Note: **Digital signatures are required on Form 3753 and Form 5792.** The format is SEID followed by the name of the signer. See IRM 3.17.79.3.2.3, Manual Refund Digital Signature Requirement, for required authorized digital signature format on Form 3753 and Form 5792.

(3) This IRM provides information on the types of manual refunds and the actions needed to initiate a manual refund. Other IRM sections will give specific situations when a manual refund is required.

21.4.4.3
(06-15-2023)
Why Would a Manual Refund Be Needed?

(1) The most frequent causes of manual refunds are:

a. The refund will be going to someone other than the entity name on the Master File.
b. A hardship situation that requires a quicker refund than normal systemic processing can provide, generally a request is sent by the Taxpayer Advocate Service (TAS) using an Operations Assistance Request (OAR).
c. The refund is not for a Master File account (e.g., Photocopy Fees or Credit Card Chargebacks), or
d. Systemic limitations prevent a normal computer-generated refund.

(2) Input of manual refunds without consideration of systemic account issues or Customer Account Data Engine (CADE) 2 processing (on Individual Master

File (IMF) accounts) can result in erroneous refunds. In addition, improper IDRS controls and lack of required monitoring can result in erroneous refunds.

Caution: **A manual refund should not be initiated if an IDRS generated refund will be issued within two cycles (10 business days).** If a manual refund needs to be initiated, all efforts should be made to prevent a duplicate systemic refund from being issued.

Exception: For taxpayers with a hardship, as defined in IRM 13.1.7.3.1, TAS Case Criteria 1 - 4, Economic Burden, or in some circumstances IRM 13.1.7.3.2, TAS Case Criteria 5 - 7, Systemic Burden, TAS may initiate a hardship manual refund when the situation necessitates that the refund be issued sooner than normal systemic processing will allow.

Caution: Per the Protecting Americans from Tax Hikes Act of 2015 (the PATH Act), section 201(b) which is codified at IRC 6402(m), current calendar year refunds cannot be issued prior to February 15th if certain credits are claimed. A C- Freeze will be established on these accounts to hold the refunds and cannot be released by the posting of a TC 29X. Manual refunds cannot be issued on these accounts prior to February 15th. See IRM 21.5.6.4.5.1, C- Freeze Refund Holds, for further information. For fiscal year filers, a manual refund cannot be issued prior to the 15th day of the second month following the close of the taxable year.

(3) Following are some circumstances that may warrant the issuance of a manual refund. This list is not all-inclusive:

a. **Hardship** - Those refunds required based on a hardship where the taxpayer needs the refund in less than ten days.
When it is necessary to expedite a refund, employees can use Form 5792 to provide the customer a refund within 7 to 10 days. TAS employees can initiate a hardship direct deposit, once all documentation has been received, by using Form 3753, to provide a refund to the customer within 2 to 3 business days. See IRM 3.17.79.6.4.2, Certifying Automated Clearing House (ACH)/Direct Deposit Hardship Refunds, for manual refund procedures to issue an Automated Clearing House (ACH)/ direct deposit hardship manual refund.

Caution: Prior to issuing a manual refund on a taxpayer's hardship request, determine if the original return refund request is a direct deposit, Refund Anticipation Loan (RAL), or Refund Anticipated Check (RAC). Releasing an account refund hold to generate a refund to these accounts could result in a quicker refund to the taxpayer than issuing a paper (Form 5792) manual refund.

The completed Forms 3753 and/or Forms 5792 are processed by the Submission Processing Accounting Function. The manual refund is issued within a few business days of IDRS input. However, when issuing a refund utilizing Form 3753 it takes 4 - 6 weeks for the TC 840 to post to Master File. When completing the manual refund request, TAS must use the specific IRM reference as to why the manual refund is being issued for hardship.

Note: Taxpayers requesting manual refunds for hardship reasons should be referred to TAS for hardship determination unless the refund can be initiated within 24 hours. Areas referring these cases to TAS should ensure they have thoroughly documented the Form 911, Request for Taxpayer Advocate Service Assistance (And Application for Taxpayer Assistance Order), when an apparent hardship exists. Advise the taxpayer they should be contacted by TAS within five business days to validate the hardship. Refer to IRM 21.1.3.18, Taxpayer Advocate Service (TAS) Guidelines.

Note: When TAS has made a hardship determination on an account with an open control in another area, they will send an OAR to that area requesting the refund be released or that TAS be given written approval (via the OAR or e-mail) to input the manual refund. If the area is to release the refund, the refund should be released systemically unless the OAR indicates a manual refund should be issued. Refer to IRM 3.17.79.3.3, Issuing Hardship Refunds, to determine back-up documentation requirements.

b. **Dual Status Returns** - See IRM 3.17.79.3.12, Non-Resident Alien and Dual Status Refunds (Austin Only District Office or DO 97 and 98).
c. **Civil Cases**
d. **Form 4466**, Corporation Application for Quick Refund of Overpayment of Estimated Taxes. See IRM 3.17.79.3.11, Form 4466, Corporation Application for a Quick Refund of Overpayment of Estimated Tax.
e. **Form 8302**, Electronic Deposit of Tax Refund of $1 Million or More. See IRM 3.17.79.3.10.1, Form 8302, Electronic Deposit of Tax of $1 Million or More.
f. **Form 8050**, Direct Deposit of Corporate Tax Refund - See IRM 3.12.217-7, Form 8050 - Direct Deposit of Corporate Tax Refund.
g. **Large dollar refunds** - Any refund of $100 million or more, must be issued as a manual refund on a Form 3753. Systemic refunds can be generated on IDRS (TC 846) for under these amounts, unless a manual refund is required for another reason.
h. **Non Master File Refunds**
i. **Congressional Inquiries**
j. **Interest Bearing Excise Fuel Claims** - See IRM 4.24.22.4.5.3, Form 8849, Schedule 2, Sales by Registered Ultimate Vendors, IRM 4.24.22.4.5.4, Form 8849, Schedule 3, Certain Fuel Mixtures and the Alternative Fuel Credit, and IRM 4.24.22.4.5.7, Form 8849, Schedule 8, Registered Credit Card Issuers.
k. **Offers in Compromise** - See IRM 5.19.7.7.6, Disposition of OIC Deposits.
l. **State Income Tax Levy Program** - See IRM 5.19.9.3, State Income Tax Levy Program (SITLP) General.
m. **Return of levied property to taxpayer** - See IRM 5.19.4.4.12, Wrongful Levies, or IRM 5.11.2.3.2.2, Certain Wrongful Levy Situations.
n. **Statute Imminent cases**
o. **Injured Spouse Claims** - See IRM 21.4.6, Refund Offset.
p. **Tentative Carryback Cases** - See IRM 21.5.9.5.8, Carryback Manual Refund.
q. **Deceased taxpayers** - See IRM 21.6.6.2.20.2, Processing Decedent Account Refunds.
r. **Reimbursement of return photocopy fees** - See IRM 21.4.4.7.1, Photocopy Fee Refunds.

s. **Chargeback for unauthorized credit card payments** - See IRM 21.4.4.7.2, Credit Card Chargebacks.
t. **Taxpayers in bankruptcy**

Note: All taxpayer refund inquiries regarding bankruptcy should be referred to the Centralized Insolvency Operation (CIO) in Philadelphia at 800-973-0424. Do not refer taxpayers to CIO if the only issue is the status of the refund and IDRS shows a refund is scheduled to be sent or was recently sent.

u. **Non-receipt of direct deposit refunds due to IRS error** - See IRM 21.4.1.5.7.5, Non-Receipt of Direct Deposited Refunds - "Refund Inquiry Employees."
v. **To release an X- freeze** - See IRM 21.5.6.4.47, X- Freeze.
w. **Refund consists of Chapter Three Withholding (CTW) and non-CTW.**
x. **Refunds issued after the RSED has expired** (prevention of RSED-STAT Transcript generating to the Statute Team) - See IRM 21.5.3.4.3, Tax Decrease and Statute Consideration, and IRM 25.6.1.10.2.7.2, Limitations on the Amount of a Claim.

Note: **IRM 21.4.4.3 cannot be cited as the IRM reference in Section II Box 1c or d on the Form 5792 or Form 3753. The issue specific IRM must be used in those fields.**

21.4.4.3.1
(10-01-2014)
Requests for Refund Less Than $1.00

(1) Overpayments of less than $1 are systemically cleared from the module by the posting of a TC 386. If a taxpayer requests a refund of an overpayment of less than $1.00, use the following procedures to reverse the TC 386 and force the generation of a systemic refund:

a. Input a TC 971 action code (AC) 652 using CC REQ77. Refer to IRM 2.4.19, Command Codes REQ77, REM77, and FRM7A.
b. Enter the transaction date of the TC 386 on line 3, positions 56 - 63, <TRANS-DT>.

(2) The above actions will post a TC 387, reversing the TC 386, and will generate a systemic refund (TC 846) via a paper check to the address of record.

Note: If the request for a refund for less than $1.00 meets other manual refund criteria, such as a deceased taxpayer, follow normal manual refund procedures.

(3) If the module does not contain a posted TC 386 with a matching transaction date, the TC 971 AC 652 will unpost showing unpostable code (UPC) 438 RC 5.

21.4.4.4
(03-29-2021)
What Research Is Required?

(1) Thorough IDRS research must be completed before submitting a manual refund request to the Accounting Function. IDRS research is not required if the refund is being prepared for the Bureau of Fiscal Service.

Note: Extreme caution should be used if an IDT indicator is on the account. See IRM 25.23.2.4.1, Tracking and Reporting Identity Theft Cases - Identity Theft Indicators, and IRM 25.23.9.6, BMF Identity Theft Tracking Indicators, for a listing of IMF and BMF indicators.

(2) This section details the research needed for all other manual refunds.

(3) Failure to perform the necessary IDRS research, or to provide the back-up documentation when the manual refund is submitted to the Accounting Function, will result in the manual refund request being rejected back to the initiator.

Note: Refer to IRM 21.5.6.4.35.4, Refund Holds, for conditions under which the account will not reflect the refund transaction (TC 846) because an IMF refund hold is systemically preventing the refund transaction from generating.

21.4.4.4.1
(06-14-2016)
Refund Statute Expiration Date

(1) Before initiating a manual refund, verify that the Refund Statute Expiration Date (RSED) has not expired.

(2) The RSED for prepaid credits must be checked for limitations on the amount claimed. If the claim was filed within three years of the filing of the return, the amount to be credited or refunded is limited to the tax paid (which includes tax, penalties, and interest) during the three years immediately preceding the filing of the claim, plus the period of any extension of time to file. See IRM 25.6.1.10.2.7.2.1, Three-year Rule, for additional information.

(3) If a return is not filed or the claim was not filed within three years of the return, the amount is limited to the portion of tax paid (the payment of tax could be for tax, penalty or interest) during the two years immediately preceding the filing of the claim. See IRM 25.6.1.10.2.7.2.2, Two-year Rule, for additional information.

Note: If the RSED is expired, a notation must be included in the Remarks section of the manual refund Form 3753/Form 5792 to indicate there is no Refund Statute issue and the credit is available for refund. Notations must be clear and can include **"Timely filed, No RSED Issue" or "RSED allowable"**. Before initiating the manual refund, credit availability must be determined. See IRM 21.4.4.5.1 (3) Block 20 and IRM 21.4.4.5.2 (8) Section IV - Other Remarks.

(4) Questionable RSED issues should be referred to the Statute Coordinator in your area.

21.4.4.4.2
(10-01-2023)
Outstanding Balances/Duplicate Refunds

(1) Verify the taxpayer has no outstanding tax liabilities that must be satisfied. Refer to IRM 5.19.10.3.13 (2), Research Prior to Transfer of Credits. Generally, all debit balances must be satisfied before issuing a manual refund if the #

When an outstanding tax debt is identified, a manual refund may only be issued for the amount of overpayment in excess of the balance due.

Exception: An Offset Bypass Refund (OBR) indicator may be used to bypass outstanding debts when economic hardship exists or based on certain TC 520 closing codes.

For procedures on transferring credit to balance due accounts refer to IRM 21.5.8, Credit Transfers. For procedures on processing an original return with an offset bypass refund, see IRM 21.4.6.5.11.1, Offset Bypass Refund (OBR).

(2) On an IMF account, if a credit transfer and a manual refund are required on the same module:

a. First, input the credit transfer using a TC 570 on the debit portion of the transfer to prevent a refund or offset of any remaining credit after the transfer. Refer to IRM 21.5.8.4.5 (3), TC 570 and Bypass Indicator. Calculate the balance due to the date the credit became available and use that date as the credit transfer date.

b. Then, input the manual refund.

Caution: If the credit transfer posts at the same time as the manual refund, without a TC 570 on the debit portion of the transfer, the credit transfer will release the hold on the account and will allow a systemic refund to issue before the manual refund posts. This will create an erroneous refund.

(3) Initiators must review the account using IDRS research to ensure there are no prior, duplicate, manual (TC 840) or computer-generated (TC 846) refunds issued for the credit being refunded.

Caution: A TC 971 AC 664 indicates a Form 3753, Manual Refund Posting Voucher, has been processed by the Accounting Function and a TC 840 will post to the account within 4 to 6 weeks. **Do not input a second manual refund for the same overpayment.** Refer to IRM 21.4.4.5.2, Preparation of the Form 3753, Manual Refund Posting Voucher.

Research all related accounts, using appropriate command codes, the same day a manual refund is prepared to verify that a duplicate refund will not be issued.

(4) Verify that the claimed credits (payments) are available for refund and mark box 7 in section II of the Form 5792, Request for IDRS Generated Refund, indicating the credit is available to be refunded. Research for any open control bases and coordinate, as necessary.

Note: Before completing a manual refund, be sure to check the account for a TC 971 AC 665 (indicates a manual assessment has been made). This could reduce the amount of overpayment available for refund. For more information, see IRM 3.17.244, Manual Assessments.

The first two digits of the employee IDRS number (Office Identifiers) will identify the employee's location:

Office Identifiers	**Campus**
01	Brookhaven
02	Cincinnati
03	Memphis
04	Ogden
05	Philadelphia
06	Austin
07	Atlanta
08	Andover

Office Identifiers	Campus
09	Kansas City
10	Fresno
63	Taxpayer Advocate Service

(5) All records of accounts must be researched including:

- Individual Master File (IMF)
- Business Master File (BMF)
- Non Master File (NMF)

21.4.4.4.3
(10-12-2018)
Non-Master File Research

(1) Research is needed to identify any outstanding balances on Non-Master File. Refer to IRM 21.2.1.5, Non-Masterfile. Indicators of Non-Master File account activity include the presence of an M- Freeze on an account, or a TC 130 on CC ENMOD. Non-Master File accounts present on IDRS can be identified using CC TXMOD, CC ENMOD, and CC SUMRY with the definer "N" after the taxpayer identification number (TIN). When the indicator is present, the initiator of the manual refund must contact the Non-Master File Function to request a transcript of all open NMF accounts. NMF accounts are centralized in Kansas City Submission Processing.

Note: If using the AM IAT Manual Refund Suite Tool, the tool automatically researches Non-Master File for outstanding balances.

(2) Consider any outstanding balances or prior TC 840 when determining the amount of the manual refund which can be initiated. The refund amount may be reduced or not approved if there are NMF debts.

(3) If research indicates the taxpayer is eligible for all or a portion of the refund, attach the NMF transcript to the Form 3753, with an explanation of why the taxpayer qualifies for the full or reduced amount of the refund.

21.4.4.4.4
(10-01-2018)
Bureau of the Fiscal Service (BFS) Non-Tax Debts

(1) The Bureau of the Fiscal Service (BFS) (formerly Financial Management Service (FMS)) issues IRS refunds and maintains the Treasury Offset Program (TOP) for child support, non-tax federal agency debts, state income tax offsets and unemployment compensation debts. See IRM 21.4.6.4.2.2, IMF TOP Offset, and IRM 21.4.6.4.2.3, BMF and Civil Penalty TOP Offsets, for types of refunds eligible for offset.

(2) If the manual refund is eligible for TOP offset, initiators of manual refunds must inform taxpayers they are still subject to TOP offsets by BFS (formerly FMS).

(3) The Bypass indicator can be used with Form 5792 to prevent a TOP offset in limited circumstances. Refer to IRM 21.4.6, Refund Offset, for more information.

(4) Only bypass indicators 0 or 3 should be used with Form 3753. See IRM 21.4.4.5.2, Preparation of the Form 3753, Manual Refund Posting Voucher.

21.4.4.4.5
(12-09-2022)
Approval from Other Functions

(1) Certain conditions on a module require coordination with other areas before a manual refund can be requested. All information received from these areas must be a part of your manual refund case documentation.

- Obtain approval from the Criminal Investigation Scheme Development Center when an account shows no filing requirements.
- Approval must be requested from the Technical Unit on large corporation (LCI) accounts.
- An M- freeze indicates a Non-Master File freeze. See IRM 21.4.4.4.3, Non-Master File Research.
- -Z or Z- freeze must be coordinated with Criminal Investigation Scheme Development Center.
- -U Freeze must be coordinated with the Erroneous Refund team in Accounting.
- -V bankruptcy freeze. See IRM 21.5.6.4.44, -V Freeze.
- -W litigation freeze. See IRM 21.5.6.4.46, -W Freeze, and IRM 25.3.8, TC 520 -W Freeze Servicewide Guide.
- -R Refund Hold freeze. A Refund Hold -R freeze can be identified by TC 570 with 999 in the Julian Date field of the Document Locator Number (DLN) (digits 6, 7, and 8). Refund Hold coordinators can be found on the Servicewide Electronic Research Program (SERP) at *DELINQUENT RETURN REFUND HOLD COORDINATORS*.
- Obtain a credit verification print from Rejects/Error Resolution for unprocessed returns.

(2) Examination approval is required for the following account conditions:

- Computer Condition Code (CCC) “X” for Form 1120, U.S. Corporation Income Tax Return, with a Tax Shelter Activity Code
- Audit Information Management System (AIMS) indicator on the account with AIMS-CD “1”, “3”, or “5”
- An AIMS SC is present on CC BMFOL
- -E Freeze with TC 810 (with Code 1, 2, 3 or 4). See IRM 21.5.10.3.1, Integrated Data Retrieval System (IDRS) Research Exam Issues, and IRM 21.5.10.4.1.2, Compliance Refund Hold Projects
- -L Freeze and the account has a history item or activity code of “MAAS (MMDDYYYY)”. This indicates a quick assessment has been requested and that a new liability may be in the process of posting. If the assessment has not posted, contact Exam for the additional liability and satisfy the liability prior to issuing the manual refund
- -L Freeze if AIMS Status Code is other than 00 through 06 or 08

21.4.4.5
(10-01-2023)
Preparation of Manual Refund Forms

(1) Manual refund is exception processing and has a greater margin for error. When possible, allow the system to generate the TC 846 refund. Releasing a hold on the account could result in a quicker refund to the taxpayer than issuing a manual refund. Do not issue a manual refund if:

- A generated refund will be released within two (2) cycles, except under conditions outlined in IRM 21.4.4.3, Why Would a Manual Refund Be Needed?
- There is a TC 971 AC 664 on the account, either AP, PN or posted. This transaction code indicates that either a direct deposit or paper manual refund has been issued
- The taxpayer indicated a direct deposit refund

In addition, extreme caution should be used when initiating manual refunds during a BMF accelerated cycle.

Caution: Per the Protecting Americans from Tax Hikes Act of 2015 (the PATH Act), section 201(b) which is codified at IRC 6402(m), current calendar year refunds cannot be issued prior to February 15th if certain credits are claimed. A C- Freeze will be established on these accounts to hold the refunds and cannot be released by the posting of a TC 29X. Manual refunds cannot be issued on these accounts prior to February 15th. See IRM 21.5.6.4.5.1, C- Freeze Refund Holds, for further information. For fiscal year filers, a manual refund cannot be issued prior to the 15th day of the second month following the close of the taxable year.

Note: With the onset of CADE 2 (January 2012), all IMF refunds are in an accelerated process.

(2) An update to the name and/or address **must** post prior to inputting the manual refund.

(3) If a TERUP is input on a manual refund, the reinput of the manual refund **must** be done after the DQ shows.

(4) All offices requesting manual refunds must have Form 14031, Manual Refund Signature Authorization, authorized digital signatures on file with the Accounting Branch where the manual refund is submitted for processing, per IRM 3.17.79.3.5, Employees Authorized to Sign Requests for Refunds.

(5) Form 3753 and Form 5792 are posting documents used by Accounting to schedule and certify refunds. Accounting will reject any request that:

a. Is not legible, or contains a strike through, or contains white out.
b. Is prepared on an obsolete form.
c. Does not have back-up documentation attached.
d. Has a missing, incorrect, or incomplete authorized digital approved signature (The “SEID” digital signature format is required on Form 3753 and Form 5792.)

Note: See IRM 3.17.79.3.2.3, Manual Refund Digital Signature Requirement, for digital signature requirements on Form 3753 and Form 5792. This IRM was updated with the acceptable format of the signature. The correct format is SEID followed by the name of the signer. See referenced IRM for example.

Note: See IRM 3.17.79.4.1, Case Review and Command Code REFAP (Refund Approval), and IRM 3.17.79.6.4.2 (10), Certifying Automated Clearing House (ACH)/Direct Deposit Hardship Refunds, for additional reject reasons.

e. Is missing required RSED statute notations for credit availability. See IRM 21.4.4.5.1 (3) Block 20 and IRM 21.4.4.5.2 (8) Section IV - Other Remarks.
f. Is not received in Accounting by the designated cut-off time.

(6) When an adjustment is input and a manual refund is being issued, a hold code (HC) 1, 2, or 4 must be input with the adjustment. If HCs are not input by the initiator, the Accounting Function will reject the request back to the initiator. **Do**

not use HC 0 or 3 when inputting a credit adjustment and issuing a manual refund. HC 0 and 3 will not hold the credit and will allow a systemic refund or offset to generate.

Note: If multiple adjustments are required (e.g., a separate to joint account), a HC 1, 2, or 4 needs to be used on all adjustments.

(7) If a credit transfer to satisfy an outstanding balance (OBL) is also required, in addition to the instructions in (3) above, a TC 570 must be input on the debit side of the credit transfer (the side the money is being moved from, and from which the manual refund is being issued). If a TC 570 is not input with the credit transfer to establish a -R freeze, the credit transfer will release the -K freeze (established by using HC 1, 2 or 4 on the adjustment) and a systemic refund (TC 846) will be generated.

(8) Processing Form 5792, Request for IDRS Generated Refund (IGR), requires the following actions:

a. Prepare the manual refund document using the Integrated Automation Technology (IAT) Manual Refund Tool. Refer to IRM 21.4.4.5.1, Preparation of Form 5792, IDRS Generated Refund. Use of the IAT Manual Refund Tool is mandatory per IRM 21.2.2-2, Accounts Management Mandated IAT Tools.

b. If a duplicate condition is found, the IAT Manual Refund Tool will not complete the form. You must resolve the duplicate condition before the tool will allow the completion of the form. Be sure to check CFOL command codes to ensure a refund has not generated.

Reminder: **Do not input the manual refund until the duplicate condition is resolved**.

c. Forward the manual refund form to the technical lead or designated individual for review, **according to the routing instructions for your site** (routing instructions will vary by site), and attach necessary documentation (refer to #9 below for a list of necessary documentation and the checklist in Exhibit 21.4.4-2, Manual Refund Checklists).

d. The technical lead or designated individual will review the manual refund form, the attached documentation, and, using the IAT Manual Refund Suite Tool, review information on IDRS. **The technical lead or designated individual must confirm that a manual refund is required and verify the IRM reference requiring the manual refund.**

e. The technical lead or designated individual will send the manual refund documentation forward to the manager to be reviewed/digitally signed, according to the routing instructions for your site (routing instructions will vary by site).

Note: **Digital signatures are required on Form 3753 and Form 5792.** The format is SEID followed by the name of the signer. See IRM 3.17.79.3.2.3, Manual Refund Digital Signature Requirement, for required authorized digital signature format on Form 5792.

Note: Managers and technical leads/designated individuals need to give priority attention to manual refunds. Manual refunds need to be reviewed and returned in time to meet the interest calculation date(s).

f. The initiating employee or designated individual will input a CC NOREF with definer “P” on each IMF manual refund to prevent the issuance of a systemic refund. Refer to IRM 21.4.1.5.10, Refund Intercept CC NOREF with Definer “P”, for instructions to complete the CC NOREF with definer “P”.

Exception: If the manual refund is being issued from a module currently indicating a -V or -W freeze or contains an open TC 520 (open bankruptcy case), CC NOREF with definer “P” is not required. When the IAT error message referenced in paragraph “h” below is displayed, select the “Retry” button to bypass the IAT error message.

Exception: If the manual refund is being issued from a module currently in a balance due status (before the manual refund is input), CC NOREF with definer “P” is not required. When the IAT error message referenced in paragraph “h” below is displayed, select the “Retry” button to bypass the IAT error message.

Note: There are some extremely limited circumstances when a manual refund and a systemic refund are required on a module, such as some Injured Spouse claims. If a manual refund and a systemic refund are required, do not input CC NOREF with definer “P”. Select the “Retry” button to bypass the IAT error message.

Note: TAS employees must seek approval to input CC NOREF with definer “P” if the account is under control of an operation other than TAS.

g. Refer to Exhibit 2.4.37-7, Input Format Command Code NOREFP for the line by line instructions for inputting CC NOREF with definer “P”.

Note: Use the current cycle or, if a posting delay code is used on an adjustment, use the cycle the adjustment will post. An “F” must be entered after the cycle and either “MISC” or “RFDL” must be used as the category code.

h. If CC NOREF is not detected by the IAT Manual Refund Tool an error message will appear in the IAT tool indicating “Input CC NOREFP, following your area guidelines for input, before initiating CC RFUNDR”.

Example: The CC NOREF is looking for a history item that indicates, “RPYYYYNNXX” where “YYYYNN” is the cycle and “XX” is the reason code (RC).

i. The manual refund documentation will be returned to the initiating employee or designated individual, **according to the routing instructions for your site** (routing instructions will vary by site) for the input of CC RFUND through the IAT Manual Refund Tool. Refer to IRM 21.4.4.5.1.1, IDRS Generated Refund CC “RFUND”.

Note: If inputting CC RFUND between the hours of 6:00 PM, at the Accounting site where your manual refunds are processed, and before 11:59 PM your local time, notate a ″Y″ in Section IV Box 1 of the Form 5792 along with the number of the employee inputting the CC RFUND. This will alert Accounting that the CC RFUND will have a

different date than CC REFAP, but the two command codes were input during the same 24-hour cycle.

j. Input of CC RFUND through the IAT Manual Refund Tool will update the open control on IDRS using Status Code A and “IDRSREFUND” as the activity code.

k. A copy of the Form 5792 **or** a CC RFUND completed screen **or** a screen capture of CC RFUND is to be attached/kept with the CII case. If the manual refund is rejected for any reason and the Form 5792 is changed or CC RFUND is input for a second time, a new copy of the Form 5792 **or** a CC RFUND completed screen **or** a screen capture of CC RFUND is to be attached/kept with the CII case. For detailed information on how to attach documents to a CII case, refer to the applicable *CII CSR User Guide* on SERP under the Local/Sites/Other tab and follow the links to the Correspondence Imaging Inventory (CII).

Note: The CII case should remain open until after the technical lead or designated individual has reviewed the case and the manager has digitally signed the form to meet the requirements outlined in IRM 21.5.2.4.19, Verifying Complete Adjustments.

l. All manual refund documents will be returned to the technical lead or designated individual after CC RFUND has been input, **according to the routing instructions for your site** (routing instructions will vary by site).

m. Effective June 20, 2023, initiating sites are no longer required to monitor manual refunds.

Note: If you want to ensure your manual refunds have been accepted by Accounting, you can load the previous days EMT exports from your C: drive into your EMT/Case Monitoring Tool. Then run the Monitor function on the EMT/Case Monitoring Tool and take action on any cases that are archived as “DQ”. Any cases that are **not** archived as “DQ” can be deleted from the EMT tool as Headquarters will be monitoring the cases daily.

Note: A control base can still be opened on the account when other actions are being taken that need to be monitored for completion; however, a monitoring control base for the manual refund is not required.

n. After items (a) through (m) above have been addressed, forward the completed manual refunds with all back-up documents, **according to the routing instructions for your site** (routing instructions will vary by site) to the appropriate campus Accounting Function by their designated daily cutoff time.

Note: Form 5792 must be emailed to the appropriate Accounting site the same day the RFUND command is input. See Exhibit 21.4.4-3, Accounting Function - Manual Refund Team Contact Information, for the appropriate email addresses.

Note: CC TERUP must be used to delete a manual refund after the CC RFUND has been input. Recalling a manual refund email from Accounting will not delete the TC 840. Also, once a manual refund has been sent to Accounting, **it cannot be recalled or canceled without a reject being charged**.

o. When emailing manual refunds to the Accounting Function, the email will consist of two attachments. The first attachment will be the Form 5792 and the second attachment will be the back-up documentation. There can be no other documents attached to the Form 5792 attachment. The back-up documentation must all be merged into one PDF file per refund. Multiple manual refunds can be included in the same email. Each document must be saved using the required naming convention. The required naming convention and examples are shown in IRM 21.4.4.5 (10) below. When sending more than three manual refund requests in the same email, they must be in a Zip File. Also, the manual refund form number must be the first item on the email subject line. This is so Form 3753 can be identified and given priority. The remaining subject line does not need to be structured.

Note: When emailing, only send to the Accounting mailbox. To eliminate the possibility of duplicate refunds, do not carbon copy (cc) anyone else in Accounting.

p. Refer to Document 12990, Records Control Schedules (RCS) 29, Item 266 (3) for the disposition authorization of Form 5792, Request for IDRS Generated Refund (IGR). Form 5792 is a record and it must be handled according to the National Archives and Records Administration (NARA) authorized disposition. Records may only be destroyed in accordance with authorized instructions found in the IRS Records Control Schedules (RCS).

(9) Processing Form 3753, Manual Refund Posting Voucher:

a. Prepare the manual refund document using the IAT Manual Refund Suite tool. Refer to IRM 21.4.4.5.2, Preparation of Form 3753, Manual Refund Posting Voucher. Use of the IAT CRS tool is mandatory per IRM 21.2.2-2, Accounts Management Mandated IAT Tools.

b. If a duplicate condition is found, the IAT Manual Refund tool will not complete the form. You must resolve the duplicate condition before the tool will allow the completion of the form.

Reminder: **Do not continue with the manual refund until the duplicate condition has been resolved**.

c. Forward the manual refund form to the technical lead or designated individual for review, **according to the routing instructions for your site** (routing instructions will vary by site), and attach necessary documentation (refer to #8 below for a list of necessary documentation and the checklist in Exhibit 21.4.4-2, Manual Refund Checklists, and forward to the technical lead or designated individual for review.

d. The technical lead or designated individual will review the manual refund form, the attached documentation, and, using the IAT Manual Refund Suite Tool, review information on IDRS. **The technical lead or designated individual must confirm that a manual refund is required and verify the IRM reference requiring the manual refund.**

Note: A control base can still be opened on the account when other actions are being taken that need to be monitored for completion; however, a monitoring control base for the manual refund is not required.

e. The technical lead or designated individual will then send the manual refund documentation forward to the manager to be reviewed/digitally signed.

Note: **Digital signatures are required on Form 3753 and Form 5792.** The format is SEID followed by the name of the signer. See IRM 3.17.79.3.2.3, Manual Refund Digital Signature Requirement, for required authorized digital signature format on Form 3753.

f. When the Accounting Function processes the Form 3753, Manual Refund Posting Voucher, they input a history item, a control base, and TC 971 AC 664 on the account.

g. When emailing manual refunds to the Accounting Function, the email will consist of two attachments. The first attachment will be the Form 3753 and the second attachment will be the back-up documentation. There can be no other documents attached to the Form 3753 attachment. The back-up documentation must all be merged into one PDF file per refund. Multiple manual refund requests can be included in the same email. Each document must be saved with the required naming convention. The required naming convention and examples are in IRM 21.4.4.5 (10) below. When sending more than three manual refund requests in the same email, they must be in a Zip File. Also, the manual refund form number must be the first item on the email subject line. This is so Form 3753 can be identified and given priority. The remaining subject line does not need to be structured.

Note: When emailing the manual refund request to Accounting, only send to the Accounting mailbox. To eliminate the possibility of a duplicate refund, do not cc anyone else in Accounting.

Note: The email read receipt option may be used to confirm that a Form 3753 has been received by Accounting. To prevent duplicate manual refunds, do not re-send a manual refund request to Accounting after receiving a read receipt from them.

h. Refer to Document 12990, Records Control Schedules (RCS) 29, Item 266 (3) for the disposition authorization of Form 3753, Manual Refund Posting Voucher. Form 3753 is a record and it must be handled according to the National Archives and Records Administration (NARA) authorized disposition. Records may only be destroyed in accordance with authorized instructions found in the IRS Records Control Schedules (RCS).

(10) The Form 5792 or Form 3753 attachment must be named using the following naming convention: Name Control, Last 4 digits of the TIN, Tax Period 5792/3753 (depending on the form attached). The attachment with the back-up documentation must be named using: Name Control, Last 4 digits of TIN, Tax Period Doc (this would be all the back-up documentation attachment). Examples are:

Type of Attachment	Naming Convention
Form 5792	MOUS 1234 201712 5792.pdf
Form 3753	MOUS 1234 201712 3753.pdf
Back-Up Documentation	MOUS 1234 201712 Doc.pdf

If Multiple Manual Refunds for the Same TIN and Tax Period	Naming Convention
Form 5792	MOUS 1234 201812 5792.pdf MOUS 1234 201812 5792_1.pdf MOUS 1234 201812 5792_2.pdf ***Note:*** Number each one according to the total of manual refunds.
Form 3753	MOUS 1234 201812 3753.pdf MOUS 1234 201812 3753_1.pdf MOUS 1234 201812 3753_2.pdf ***Note:*** Number each one according to the total of manual refunds.
Back-Up Documentation	MOUS 1234 201712 Doc.pdf MOUS 1234 201812 5792 Doc_1.pdf MOUS 1234 201812 5792 Doc_2.pdf ***Note:*** Number each one according to the total manual refunds.

Note: Defects will be charged for using an incorrect email naming convention, however, the manual refund will not be rejected unless there is an issue with the Form 5792, supporting documentation, or the CC RFUND input.

(11) The following information must be attached to the manual refund form:

- Sufficient documentation to justify issuing the manual refund (for example: taxpayer correspondence, internal transcript, copy of Form 1040X, Form 1045, Form 4442, Form 8379, the injured spouse worksheet if applicable, Form 1310 (unless a Surviving spouse), Form 843, the taxpayer's hardship documentation or a signed statement from the Local Taxpayer Advocate (LTA) approving the taxpayer's hardship refund request, etc.)

  Note: The documentation attached to the manual refund should not be original documents. Original documents are to be maintained with the original case file. Refer to the *CII CSR User Guide* for information on how to attach documents to a CII case.

- CC COMPA or Automated Computation Tool (ACT)/Decision Modeling Inc. (DMI) Report 490 (if interest was calculated). The COMPA printout should include COMPA at the top and not be handwritten in.
- CC ENMOD (only if a pending name or address change is indicated)
- Generally, unless required by the IRM of the specific type of manual refund being input, no other IDRS prints are needed to be attached as the Accounting Functions have access to IDRS and can verify the information.

(12) If the original return was coded with CCC 3, “U” coded return (Form 1040), which means that the original return was unprocessable due to no reply from a correspondence sent from the error resolution area, attach a copy of the completed REQ54 screen showing that a return processable date (RPD) was input with the adjustment. If a previous adjustment was input to the module that contained a RPD, then a copy of the REQ54 screen is not needed. If the RPD has been input, it will be reflected on CC IMFOLR/BMFOLR.

21.4.4.5.1
(10-01-2023)
Preparation of Form 5792, IDRS Generated Refund

(1) Form 5792 is used with CC RFUND to request an IDRS refund. This form cannot be used to issue refunds of $100 Million or more. **Use the latest revision** of Form 5792. Digital signatures are required on Form 5792. When a Form 5792 is submitted to the Accounting Function, only one copy of the Form 5792 is required. The case file must be submitted to the Accounting Function the same processing day CC RFUND is input.

Note: Accounting will reject the Form 5792 if the document contains any alterations such as white out, strike through or correction tape.

Caution: Proper hold codes must be used when issuing a manual refund. See IRM 21.4.4.5 (6) and IRM 21.4.4.5 (7).

(2) It is imperative that the following entries on Form 5792, Section 1 are legible to validate CC RFUND with CC REFAP to post the TC 840:

- Box 6: TC 840 Amount
- Box 14: First Name Line
- Box 18: Street Address or PO Number
- Box 19: City

See IRM 3.17.79.4.2, RFUND/REFAP Mismatch.

(3) The following are line by line instructions for completing Form 5792 **Section I - Account Information** (All fields are mandatory unless noted otherwise):

- **Block 1, TIN and File Source** - Input the TIN and File Source of the account from which the refund will be issued
- **Block 2, MFT Code** - Input the Master File Tax (MFT) Code
- **Block 3, Tax Period** - Input the tax period as YYYYMM

  Exception: Period ending for MFT 52 is always 000000

- **Block 4, Plan Number** - Input the plan/report number, applicable for MFT 46, 74 and 76
- **Block 5, Name Control** - Input the four-character name control
- **Block 6, TC 840 Amount** - Input the TC 840 amount (overpayment, plus allowable interest)
- **Block 7, TC 770 Amount** - Input the TC 770 amount (allowable interest). If no interest is being computed, enter “0” or “.00”
- **Block 8, Overpayment Amount** - Input the overpayment amount: The amount being refunded not including any available credit interest

  Note: Consider previously assessed failure to file and failure to pay penalties, and debit interest that will be affected by the adjustment action. Any decrease in penalties or interest already paid

must be included in the overpayment amount. In addition, unassessed accruals of penalty and/or interest may reduce the overpayment amount.

- **Block 9, Line No** - Input the appropriate line number. See Exhibit 2.4.20-12, Description of Line Item Numbers
- **Block 10, Interest Indicator** - Input the appropriate interest indicator code:
  "**0**" (zero) for no interest
  "**N**" for normal interest when interest is payable
  "**R**" for restricted interest

  Note: If interest is paid, interest "from" and interest "to" dates are required. See IRM 20.2, Interest, for interest computation.

- **Block 11, ULC Code** - Input the Universal Location Code (ULC) (formerly the District Office code). (This block will generate when CC RFUND is input to IDRS) See Document 6209, *Section 8C. 10*, for listing of ULCs
- **Block 12, Sequence Number** - Will be input by the employee inputting CC RFUND to IDRS. If issuing multiple manual refunds, use sequential numbers for each manual refund. Each manual refund should have its own sequence number.
- **Block 13, Block Series Number** - Optional. Input if applicable. The block series may be 3, 4, 5, 6 or 9 and identifies why the refund is being issued. A 9 entered in this block must be accompanied by a bypass indicator (BPI) code of 1, 2, 5, 6, 8, or 9
- **Block 14–19, Entity and Address Information** - Input the name and address of the payee. Use CC ENMOD or CC INOLES information unless there is a name change, different address, or the refund is being issued to an injured spouse or third party

  Note: If the address on **any** Form 5792 does not match the address on Master File, an explanation must be provided in the Remarks section of the form.

  Reminder: If there are circumstances or discrepancies with the name or address on manual refund Form 5792, include a brief justification in the Remarks section of the form to support name line and address (i.e., name line typo on back-up documentation or discrepancy with address)

  Caution: Valid characters for the first name line are A-Z, 0-9, -, &, and blank. Valid characters for the second name line are A-Z, 0-9, -, &, %, and blank. The valid characters for the address are A-Z, 0-9, -, /, and blank. For a further explanation of the valid characters accepted for CC RFUND and for an example of how to input a foreign address into CC RFUND, refer to IRM 2.4.20-4, Input Format, CC RFUND.

Deceased Taxpayer Manual Refunds: For decedent accounts, **DO NOT address the first name line to a deceased taxpayer**. Use the name of the person claiming the refund as the payee for refunds issued on decedent accounts. **Refer to IRM 21.6.6.2.20.2, Processing Decedent Account Refunds, to determine the proper documentation for claiming a refund on a decedent account.** The deceased

taxpayer's name is shown on the second name line. The "Decd" in the second name line should be entered after the given name of the deceased taxpayer on a joint account or after the surname of the taxpayer on an individual account.

Example:

Person claiming the refund is:	1st name line	2nd name line
Surviving spouse	Mary Beagle	John Decd and Mary Beagle
An Individual Court Appointed or Personal Representative	James White **(A TITLE IS NOT REQUIRED. IF A TITLE IS USED IT MUST MATCH THE COURT DOCUMENTATION)**	Elizabeth White Decd
A Business Entity Acting as Court Appointed or Personal Representative	Gopher National Bank **(A TITLE IS NOT REQUIRED. IF A TITLE IS USED IT MUST MATCH THE COURT DOCUMENTATION)**	Elizabeth White, Decd
Claimant	Linda Rose	Jack Boxer Decd

Note: If a taxpayer cannot cash a refund check with "decd" indicated on the check, after the refund has been returned, reissue a manual refund using the 1st name line only. Document the reason for the second refund in the remarks section of the manual refund.

- **Block 20, Remarks** - Annotate reason for the refund in the remarks field. Be specific. Include all pertinent information. This would be anything you would want Accounting to know about the circumstance of the manual refund. If a form is attached as supporting documentation for the manual refund, specify the form type in the remarks. For example, if issuing a manual refund because of an injured spouse, you would indicate "F8379 attached"; or for a deceased TP refund based on the filing of a Form 1310, you would indicate "F1310 attached". This block can only hold 80 characters so you may need to abbreviate words. The CII ID does not need to be included in the remarks so you can create more space by removing it. Once you have verified all supporting documentation is attached and complete, check box 6 in section II. Accounting will need to verify the interest dates are correct and the credit is available for refund.

  Note: **If the RSED is expired**, a notation must be included in the Remarks section to state the Statute issue has been reviewed and the credit is available for refund. Notations must be clear and can include **"Timely filed, No RSED Issue" or "RSED allowable."** Before initiating the manual refund, credit availability must be determined.

  Field Assistance (FA) employees - In addition to the remarks indicated above, enter **W&I:CARE:FA**.
- **Block 21, Initiating BOD** - Check the box of the initiating Business Operating Division (BOD).

- **Block 22, Document Locator Number (DLN)** - Input the controlling document locator number (DLN) on the module. If no return posted or not needed, write in “return not posted”
- **Block 23, Bankruptcy Code Case** - Check the box if the account has a bankruptcy indicator.
- **Block 24, TC 130** - Check the box if the account contains a TC 130

(4) The following are line by line instructions for completing Form 5792, **Section II - Manual Refund Authority** - The items listed below are mandatory:

- **Box 1c, Handbook Reference** - Use the actual IRM reference for the type of case you are working; never cite IRM 21.4.4 or its subsections as the reason you are issuing a manual refund.

  Example: If you are working an Injured Spouse Claim and issuing a manual refund because the address is different on the form than master-file, you would use IRM 21.4.6.5.10.6.

  Exception: If you are working a Credit Card Chargeback, you could use the IRM 21.4.4.7.2.2, How is A Chargeback Request Processed?

- **Box 3, IDRS and Master File Researched for Outstanding Balances and TC 130**
- **Box 4, Check if a Debit Account Transcript is Attached**(Mark ONLY if applicable)
- **Box 6, Necessary Back-Up Documents Attached** - For example, taxpayer correspondence, internal transcript, copy of Form 1040X, Form 1045, Form 4442, Form 8379, Injured Spouse worksheet if applicable, Form 1310 (if applicable), Form 843, etc. (this list is not all-inclusive)
- **Box 7, Verify Refund Amount with Source Document Amount**
- **Box 8, All items Above completed** - Verify that all applicable items in Section I - Account Information, is completed
- **Box 11, Bypass Indicator** - Confirm the BPI has been input on the adjustment if applicable
- **Box 13, Control Base Opened** - Effective June 20, 2023, no open control is needed
- Mark any other boxes in this section as applicable

(5) The following are the instructions for completing Form 5792, **Section III - Interest Computation**

- The preparer must compute all interest for the TC 770 amount
- Input the interest “From” and “To” dates(s) and the interest amount when there are up to 3 computed amounts. If more than 3 “From” and “To” dates are used to calculate interest, put the first “From” date and the last “To” date in the last applicable boxes and add remarks per third note below. The IAT Manual Refund Tool will automatically complete this section
- If different CC COMPA definers are being used to calculate the total interest, use only the first column with the first “From” date and the last “To” date and add remarks per third note below. See IRM 2.3.29.3, Command Code COMPA, for definer definitions and when to use them.
- If reissuing a returned refund, input “Original Interest” in Section I Box 20 - Remarks, if an original amount of interest will be issued.

- Attach a copy of the CC COMPA print or ACT/DMI Report 490 indicating the applicable interest computation

Note: A CC COMPA print is not needed when reissuing a returned refund check that was correct when originally issued.

Note: If allowing interest due to an IRS error, add remark in Section I Box 20 - Remarks.

Note: If multiple interest "From" and "To" dates are used, notate "See attached CC COMPA print" in the remarks. The word "attached" can be abbreviated if space is limited.

Note: Large dollar manual refunds of $1 million or more that contain credit interest, must be reviewed and approved by the Technical Unit. See IRM 21.4.4.6 (2), Other Manual Refund Requirements.

(6) The following are line by line Instructions for completing Form 5792, **Section IV - Manual Refund Approval** - The items listed below are mandatory:

- **Block 1, No. of Employee Inputting RFUND via IDRS** - Enter the IDRS number of the employee inputting CC RFUND
- **Block 2, Request Prepared By** - Enter the name of the initiator of the request
- **Block 2a, SEID of the Preparer** - Enter the Standard Employee Identifier (SEID) of the initiator of the request
- **Block 3, Phone Number** - Enter the phone number of the initiator of the request (The telephone number must be an internal telephone number, not a toll-free number, in order for the accounting function to contact the generating area if necessary)

  Note: The employee inputting CC RFUND may or may not be the person requesting the manual refund.

- **Block 4, Approving Official** - The Approving Official who digitally signs the refund must be on the Authorized Signature List maintained by the Manual Refund Unit in the Campus Accounting Function.

  Note: **Digital signatures are required on Form 3753 and Form 5792.** The format is SEID followed by the name of the signer. See IRM 3.17.79.3.2.3, Manual Refund Digital Signature Requirement, for digital signature requirements on Form 5792.

  Note: Form 5792, must be reviewed to verify the manual refund is appropriate, proper IDRS research was completed, and the form was completed accurately. The Approving Official's digital signature certifies to the Accounting Function the form was reviewed and is correct.

  Note: **The Approving Official cannot be the same as the employee requesting the manual refund.**

21.4.4.5.1.1
(10-01-2016)
IDRS Generated Refund CC "RFUND"

(1) CC "RFUND" is used to generate the IDRS manual refund. This CC is valid for IMF, BMF, NMF, and Individual Retirement Account File (IRAF) accounts. It is limited to refunds from tax accounts and cannot be used for special Accounting Functions such as Excess Collections.

Note: Those campus locations that no longer have an Accounting Function will input CC RFUND using CC CMODE to the campus indicated in Exhibit 21.4.4-3, Accounting Function - Manual Refund Team Contact Information. Refer to IRM 21.3.4.7.8.8.1 (2), IDRS Command Codes Used for Cash Payments, for an explanation of CC CMODE. When the RFUND is complete, remember to return to your home campus.

(2) The IDRS action is input from the information on the Form 5792. The Universal Location Code (ULC) (formerly District Office Code) is displayed as "-" on the RFUND screen. In most cases the RFUND command will generate the appropriate code. Do not overlay the "-" unless prompted to do so.

(3) CC "RFUND" allows input of refunds for International Accounts by all users. For ULC "66", "97" or "98", the IDRS user will be prompted to overlay with the "dump DO" code for their campus. The "dump DO" codes are Atlanta - 59, Andover - 06, Austin - 74, Brookhaven - 22, Cincinnati - 31, Fresno - 94, Kansas City - 36, Memphis - 62, Ogden - 91 and Philadelphia - 52.

(4) The information from Form 5792, Section IV, Block 2a, must be entered in the RFUND field containing five "**Rs**". This is the SEID of the originator of the Form 5792.

(5) The SEID of the Approving Official must be entered in the RFUND field containing five "**Characters**".

(6) CC "RFUND" will open an IDRS control base if the literal "C" is overlaid with an "A", "B" or "M". If a control base other than your own already exists in a status other than B, you will receive an error message.

(7) The RFUND display will show pending address changes unless the address is a foreign address. In that case, the display will indicate a pending foreign address change, and you must research CC ENMOD for the correct address.

(8) For detailed information on input of CC "RFUND", see IRM 2.4.20, Command Codes RFUND and REFAP.

21.4.4.5.2
(10-01-2023)
Preparation of the Form 3753, Manual Refund Posting Voucher

(1) Form 3753 is designed for non-IDRS input. CC RFUND is not used for Form 3753 refunds. **Use the latest revision** of Form 3753. Systemic refunds can be generated on IDRS (TC 846) for refunds under $100 million, unless a manual refund is required. When issuing a manual refund of $100 million or more, a Form 3753 must be used. It must also be used if a direct deposit is necessary. (Only TAS can request a direct deposit manual refund for hardship conditions.) This form will also be used for all manual refunds refunded from an account that is not on IDRS.

Caution: Proper hold codes must be used when issuing a manual refund. See IRM 21.4.4.5 (6) and IRM 21.4.4.5 (7) for more information.

(2) Due to BFS (formerly FMS) limitations, a manual refund more than $99,999,999.99 requires two or more Forms 3753.

(3) Digital signatures are required on Form 3753. When a Form 3753 is submitted to the Accounting Function, only one copy of the Form 3753, along with one copy of the back-up documentation is required. Accounting will reject the Form 3753 if the document contains any alterations such as white out, strike through or correction tape. See IRM 3.17.79.4.1, Case Review and Command Code REFAP (Refund Approval), for additional reject reasons.

(4) For TAS cases issuing a manual refund due to a hardship, refer to IRM 3.17.79.3.3, Issuing Hardship Refunds. Other requirements may be applicable.

(5) The following are line by line instructions for completing Form 3753, **Section I - Account Information** (All fields are mandatory unless noted otherwise):

- The DLN block is completed by the Accounting Function
- Complete the “From and Return to” box with the initiator’s information
- **Block 1, TIN** - Enter TIN of the account from which the refund will be issued
- **Block 2, Tax Period** - Enter the tax period in YYYYMM format

  Exception: MFT 52 is always 000000

- **Block 3, MFT Code** - Enter the Master File Tax (MFT) code
- **Block 4, Plan Number** - Enter the plan/report number, applicable for MFT 46, 74 and 76
- **Blocks 5 and 6, Schedule Number and Transaction Date** - Will be completed by the Manual Refund Unit
- **Block 7, Name and Address**, enter name and address of taxpayer as shown on Master File

Note: For decedent accounts, enter the deceased taxpayer’s name and address as shown on master file. The information of the person claiming the refund will be entered in block 11.

Note: If the address on **any** Form 3753 does not match the address on Master File, an explanation must be provided in the Remarks section of the form.

Reminder: If there are special circumstances or discrepancies with the name or address on manual refund Form 3753, include a brief justification in the Remarks section of the form to support name line and address (i.e., Name line typo in back-up documentation or discrepancy with address)

- **Block 8, Form Number** - Enter the return form number
- **Block 9, DLN of Return** - Enter the controlling DLN on the module. If no return posted or not needed, write in “return not posted”
- **Block 10b, Amount of Refund Check** - Enter amount of check (TC 770 plus amount of overpayment)
- **Block 10d, Interest** - Enter TC 770 with amount of allowable interest
- **Block 11, Make Check Payable To** - If issuing a Direct Deposit to a bank, you must include the banks routing number, account number and whether it is being deposited into a checking or savings account. Otherwise, complete this block if the payee is other than the taxpayer or the refund is being issued to a different address. Differences must be explained in Section 2. If the address is the same, put in the remarks “same address”. This will be sufficient for not completing the entire block.

Note: For decedent accounts, do not address the first name line on the check to a deceased taxpayer. Use the name of the person claiming the refund as the

payee for refunds issued on decedent accounts. Refer to IRM 21.6.6.2.20.2, Processing Decedent Account Refunds, to determine the proper documentation for claiming a refund on a decedent account. The deceased taxpayer's name should be entered as the second name line. The "Decd" in the second name line should be entered after the given name of the deceased taxpayer on a joint account or after the surname of the taxpayer on an individual account.

Example:

Person claiming the refund is:	**1st name line**	**2nd name line**
Surviving spouse	Mary Beagle	John Decd and Mary Beagle
An individual Court Appointed or Personal Representative	James White **(A TITLE IS NOT REQUIRED. IF A TITLE IS USED, IT MUST MATCH THE COURT DOCUMENTATION)**	Elizabeth White, Decd
A Business Entity Acting as a Court Appointed or Personal Representative	Gopher National Bank **(A TITLE IS NOT REQUIRED. IF A TITLE IS USED, IT MUST MATCH THE COURT DOCUMENTATION)**	Elizabeth White, Decd
Claimant	Linda Rose	Jack Boxer, Decd

Note: If a taxpayer cannot cash a refund check with "decd" indicated on the check, after the refund has been returned, reissue a manual refund using the 1st name line only. Document the reason for the second refund in the remarks section of the manual refund.

- **Block 12a, Symbol and 12b, Amount** - Used only when completing Form 3753 for Credit Card Chargeback, by the Manual Refund Unit or by other IRS Offices/Agencies that require funds to be withdrawn from specific Treasury Accounts
- **Block 13, Overpayment Amount** - Enter amount of overpayment. The amount being refunded, less allowable interest

  Note: Consider previously assessed failure to file and failure to pay penalties, and debit interest that will be affected by the adjustment action. Any decrease in penalties or interest already paid must be included in the overpayment amount. In addition, unassessed accruals of penalty and/or interest may reduce the overpayment amount.

- **Block 14, Universal Location Code** - Enter the ULC (formerly the district Office code). See Document 6209, *Section 8C. 10*, for listing of ULCs
- **Block 15, Line Number** - Input the appropriate line number. See Exhibit 2.4.20-12, Description of Line Item Numbers

(6) The following are line by line instructions for completing Form 3753, **Section II - Manual Refund Authority** (All fields are mandatory unless noted otherwise):

- **Box 1c, Handbook Reference** - Use the actual IRM reference for the type of case you are working; never cite IRM 21.4.4 or its subsections as the reason you are issuing a manual refund.

  Example: If you are inputting a manual refund for a TENT/RINT case, you would use IRM 21.5.9.5.8.

  Exception: If you are working a Credit Card Chargeback, you could use the IRM 21.4.4.7.2.2, How is A Chargeback Request Processed?

- **Box 2, Evidence of Credit Condition** - Check at least one box
- **Box 3, Interest** - Check one box
- **The following boxes in the next section must be marked:**
  All items above completed
  IDRS and Master File researched for outstanding balance and TC 130
  Necessary back-up documents attached
  Enter a BPI. If the "No" box (Do Not Allow Top Offset BPI-3) is checked in Section II, you must verify that no debt exists and notate the following: BFS contact name, date of contact and no TOP debt. This statement must appear in the "Other Remarks" box on the Form 3753. Exception: Form 8038CP and Department of Justice Cases are not subject to offset.
- Mark any other boxes in this section as applicable

(7) The following are instructions for completing Form 3753, **Section III - Interest Computation**:

- The preparer must compute all interest for the TC 770 amount
- Attach a copy of the CC COMPA print or ACT/DMI Report 490 to the Form 3753

  Note: See IRM 21.4.4.6, Other Manual Refund Requirements, for requirements on interest computations on manual refunds of $1 million or more. Refer to IRM 20.2, Interest, for methods of computing interest.

  Note: If issuing a refund for more than $50 million dollars, compute interest per IRM 3.17.79.3.7, $50 Million and Over or $500 Million and Over Refund Reports to Treasury, in order for Accounting to contact Treasury.

  Note: If allowing interest due to an IRS error, add remark in Section IV - Other Remarks.

(8) The following are instructions for completing Form 3753, **Section IV - Other Remarks** (All fields are mandatory):

- Annotate reason for the refund in the remarks field. Be specific. Include all pertinent information. If a form is attached as supporting documentation, specify the form type in the remarks. For example, if issuing a carryback manual refund, you would indicate "F1045 attached" or "F1139 attached". Accounting will need to verify the interest dates are correct and the credit is available for refund.

Note: **If the RSED is expired**, a notation must be included in the Remarks section to state the Statute issue has been reviewed and the credit is available for

refund. Notations must be clear and can include **"Timely filed, No RSED Issue" or "RSED allowable"**. Before initiating the manual refund, credit availability must be determined.

- Check the box of the initiating Business Operating Division (BOD)

(9) The following are instructions for completing Form 3753, **Section V - Manual Refund Approval** (All fields are mandatory):

- **Block 1** - The Approving Official must digitally sign using a "SEID" signature format on Form 3753. The Approving Official who digitally signs the refund must be on the Authorized Signature List maintained by the Manual Refund Unit in the Campus Accounting Function.

  Note: **Digital signatures are required on Form 3753 and Form 5792.** The format is SEID followed by the name of the signer. See IRM 3.17.79.3.2.3, Manual Refund Digital Signature Requirement, for digital signature requirements on Form 3753.

  Note: Form 3753 must be reviewed to verify the manual refund is appropriate, proper IDRS research was completed, and the form was completed accurately. The Approving Official's digital signature certifies to the Accounting Function the form was reviewed and is correct.

- **Blocks 2, a, 3, and 4** - Enter the name, SEID, date, and phone number of the originator of the request. (The telephone number must be an internal telephone number, not a toll-free number, in order for the accounting function to contact the generating area if necessary.)

(10) Accounting will input a history item, control base and a TC 971 AC 664, when the document is processed.

(11) When preparing Form 3753 to issue a hardship refund, see IRM 21.4.6.5.11, Hardship Manual Refunds, and IRM 21.4.6.5.11.1, Offset Bypass Refund (OBR).

21.4.4.6
(11-06-2020)
Other Manual Refund Requirements

(1) Any function initiating a manual refund for $1 million or more that contains credit interest, is required to perform an additional review (to be determined by that function) to verify the accuracy of the interest, and to identify and correct any errors.

(2) Manual refunds of $1 million or more, initiated by Accounts Management employees, and containing credit interest, are required to be reviewed by the Technical Unit. These procedures require the Form 3753 or Form 5792 to be forwarded to the Technical Unit for review. These requests must be received by 2:00 P.M. local time at the receiving campus to complete review. Requests received after 2:00 P.M. will be completed the following business day.

a. For employees in sites that have a Technical Unit, the Technical Unit will verify the accuracy of the credit interest, identify and correct any errors and return the refund to the originator.
b. For employees in sites that do not have a Technical Unit, fax Form 3753 or Form 5792, including a copy of the interest computation, to:

For IMF modules:
Philadelphia, W&I CAS:PAMC
Attention: Adjustments P&A Staff
EEFax Number: 866-434-7054

For BMF modules:
Ogden, W&I CAS:OAMC
Attention: Technical Interest Team 203 Manager
EEFax Number: 855-269-1647

c. The Technical Team will verify the accuracy of the credit interest, identify and correct any errors and fax the approved Form 3753 or Form 5792 to the initiator the same day. Employees in these sites must attach a copy of the approved faxed Form 3753 or Form 5792 to be forwarded to Accounting. If any corrections were made, a new Form 3753 or Form 5792 will have to be completed.

d. Each refund reviewed must have the "Interest Approved" signature and date. This signature can be placed at the bottom of the Form 5792/Form 3753 near Part one literal by inserting a text box if using a PDF electronic copy or they can be handwritten if forwarding paper copy. Accounting will reject any manual refund requested by Accounts Management more than $1 million that has not been reviewed by the Technical Unit.

e. A copy or fax of any corrections to the interest computation will also be referred to the manager of the initiator.

(3) When issuing a manual refund to a person or address other than that shown on Master File (CC ENMOD or CC INOLE), input a TC 971 AC 037 using the CC RFUND input date as the Transaction Date and enter the Taxpayer Identification Number (TIN) of the entity receiving the refund. When the SSN/EIN of a third party is needed, the third party can only be solicited for this information through written correspondence because privacy rights must be given with the solicitation. Since Form 1310, Statement of Person Claiming Refund Due a Deceased Taxpayer, includes the required Privacy Rights provisions, it can be used to request the SSN/EIN of a third party. Refer to IRM 21.4.6.5.10.6 (8), Issuing the Injured Spouse Refund, for TC 971 AC 037 instructions when working an Injured Spouse claim.

Exception: A TC 971 AC 037 is not required when the refund is being issued to a surviving spouse, an executor, or an appointed administrator of a decedent account. The executor or administrator must have provided a copy of their appointment.

(4) When issuing a manual refund from an account without a TC 150, **monitor** the account and release the -X freeze when there are no expectations of a return being filed.

(5) In addition to explaining why a different entity is necessary on Forms 5792 / 3753, indicate where the back-up documentation can be found (e.g., injured spouse, now separated, attached to nnn-nn-nnnn, 200812, TC 290).

(6) When issuing a refund on a decedent account and a Form 1310 is required, ensure Part I is completed. Refer to IRM 3.11.3.10.3, Documentary Evidence on a Decedent Return, for procedures on identifying a correctly completed Form 1310.

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(7) If an offset credit is being refunded, refer to IRM 21.4.6.4.1.1, Tax Offset Reversal, to determine when the offset must be reversed back to the original module instead of being refunded.

a. If a reversal of offset credit is **NOT** required per IRM 21.4.6.4.1.1, Tax Offset Reversal, then notate in the remarks field of the Form 5792 or Form 3753 that a reversal of the TC 706 is not required.
b. If a reversal of offset credit **IS** required per IRM 21.4.6.4.1.1, Tax Offset Reversal, input a TC 570 with the reversal transaction to prevent an UPC 198, re-offset, or refund that would create an erroneous refund condition. Refer to IRM 21.5.8.4.5, TC 570 and Bypass Indicator, for more information on TC 570 and UPC 198.

Note: When a TC 570 is input with the credit reversal, a TC 571 with Posting Delay Code 1 may be needed on the originating account to release the freeze set by the TC 570. This will release the freeze allowing the computer to generate a systemic refund **after** the credit reversal posts.

Note: If credit interest was allowed on the offset, the credit interest must also be reversed with TC 772.

(8) Joint Committee Cases per IRC 6405: employees must provide the supporting documentation from the Chief of Staff. See IRM 4.36.4, Joint Committee Review Team Procedures.

21.4.4.6.1
(10-01-2023)
Monitoring Manual Refunds

(1) Effective June 20, 2023, responsibility for all manual refund monitoring is now performed at the Headquarters level.

21.4.4.7
(10-01-2003)
Other Manual Refund Programs

(1) The following sections provide information on programs which may not be readily available in other IRM chapters. Programs discussed here are Credit Card Chargebacks, and Photocopy Fee Refunds.

21.4.4.7.1
(10-01-2007)
Photocopy Fee Refunds

(1) When a photocopy fee refund is returned to the Regional Finance Center (RFC) by the postal service as undeliverable, the RFC returns a cancellation credit for the check to the appropriate campus on SF 1098. A copy of the SF 1098 is sent to the Return and Income Verification Services (RAIVS) Unit. See IRM 3.5.20.5.1.12.3, Returned Photocopy Refund, for further information.

(2) If a taxpayer returns a photocopy refund check, process as follows:

a. Send the taxpayer a “C” letter acknowledging receipt of the check.
b. If the check is less than one year old, send to the RFC for cancellation, annotate on the Form 3210, Document Transmittal, to redeposit to “20X0903 Account”.
c. If the check is one year old or more, stamp the check “**non-negotiable**” and leave it in the case file.
d. Forward case file to the RAIVS Unit.
e. When the credit is returned on SF 1098, a copy of the listing will be forwarded to the RAIVS unit for processing.

(3) If the taxpayer claims non-receipt of a photocopy refund, see IRM 3.5.20.5.1.12.2, Undelivered Refunds and LMTD Pay Cancellations.

21.4.4.7.2
(03-29-2021)
Credit Card Chargebacks

(1) Credit card payments are accepted through private industry credit card processors (also known as service providers). The credit card processor provides IRS the necessary payment information to update the taxpayer's Master File account. Accepted credit card payment processors are:

- Official Payments Corporation (part of ACI Payments, Inc)
- Link2Gov Corporation (operates Pay1040)
- WorldPay US, Inc. (operates PayUSAtax)

(2) If the payment is in error or the taxpayer did not authorize or intend the payment to be sent to the IRS, the payment processor can request a refund. **ALL claims for credit card chargebacks are worked ONLY in the Ogden Accounts Management Campus, Taxpayer Relations Department.**

(3) Treasury Regulation 301.6311-2(d)(2), makes returns of funds, or chargebacks, available for errors such as the following (this is not an all-inclusive listing):

- An incorrect amount posted to the taxpayer's account because of a computational error, numerical transposition, or similar mistake
- An amount posted to the wrong taxpayer's account
- A transaction posted to the taxpayer's account without the taxpayer's authorization
- A payment that was not intended for the IRS
- Similar types of errors that would be subject to the error resolution procedures of the Truth in Lending Act, the Electronic Fund Transfer Act, or similar provisions of state or local law, in ordinary commercial transactions

(4) Credit card chargebacks are only authorized for the entire amount of the payment. Partial credit card chargebacks are not permitted.

(5) When a taxpayer submits a request for a Credit Card Chargeback, the credit card processor reimburses the taxpayer in advance. The processor then submits a Credit Card Chargeback request to the IRS for reimbursement of funds.

(6) Credit card processors sends an additional type of Credit Card Chargeback known as a Reversal. On Reversal Chargebacks, the taxpayer has not received their credit back from the processor in advance. Therefore, this type of Credit Card Chargeback can be cancelled with the credit card processors if the funds have already refunded to the taxpayer.

21.4.4.7.2.1
(12-09-2022)
How Is a Chargeback Initiated?

(1) If the taxpayer contacts the IRS to initiate a request for a credit card chargeback, refer the taxpayer to the credit card issuer's customer service number on the back of the card or on the billing statement. Taxpayers can also visit the *Electronic Payment Options Home Page* on IRS.gov for service provider information. Taxpayers should contact these companies to report problems such as unauthorized charges or concerns regarding payment errors not related to the tax liability. Generally, credit card payments cannot be cancelled. See IRM 21.2.1.48.4, Payment by Credit Card, Debit Card or Digital Wallet (General), for additional information regarding credit card payments.

Note: If the taxpayer contacts the credit card processors directly regarding a payment error, the payment processor will initiate a payment reversal. See IRM 21.4.4.7.2.2 (6), How Is a Chargeback Request Processed?, for further information on a payment reversal.

(2) The credit card company must submit the claim within 150 days from date of payment. The request must contain the signature of one or more company authorized employees. If the payment is over 150 days old, the Lead Examiner must contact Headquarters for approval.

(3) The following procedures outlined in this section and IRM 21.4.4.7.2.2, How Is a Chargeback Request Processed?, are **used exclusively** by employees in the Ogden Accounts Management Campus, Taxpayer Relations Department, when working credit card chargeback claims submitted by credit card companies.

(4) Contact information for the credit card companies can be found on the SERP home page under the "Who/Where" tab under *Credit Card Chargeback Contacts*.

(5) The company must submit the following required documentation with the form, Exhibit 21.4.4-1, Chargeback Request Form, no later than 5 business days from receipt of the taxpayer request:

- Copy of the dispute letter from the credit card holder or letter from credit card issuer describing the problem
- Date the company received the dispute letter
- Date sent to Internal Revenue Service
- An affidavit indicating whether this is a chargeback or a reversal request
- Card holder's name and address or Interactive Voice Recording (IVR)
- Credit card number
- Date of payment
- Amount of payment
- Credit card payment confirmation number
- SSN or EIN of the account
- History of company action taken to prove the taxpayer's dispute
- Optional Form 8302, Direct Deposit of Tax Refund of $1 Million or More, for a refund of $100 million or more

(6) IRS employees may provide only the minimum return information necessary to resolve credit card payment errors. IRC 6103 (k)(9) provides that the IRS may disclose return and return information to financial institutions and others to the extent the IRS deems necessary for the administration of Section 6311 and in the case of credit card transactions, as provided by written procedures endorsed by the Secretary; see *Treas. Reg. 301.6311-2(g)(1)(i)* regarding the resolution of errors. This exception to the general confidentiality accorded to returns and return information does not require a Power of Attorney or other written consent of the taxpayer. Example: The IRS may disclose whether or not our records show the posting of a credit card payment to a tax account, if that information was the minimum necessary to resolve the issue.

21.4.4.7.2.2
(10-01-2023)
How Is a Chargeback Request Processed?

(1) The basic research requirements within IRM 21.4.4.4, What Research Is Required?, do not apply to chargeback cases. Once the company provides all the necessary verification, research the identified account for the erroneous payment. To identify a credit card payment on the account, the common transactions are:

- TC 640, Advanced payment of determined deficiency, Form 1040
- TC 660, 1040 Estimated Tax payment
- TC 670, Subsequent payment Form 1040, Trust Fund Recovery Penalty (MFT 55), Form 940, Form 941, and Form 944
- TC 670 or TC 640, Payment with Extension to File, Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return

(2) Electronic payments will contain an EFT-Trace number. If the second position of the EFT-Trace number is a “6”, the payment was a credit card payment. Bulk Provider Number positions 8-9 identify which credit card processor to use. For more information, see IRM 3.17.277.5.3, EFT Number.

(3) Control the case when received. Use a unique case control numbering system. Associate the control number with source documentation (e.g., Form 3753, Form 2424, Form 3210, etc.). For the processing time frames of these cases, follow the guidelines in IRM 21.5.1, General Adjustments, and IRM 21.5.2, Adjustment Guidelines. The case will age in 45 days.

(4) Honor the request for the chargeback even if the payment is no longer available on the taxpayer’s account.

(5) If the unauthorized or unintended payment is still on the taxpayer’s account take the following actions:

a. If payment will refund or offset, input a TC 570 on the account where the erroneous payment resides until the case can be resolved
b. Prepare Form 2424, Account Adjustment Voucher, to correct the account
c. Debit the taxpayer’s account with the corresponding TC of the payment
d. Credit Account 6910 with the TC of the payment
e. Use date of the payment as the transaction date for both the debit and credit
f. Notate “chargeback for credit card payment” in the comments area

(6) If the taxpayer received a refund due to the unauthorized credit card overpayment on the account, follow IRM 21.4.5.6.1, Account Actions for Category D

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on the account, refer the case to the Criminal Investigation Scheme Development Center using normal referral procedures. The Criminal Investigation Scheme Development Center will compare the case information with the deconfliction/scheme development process information to determine if the case should be included in a current scheme or is part of an ongoing case.

Exception: If the Credit Card Chargeback request is a Reversal Chargeback from the credit card processors, there is no need to complete erroneous refund procedures. Cancel the request with the credit card processors. See IRM 21.4.4.7.2 (6), Credit Card Chargebacks.

(7) If the money is offset to another account, complete the credit transfer back to the original account module, and adjust the account as outlined above.

(8) To refund the payment to the card processor, complete Form 3753 as follows:

Note: One Form 3753 may be used to refund multiple payments to each credit card company.

a. **Section I**, Block 1, enter the company TIN
b. Block 7, enter complete name and address of company
c. Block 11, enter “same as Block 7” and include Routing Transit Number and Deposit Account Number (DAN)
d. Block 12a, enter 20X1807 as the symbol and 12b, enter the total of all chargeback amounts processed
e. **Section II**, Block 1, check “other” and notate “Chargeback, IRM 21.4.4”
f. Block 2, check “other” and notate “credit card chargeback”
g. Block 3, check “not allowable”
h. Check all blocks as appropriate
i. **Section III**, block out entire section. It is not applicable
j. **Section IV**, enter ACH deposit and credit card company account number
k. **Section V**, complete all blocks

(9) Prepare Form 3210, **Document Transmittal**, as follows:

a. In the remarks block enter company name and TIN and note “Chargeback of credit card payment”
b. In the “code” or “type” block enter 3753 in the first block only
c. Attach a copy of the Form 3753
d. Enter each case separately using TIN and money amounts for each individual case
e. Total amount for the Form 3210 and enter the amount in the Remarks box at the top of the document. Attach a copy of the excel spreadsheet to the Form 3210. This amount should match Block 12b of Form 3753.
f. Enter complete information in the from box
g. Releasing Official must sign the Form 3210

(10) The Form 3753 must be digitally signed and emailed to Accounting. Follow the table below for the naming convention for each credit card processor. The name control will be the first four letters of the name the refund is made out to, the last 4 digits of the refund amount, minus the decimal. For example, if the refund is $65,578.90, the digits would be 7890. Use the fund code, 20X1807 and then the type of refund form:

Credit Card Processor	**Naming Convention - Form 3753**
World Pay	VALU 1234 20X1807 3753
Link to gov	LINK 1234 20X1807 3753
Official Payments	OFFI 1234 20X1807 3753

Credit Card Processor	**Naming Convention - Back-Up Documentation**
World Pay	VALU 1234 20X1807 Doc
Link to gov	LINK 1234 20X1807 Doc
Official Payments	OFFI 1234 20X1807 Doc

(11) The email to Accounting will include 2 attachments. One attachment is the signed Form 3753. The second attachment will be the Form 3210 and a copy of the Excel worksheet showing the total count and amount.

(12) Route all the remaining back-up documentation, the Forms 2424, the charge-back form and letter and/or affidavit, for each taxpayer associated with the Form 3753, to Stop 6261.

(13) If any of the required documentation is missing in the request from the card processor, call or write the credit card company requesting the missing information. See IRM 21.4.4.7.2.1, How Is a Chargeback Initiated?

a. Request the information be supplied within 10 calendar days
b. Allow 15 calendar days for response. If no response within 15 calendar days, follow-up with a second request to the company
c. Allow another 15 calendar days for response to second request
d. If no response to the second request, do not honor the chargeback request
e. Advise company of the IRS's denial and the reason(s) for the denial
f. Do **not** issue a Claim Disallowance Letter
g. Secure managerial approval and close the case

Exhibit 21.4.4-1 (10-02-2009)
Chargeback Request Form

CHARGEBACK FOR UNAUTHORIZED OR ERRONEOUS CREDIT CARD PAYMENT
Copy of the dispute letter attached: _____Yes _____No (Dispute letter must contain the name and address of the cardholder)
Date of the dispute letter:
Date received:
Date sent to Internal Revenue Service:
PAYMENT INFORMATION
Date of the payment:
Amount of the payment:
Credit Card Number used in the transaction:
Credit Card Confirmation Number:
Social Security Number: (payment was applied)
History/Research taken to substantiate the claim:
Under penalties of perjury, I declare that I have examined this form and accompanying statements, and to the best of my knowledge and belief, they are true, correct, and accurately represent the amount of Chargeback, caused by either erroneous or unauthorized use of the credit card listed on this form and applied to the identified taxpayer's account. **SIGNATURE OF COMPANY OFFICIAL:_____** **DATE: _____ _____**
Title:
ELECTRONIC FUNDS TRANSFER (EFT) REPAYMENT REQUEST **EFT Requested: _____Yes _____No** If yes is checked, complete the bank account information: **Routing and Transit Number:** **Bank Account Number:**
Check Attachments: Dispute letter (Required) Form 8302, Electronic Deposit of Tax Refund of $1 Million or More (Optional; only required when the chargeback is for $1 million or more.) Other: (Identify other attachments)

Exhibit 21.4.4-2 (10-01-2023)
Manual Refund Checklists

Thorough research is required on **all** manual refunds prior to issuance.

1. The table below summarizes the basic research required for all manual refunds (those issued on Form 5792, Request for IDRS Generated Refund (IGR), and Form 3753, Manual Refund Posting Voucher):

IDRS Research Required on All Manual Refunds.
Verify: • TIN • MFT and Tax Period • Payee name and address • Debt indicators (TOP offset), XREF TINs, TC 130 Indicator The following information must be attached to the manual refund form: • Sufficient documentation to justify issuing the manual refund (for example: taxpayer correspondence, internal transcript, copy of Form 1040X, Form 1045, Form 4442, Form 8379 or the injured spouse worksheet if applicable, Form 1310, Form 843, the taxpayer's hardship documentation or a signed statement from the Local Taxpayer Advocate (LTA) approving the taxpayer's hardship refund request, etc.) • CC COMPA or Automated Computation Tool (ACT)/Decision Modeling Inc. (DMI) Report 490 (if interest was calculated) • CC ENMOD (only if a pending name or address change is indicated) • Generally, unless required by the specific type of manual refund being input all other IDRS prints are not required to be attached to the manual refund request, as the Accounting Functions have access to IDRS and can verify the information.
• Input TC 971 AC 037 as applicable ***Note:*** A manual refund cannot be issued to a POA • Verify RSED open/expired • Research freeze codes • Review for any pending TCs that would release a TC 570, freeze codes, or the K- freeze set by a HC 1, 2, or 4.
Verify outstanding balances (OBLs); research all related accounts (IMF, BMF, NMF) for OBLs using the following CCs: • CC SUMRY • CC TXMOD • CC IMFOLI/CC BMFOLI • CC IMFOLT/CC BMFOLT
Research CC TXMOD for TC 971 AC 664, which indicates a manual refund has been scheduled/issued by the Accounting Function using Form 3753, Manual Refund Posting Voucher.
Review/verify "O" (letter O) coded returns - See Document 6209, IMF Computer Condition Codes. "O" code identifies a pre-settlement manual refund was paid.
Attach offset bypass refund (OBR) or hardship verification, if applicable.
Research CC FFINQ - Requests IMF from the Fact of Filing information file.
Review manual refunds over $1 Million - Technical unit is required to review credit interest.

Exhibit 21.4.4-2 (Cont. 1) (10-01-2023)
Manual Refund Checklists

IDRS Research Required on All Manual Refunds.
Resolve other open controls and receive approval from other functions (if applicable) to process the manual refund.
Input/review for TC 291, TC 295, TC 299, TC 766 with a HC 1, 2, or 4. Input TC 570 as applicable.

2. A review of the sections of Form 5792, Request for IDRS Generated Refund (IGR), is shown below. See IRM 21.4.4.5.1, Preparation of Form 5792, IDRS Generated Refund, for additional information.

Note: **The use of the IAT Manual Refund Tool is mandatory for preparation of manual refund forms and CC RFUNDR input per IRM 21.2.2-2, Accounts Management Mandated IAT Tools**.

Form 5792 Checklist
Verify the following information in Section I (Account information) of the Form 5792: • Box 6, TC 840 amount (math verify that box 7 + box 8 = box 6) • Box 9, Line Number (see IRM 2.4.20, Command Codes RFUND and REFAP) • Box 13, Blocking Series (as applicable) • Box 14, First Name Line • Box 18, Street address or P.O. number • Box 19, City, State, and Zip code • Box 20, Remarks (to explain the reason for the manual refund) ***Note:*** **If the RSED is expired**, a notation must be included in the Remarks section to state the Statute issue has been reviewed and the credit is available for refund. Notations must be clear and can include **"Timely filed, No RSED Issue" or "RSED allowable"**. Before initiating the manual refund, you must determine the credit availability. • Box 22, DLN of return
Verify the following information in Section II (Manual Refund Authority) of the Form 5792: • Box 1, c, Handbook Reference - Input the specific IRM that confirms the reason for the manual refund. IRM 21.4.4 cannot be used as the IRM reference for this box. • Box 3, IDRS and Master File researched for outstanding balances and TC 130 • Box 4, Transcript of debit accounts attached (ONLY if box is checked) • Box 5, Evidence of Credit Condition (mark appropriate box if applicable) • Box 6, Necessary back-up documents attached - For example, taxpayer correspondence, internal transcript, copy of Form 1040X, Form 1045, Form 4442, Form 8379, injured spouse worksheet, Form 1310, Form 843, etc. (this list is not all- inclusive) • Box 7, Verify refund amount with source document amount • Box 8, All items above completed - Verify that all applicable items in Section I - Account Information are completed • Box 11, By Pass Indicator (BPI) - Confirm the BPI has been input on the adjustment if applicable. See IRM 21.4.6, Refund Offset
Verify the following information in Section III (Interest Computation) of the Form 5792: • Input the interest "From" and "To" date(s) and the interest amount, or • Input "Original Interest" in Section I Box 20 - "Remarks" if an original amount of interest will be issued or • Attach a COMPA print or ACT/DMI Report 490 indicating the applicable interest computation

Exhibit 21.4.4-2 (Cont. 2) (10-01-2023)
Manual Refund Checklists

Form 5792 Checklist
Verify the following information in Section IV (Manual Refund Approval) of the Form 5792: • Box 1, Number of the employee inputting REFUND via IDRS - Must match the information shown in IDRS or the manual refund will be rejected • Box 2, Request prepared by (Name) - • Box 2a, SEID - Must match the SEID shown in IDRS or the manual refund will be rejected • Box 3, Phone number - Must be a valid phone number for the area. Cannot be a 1-800 number • Box 4, Digital Signature of approving official - A “SEID” digital signature format must be used on Form 5792. (The digital signature must include the SEID and name of the approving official on the active Form 14031 - Section II on file.) ***Reminder:*** See **IRM 3.17.79.3.2.3, Manual Refund Digital Signature Requirement**, for required authorized digital signature format on Form 5792.

3. A review of the sections of Form 3753, Manual Refund Posting Voucher, is shown below. See IRM 21.4.4.5.2, Preparation of the Form 3753, Manual Refund Posting Voucher, for additional information.

Note: **The use of the IAT Manual Refund Tool is mandatory for preparation of manual refund forms per IRM 21.2.2-2, Accounts Management Mandated IAT Tools**.

Form 3753 Checklist
Verify the following information in Section I (Account Information) of the Form 3753: • Box 7, Name and address • Box 9, DLN of return • Box 10b, TC 840 amount (math verify that box 13 + box 10d = box 10b) • Box 11, Make check payable to - If the payee is other than the taxpayer or if the refund is being issued to a different address • Box 14, Universal Location Code (ULC) • Box 15, Line number (see IRM 2.4.20, Command Codes RFUND and REFAP)
Verify the following information in Section II (Manual Refund Authority) of the Form 3753: • Box 1c, Handbook reference - Input the specific IRM reference that confirms the reason for the manual refund. IRM 21.4.4 cannot be used as the IRM reference for this box. • Box 2, Evidence of credit condition (mark appropriate box) • Box 3, Interest (mark appropriate box) Verify the following information in the open section of Section II: • All items above completed - Verify that all applicable items in Section I - Account Information are completed • IDRS and Master File researched for outstanding balances and TC 130 • Transcript of debit accounts attached • Necessary back-up documents attached - For example: taxpayer correspondence, internal transcript, copy of Form 1040X, Form 1045, Form 4442, Form 8379, injured spouse worksheet, Form 1310, Form 843, etc. (this list is not all-inclusive) • Verify refund amount with source document amount • By Pass Indicator - Confirm the BPI has been input on the adjustment if applicable. See IRM 21.4.6, Refund Offset

Exhibit 21.4.4-2 (Cont. 3) (10-01-2023)
Manual Refund Checklists

Form 3753 Checklist
Verify the following information in Section III (Interest Computation) of the Form 3753: • Input the interest “From” and “To” date(s) and the interest amount
Verify the following information in Section IV (Other Remarks) of the Form 3753: • Remarks (to explain the reason for the manual refund ***Note:*** **If the RSED is expired**, a notation must be included in the Remarks section to state the Statute issue has been reviewed and the credit is available for refund. Notations must be clear and can include **“Timely filed, No RSED Issue” or “RSED allowable”**. Before initiating the manual refund, you must determine the credit availability. • Initiating BOD. (mark appropriate box)
Verify the following information in Section V (Manual Refund Approval) of the Form 3753: • Box 1, Digital Signature of approving official - A “SEID” digital signature format must be used on Form 3753. (The digital signature must include the SEID and name of the approving official on the active Form 14031 - Section II on file.) ***Reminder:*** See IRM 3.17.79.3.2.3, Manual Refund Digital Signature Requirement, for required authorized digital signature format on Form 3753. • Box 2, Name of originator - • Box a, SEID • Box 3, Date • Box 4, Phone Number - Must be a valid phone number for the area. Cannot be a 1-800 number

Exhibit 21.4.4-3 (10-01-2020)
Accounting Function - Manual Refund Team Contact Information

Manual Refund Team Contact Information	
Andover, Atlanta, Fresno and Kansas City Contact Information: Kansas City Submission Processing Center Manual Refund Function • 333 W. Pershing Road Kansas City, MO 64108 • T# 816-499-5902 • Email: *W&I SP Manual Refunds Kansas City	**Austin Contact Information:** Austin Submission Processing Center Manual Refund Function • 3651 S IH HWY 35 Austin, TX 78741 • T# 737-800-5026 • Email: *W&I SP Manual Refunds Austin
Brookhaven, Cincinnati, Memphis, Ogden and Philadelphia Contact Information: Ogden Submission Processing Center Manual Refund Function • 1973 N. Rulon White Blvd. • P.O. Box 9941 M/S 6250 Ogden, UT 84409 • T# 801-620-7373 • Email: *W&I SP Manual Refunds Ogden	