



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

April 30, 2021

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Expiration Date: April 30, 2022
Affected IRMs: 5.11.2; 5.19.4

MEMORANDUM FOR ALL COLLECTION EXECUTIVES

FROM: Kareem Williams *Kareem Williams*
Acting Director, Collection Policy

SUBJECT: Levy Actions Involving FEMA COVID-19 Funeral Assistance
Funds (Deviation)

This memorandum issues temporary guidance on levy actions involving FEMA COVID-19 funeral assistance funds. Please ensure that this information is distributed to all affected employees within your organization.

Purpose: With this memorandum, we are implementing a temporary deviation that provides guidance as to the collection activities that modify the release of levy procedures in certain situations.

Background/Source(s) of Authority: Under the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 and the American Rescue Plan Act of 2021, FEMA is providing financial assistance for COVID-19 related funeral expenses incurred after January 20, 2020. When eligible for funeral assistance, taxpayers will receive a check by mail, or funds by direct deposit, depending on which option is chosen during the application process.

FEMA COVID-19 Funeral Assistance is limited to a maximum amount of \$9,000 per funeral and a maximum of \$35,500 per application.

Procedural Change:

Levy Release Determinations (See IRM 5.11.2.3 & 5.19.4.4.10)

When a taxpayer indicates that a levy attaches to FEMA COVID-19 Funeral Assistance funds, employees should request documentation to verify the date and amount of funds received. When the taxpayer provides sufficient documentation prior to receipt of the

levy payment, that shows a levy attached to an account containing FEMA Funeral Assistance funds deposited within the previous 8 weeks, employees must release the levy on the FEMA funds.

If an employee believes that exigent circumstances exist to not release the levy on the FEMA funds, the matter must be elevated to the Area Director or Campus Director and documented in the case history before communicating any decision to the taxpayer.

- An exigent circumstance involves the final loss of opportunity for the government to collect taxes due, such as the expiration of the statute of limitations, assets that taxpayers place beyond the reach of the government, etc. Generally, the taxpayer's indication that they may file for bankruptcy is not an exigent circumstance.

Effective Date: This guidance is effective 04/30/2021 through 04/30/2022.

Contact: If you have any questions, a member of your staff may contact Collection Policy Enforcement Program Analysts James Maslanka, Michael Williams, or Suzanne Wolfe.

cc: Director, Collection
Director, Headquarters Collection
Director, Campus Collection
Director, Field Collection
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