

IRM PROCEDURAL UPDATE

DATE: 01/29/2026

NUMBER: ts-21-0126-0164

SUBJECT: Various Changes to Refund Research

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

CHANGE(s):

IRM 21.4.1.1.3(1) - For consistency with other IRMs updated Commissioner to Chief.

(1) The Taxpayer Services Chief oversees all policy related to this IRM, which is published on an annual basis.

IRM 21.4.1.1.3(4) - For clarity updated IRM name to Refund Inquiries/ Research.

(4) Managers and leads ensure compliance with the guidance and procedures in this IRM for Refund Inquiries/Research case resolution.

IRM 21.4.1.1.6 - To include missing information updated to add IOLA to identify Individual Online Account.

(1) Common acronyms listed throughout IRM:

Acronym	Definition
ACH	Automated Clearing House
ACTC	Additional Child Tax Credit
AM	Accounts Management
AMS	Accounts Management Service
BFS	Bureau of the Fiscal Service
BMF	Business Master File
CADE	Customer Account Data Engine
CAF	Centralized Authorization File
CC	Command Code
CII	Correspondence Imaging Inventory

CP	Computer Paragraph (Notice)
CSR	Customer Service Representative
DD	Direct Deposit
DLN	Document Locator Number
e-File	Electronic File
EITC	Earned Income Tax Credit
ERS	Error Resolution System
FI	Financial Institution
FLC	Filing Location Code
GUF	Generalized Unpostable Framework
IAT	Integrated Automated Tools
ICCE	Integrated Customer Contact Environment
IMF	Individual Master File
IOLA	Individual Online Account
IRC	Internal Revenue Code
IRM	Internal Revenue Manual
MeF	Modernized e-File
MFT	Master File Tax
OCC	Office of the Comptroller of the Currency
PATH Act	Protecting Americans from Tax Hikes Act
POA	Power of Attorney
RAC	Refund Anticipation Check
RAL	Refund Anticipation Loan
RI	Refund Inquiry
RFC	Regional Finance Center
RICS	Return Integrity and Compliance Services
RIVO	Return Integrity Verification Operations

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RSED	Refund Statute Expiration Date
RSN	Refund Schedule Number
RTN	Routing Transit Number
SPIDT	Submission Processing Specialized Identity Theft
TAC	Taxpayer Assistance Center
TAS	Taxpayer Advocate Service
TC	Transaction Code
TCIS	Treasury Check Information System
TPP	Taxpayer Protection Program
TS	Taxpayer Services
UPC	Unpostable Code
URC	Unpostable Resolution Code
WMAR	Where's My Amended Return
WMR	Where's My Refund

IRM 21.4.1.2(6) - For consistency with other IRMs added reminder about completing E-911 due to TAS policy change.

(6) Refer taxpayers to the Taxpayer Advocate Service (TAS) when the contact meets TAS criteria (see IRM 13.1.7.3 , TAS Case Criteria) and you cannot resolve the taxpayer's issue the same day. The Taxpayer Advocate Service is an independent organization within IRS, led by the National Taxpayer Advocate, that helps taxpayers and protects taxpayer rights. TAS offers free help to taxpayers when a tax problem is causing a financial difficulty, when they've tried and been unable to resolve their issue with the IRS, or when they believe an IRS system, process, or procedure just isn't working as it should. See IRM 21.1.3.18 , Taxpayer Advocate Services (TAS) Guidelines, for further information. There will also be times that, although you cannot completely resolve the issue within 24 hours, you have taken steps within 24 hours to resolve the taxpayer's issue. These cases also meet the definition of "same day." Do not refer these cases to TAS unless the taxpayer asks to be transferred to TAS and the case meets TAS criteria. Refer to IRM 13.1.7.5 , Same Day Resolution by Operations. When referring cases to TAS, use Form 911, Request for Taxpayer Advocate Service Assistance (and Application for Taxpayer Assistance Order), and forward to TAS in accordance with your local procedures.

Caution: Beginning January 5, 2026 and continuing through May 31, 2026, TAS referrals cannot be submitted through the AMS e-911 process during this period.

IRM 21.4.1.4(4) - To incorporate new information about the Executive Order 14247, Modernizing Payments to and From America's Bank Account, included information about changes to direct deposit refunds and returned received without direct deposit information. Subsequent paragraphs have been renumbered.

(4) Beginning January 2026, the following direct deposit changes will be implemented due to the Executive Order 14247, Modernizing Payments to and From America's Bank Account. These changes will apply to returns filed in 2026 and direct deposit rejects beginning in 2026:

- Individual REFUND Form 1040 series tax returns filed with no direct deposit account information, except for taxpayers meeting the bypass conditions below, will be processed but the refund will be frozen with a 1- freeze (new numeric freeze).
- All direct deposits that are rejected back to IRS (except for reject codes 07,17, 18, 19 & 23) will be posted to the account with a P- freeze with TC 841 DLN block and serial number 77716 (IMF) or 77777 (BMF).
- The bypass conditions include:
 - IMF and BMF International Taxpayers
 - Minors
 - Prisoners
 - Religious Exceptions
 - Decedent Taxpayers
- For individual REFUND Form 1040 series tax returns for which the taxpayers refund was frozen or rejected, a CP 53E notice will be issued to the taxpayer requesting they provide a new or updated direct deposit account using their IRS online account (IOLA). The letter provides the taxpayer a 30-day time frame to add the bank account information, but the freeze will allow 6 weeks total before the refund is auto- released as a paper check, if no update is provided.
- The CP53E notice will only be issued once, ex. if TP updates bank account and that refund gets rejected, they will not receive a second chance to update the bank account and a paper refund check will be issued.
- When the taxpayer accesses IOLA and inputs the direct deposit information it will go through verification, and if it is successfully verified, the TP will receive a message advising the update was successful. The direct deposit update will then post to their account as TC 970 AC 001 MISC direct deposit account type code with a subsequent direct deposit TC 846 DD: 9.

- The valid values for direct deposit will be:
“C” for checking account
“S” for Saving account
“D” for Debit Bank card (IMF only)
“M” for Mobile account (IMF only)
- When the taxpayer accesses IOLA, if they have no direct deposit information to provide and want a paper check issued, they will select the appropriate reason from the waiver list. Once they successfully submit the waiver request online, a TC 971 AC 850 MISC 1-9 (will show waiver reason number) will post on the tax module and a paper check will generate.
- If the taxpayer indicates they do not want a direct deposit or do not have an account to provide, follow procedures in IRM 21.5.6.4.31, P- Freeze, or IRM 21.5.6.4.53, 1- Freeze.

Note: A toll-free informational line has been established which will contain different prompts explaining CP53E conditions and what actions to take. This line will not allow transfers to other lines or any actions, it will only serve to explain the new direct deposit process. If the taxpayer has questions about the CP53E they received, give the taxpayer the informational toll-free number 866-325-4066, then transfer the caller to the CP53E information line using the telephone transfer guide.

- For Business accounts:
 - Direct deposits are encouraged and allowed for all BMF MFTs.
 - BMF taxpayers do not have access to an IOLA account, therefore, rejected direct deposit refunds will be issued as a paper check without additional intervention.
 - Business tax returns filed with out direct deposit account information are not frozen, the refund will be generated as a paper check.
 - CP53E will not be issued for Business accounts.

IRM 21.4.1.4(5) - For ease of research add link to IRM 21.1.3.2.3 Required Taxpayer Authentication.

(5) For current and prior two processing year individual accounts, ask the taxpayer if they've checked on the status of the refund by using one of the IRS automated systems: Where's My Refund (WMR) on IRS.gov; IRS2GO (English and Spanish) for smart phones; or the Refund Hotline.

Reminder: If a taxpayer requests assistance with the IRS automated systems listed above, **do not** attempt to access the system for them. Instead, provide the taxpayer verbal instructions on where/how to obtain the status of their refund. If the caller is an unauthorized third party, do not refer them to the automated systems. For authentication procedures, see IRM 21.1.3.2.3 , Required Taxpayer Authentication.

Exception: Regardless of the return processing time frame, if the taxpayer is calling in an attempt to **stop** a direct deposit for any reason, including an error in direct deposit information, and wants to flip the direct deposit to a paper check (TC 971 AC 850), follow procedures in IRM 21.4.1.5.7 (3), Direct Deposits - General Information. Remember to check for Refund Advance Product (RAL/RAC) indicators.

Use the table below to determine your call resolution actions.

Row	If taxpayer's response is	Then
1	No, and the normal processing time frames have not been met.	<ol style="list-style-type: none"> 1. DO NOT access the taxpayer's account or complete any research. 2. Provide the taxpayer with appropriate return processing time frames. For BMF accounts advise to call back after time frame has been met. For IMF accounts provide information about our automated refund applications: <ul style="list-style-type: none"> o Where's My Refund? on IRS.gov, now includes a "refund status tracker bar" that will show you which processing status your return is in: <ol style="list-style-type: none"> a. Return Received – no projected refund date is given b. Refund Approved – the refund date depending on direct deposit or paper check mailing is provided c. Refund Sent – informs the taxpayer of the date the refund was transmitted to the financial institution, or the date a paper check was mailed o IRS2Go (English and Spanish), our free mobile application for smart phones

		<ul style="list-style-type: none"> ○ Refund Hotline - 800-829-1954 - toll free assistors provide only if the taxpayer does not have access to a computer or the internet <ol style="list-style-type: none"> 3. Before ending the call, on Individual accounts, advise the taxpayer that the best way to get the most current information about their refund is through the automated systems, Where's My Refund (WMR) on IRS.gov; IRS2GO (English and Spanish) for smart phones; or the Refund Hotline. They are fast, accurate and available 7 days a week from any computer or smart phone with internet access, and the information provided is specific to each taxpayer who uses the tool. Remind them that by using the automated systems, they would not have to wait on hold to speak to an assist. Also, advise them that updates to the automated systems will depend on the account status, and whether required actions have been completed to release the refund. Automated systems are not available for business taxpayers. 4. Route them out to the automated Refund Hotline, transfer to extension 3158 for English or 3258 for Spanish. 5. If the taxpayer refuses to be routed to the automated Refund Hotline, ask the taxpayer if they have any additional questions. If not, then thank them for calling and end the call.
2	No, and the normal processing time frames have been met.	<ol style="list-style-type: none"> 1. Authenticate the taxpayer's identity and conduct account research to assist the taxpayer. See IRM 21.4.1.4.1, Locating the Taxpayer's Return, for additional information.

		<p>Note: If, after research, it is determined the normal processing time frame has not expired, follow steps 2 -4 in the box below.</p> <p>Reminder: If more than 21 days have passed since the taxpayer e-filed, see IRM 21.4.1.4.1.2.2, Researching Rejected IMF E-filed Returns.</p> <p>2. Before ending the call, on Individual accounts, advise the taxpayer that the best way to get the most current information about their refund is through the automated systems, Where's My Refund (WMR) on IRS.gov; IRS2GO (English and Spanish) for smart phones; or the Refund Hotline. They are fast, accurate and available 7 days a week from any computer or smart phone with internet access, and the information provided is specific to each taxpayer who uses the tool. Remind them that by using the automated systems, they would not have to wait on hold to speak to an assistor. Also, advise them that updates to the automated systems will depend on the account status, and whether required actions have been completed to release the refund. Automated systems are not available for business taxpayers.</p>
3	Yes, and the normal processing time frames have not been met, and they received a response saying, "We received your tax return and it is being processed," or "Your tax refund is scheduled to be sent to your bank on..."	<ol style="list-style-type: none"> 1. DO NOT access the taxpayer's account or complete any research. 2. Advise the taxpayer that you are unable to provide any additional information than the information already provided by the automated system and provide the appropriate return processing time frames. 3. Before ending the call, on Individual accounts, advise the taxpayer that the best way to get the most current information about their refund is through

		<p>the automated systems, Where's My Refund (WMR) on IRS.gov; IRS2GO (English and Spanish) for smart phones; or the Refund Hotline. They are fast, accurate and available 7 days a week from any computer or smart phone with internet access, and the information provided is specific to each taxpayer who uses the tool. Remind them that by using the automated systems, they would not have to wait on hold to speak to an assistor. Also, advise them that updates to the automated systems will depend on the account status, and whether required actions have been completed to release the refund. Automated systems are not available for business taxpayers.</p> <ol style="list-style-type: none"> 4. Ask the taxpayer if they have any additional questions. If not, then thank them for calling and end the call.
4	Yes, and the normal processing time frames have not been met, and they originally received a response saying "We received your tax return and it is being processed," or "Your tax refund is scheduled to be sent to your bank on..." or other message about the refund status, but now the automated system returns a message indicating "no data available"	<p>DO NOT access the taxpayer's account or complete any research.</p> <p>Tell the taxpayer:</p> <ol style="list-style-type: none"> 1. The initial message is still accurate, we received the return, and it is being processed. Provide the appropriate return processing time frames. 2. The tool is updated no more than once a day – usually overnight. 3. They should wait and check the tool again tomorrow. 4. For BMF accounts advise to call back after time frame has been met.
5	Yes, and the normal processing time frames have been met , and they originally received a response saying "We received	<ol style="list-style-type: none"> 1. Authenticate the taxpayer's identity and conduct account research to assist the taxpayer.

	your tax return and it is being processed," or "Your tax refund is scheduled to be sent to your bank on..." or other message about the refund status, but now the automated system returns a message indicating "no data available"	Note: The automated systems may at times provide an incorrect response in error. Apologize for any inconvenience and conduct research.
6	Yes, and the taxpayer provides a 4-digit reference number that they received on one of the automated systems or a "take action" message was received but no reference number	<ol style="list-style-type: none"> 1. Authenticate the taxpayer's identity and conduct account research to assist the taxpayer. See IRM 21.4.1.6, Where's My Refund (WMR), for further guidance, and Exhibit 21.4.1-3, Internet Refund Fact of Filing Reference Numbers, for a list of the most common reference codes. <p>Exception: If IDRS research reveals UPC 126 RC 0, see the guidance in the (1) Table in IRM 21.4.1.4.1.2, Return Found/Not Processed, for guidance.</p>
7	Yes, and the taxpayer was informed by the automated application that a change occurred to the refund amount for which the taxpayer needs additional information, or the taxpayer was provided with a call back number and 3-digit extension	<ol style="list-style-type: none"> 1. Authenticate the taxpayer's identity and conduct account research to assist the taxpayer. See IRM 21.4.1.5.1, Refund Not Sent or Amount Differs, for additional information.
8	Yes, but the automated application "cannot provide any information" and it has been more than 24 hours since the taxpayer received acknowledgement of their e-filed return or 4 weeks since they mailed their paper return	<ol style="list-style-type: none"> 1. Authenticate the taxpayer's identity and confirm that they are using the correct shared secrets on the automated applications (TIN, filing status and expected refund amount, in whole dollar amount). Once additional authentication is confirmed, provide correct shared secrets if applicable. Access CC FFINQ or CC REINF, if necessary. Do not provide any refund information, unless there is a TC 846 present. Do not continue with the

		<p>steps below if the TC 846 status is provided.</p> <ol style="list-style-type: none"> 2. Before ending the call, on Individual accounts, advise the taxpayer that the best way to get the most current information about their refund is through the automated systems, Where's My Refund (WMR) on IRS.gov; IRS2GO (English and Spanish) for smart phones; or the Refund Hotline. They are fast, accurate and available 7 days a week from any computer or smart phone with internet access, and the information provided is specific to each taxpayer who uses the tool. Remind them that by using the automated systems, they would not have to wait on hold to speak to an assistor. Also, advise them that updates to the automated systems will depend on the account status, and whether required actions have been completed to release the refund. Automated systems are not available for business taxpayers. 3. Route them out to the automated Refund Hotline, transfer to extension 3158 for English or 3258 for Spanish. 4. If the taxpayer refuses to be routed to the automated Refund Hotline, ask the taxpayer if they have any additional questions. If not, then thank them for calling and end the call.
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Reminder: **Where's My Refund** cannot provide any information on Form 1040-X or Form 8379, Injured Spouse Allocation, claims filed after the original return. To check the status of Form 1040-X taxpayers must use the Where's My Amended Return (WMAR) application on IRS.gov. See (8) below for Form 1040-X information through automation.

IRM 21.4.1.4(5) box 1 - To incorporate new information about the Executive Order 14247, Modernizing Payments to and From America's Bank Account, included information about changes to direct deposit refunds for BMF accounts.

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IRM 21.4.1.4(5) box 4 - To incorporate new information about the Executive Order 14247, Modernizing Payments to and From America's Bank Account, included information about changes to direct deposit refunds for BMF accounts.

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Use the table below to determine your call resolution actions.

Row	If taxpayer's response is	Then
1	No, and the normal processing time frames have not been met.	<ol style="list-style-type: none"> 1. DO NOT access the taxpayer's account or complete any research. 2. Provide the taxpayer with appropriate return processing time frames. For BMF accounts advise to call back after time frame has been met. For IMF accounts provide information about our automated refund applications: <ul style="list-style-type: none"> o Where's My Refund? on IRS.gov, now includes a "refund status tracker bar" that will show you which processing status your return is in: <ol style="list-style-type: none"> a. Return Received – no projected refund date is given b. Refund Approved – the refund date depending on direct deposit or paper check mailing is provided c. Refund Sent – informs the taxpayer of the date the refund was transmitted to the financial institution, or the date a paper check was mailed o IRS2Go (English and Spanish), our free mobile application for smart phones o Refund Hotline - 800-829-1954 - toll free assistors provide only if the taxpayer does not have access to a computer or the internet 3. Before ending the call, on Individual accounts, advise the taxpayer that the best way to get the most current

		<p>information about their refund is through the automated systems, Where's My Refund (WMR) on IRS.gov; IRS2GO (English and Spanish) for smart phones; or the Refund Hotline. They are fast, accurate and available 7 days a week from any computer or smart phone with internet access, and the information provided is specific to each taxpayer who uses the tool. Remind them that by using the automated systems, they would not have to wait on hold to speak to an assistor. Also, advise them that updates to the automated systems will depend on the account status, and whether required actions have been completed to release the refund. Automated systems are not available for business taxpayers.</p> <ol style="list-style-type: none"> <li data-bbox="812 952 1416 1058">4. Route them out to the automated Refund Hotline, transfer to extension 3158 for English or 3258 for Spanish. <li data-bbox="812 1089 1416 1290">5. If the taxpayer refuses to be routed to the automated Refund Hotline, ask the taxpayer if they have any additional questions. If not, then thank them for calling and end the call.
2	No, and the normal processing time frames have been met.	<ol style="list-style-type: none"> <li data-bbox="812 1322 1392 1522">1. Authenticate the taxpayer's identity and conduct account research to assist the taxpayer. See IRM 21.4.1.4.1, Locating the Taxpayer's Return, for additional information. <p>Note: If, after research, it is determined the normal processing time frame has not expired, follow steps 2 -4 in the box below.</p> <p>Reminder: If more than 21 days have passed since the taxpayer e-filed, see IRM 21.4.1.4.1.2.2, Researching Rejected IMF E-filed Returns.</p>

		<p>2. Before ending the call, on Individual accounts, advise the taxpayer that the best way to get the most current information about their refund is through the automated systems, Where's My Refund (WMR) on IRS.gov; IRS2GO (English and Spanish) for smart phones; or the Refund Hotline. They are fast, accurate and available 7 days a week from any computer or smart phone with internet access, and the information provided is specific to each taxpayer who uses the tool. Remind them that by using the automated systems, they would not have to wait on hold to speak to an assistor. Also, advise them that updates to the automated systems will depend on the account status, and whether required actions have been completed to release the refund. Automated systems are not available for business taxpayers.</p>
3	<p>Yes, and the normal processing time frames have not been met, and they received a response saying, "We received your tax return and it is being processed," or "Your tax refund is scheduled to be sent to your bank on..."</p>	<ol style="list-style-type: none"> 1. DO NOT access the taxpayer's account or complete any research. 2. Advise the taxpayer that you are unable to provide any additional information than the information already provided by the automated system and provide the appropriate return processing time frames. 3. Before ending the call, on Individual accounts, advise the taxpayer that the best way to get the most current information about their refund is through the automated systems, Where's My Refund (WMR) on IRS.gov; IRS2GO (English and Spanish) for smart phones; or the Refund Hotline. They are fast, accurate and available 7 days a week from any computer or smart phone with internet access, and the information provided is specific to each taxpayer who

		<p>uses the tool. Remind them that by using the automated systems, they would not have to wait on hold to speak to an assist. Also, advise them that updates to the automated systems will depend on the account status, and whether required actions have been completed to release the refund. Automated systems are not available for business taxpayers.</p> <p>4. Ask the taxpayer if they have any additional questions. If not, then thank them for calling and end the call.</p>
4	<p>Yes, and the normal processing time frames have not been met, and they originally received a response saying "We received your tax return and it is being processed," or "Your tax refund is scheduled to be sent to your bank on..." or other message about the refund status, but now the automated system returns a message indicating "no data available"</p>	<p>DO NOT access the taxpayer's account or complete any research.</p> <p>Tell the taxpayer:</p> <ol style="list-style-type: none"> 1. The initial message is still accurate, we received the return, and it is being processed. Provide the appropriate return processing time frames. 2. The tool is updated no more than once a day – usually overnight. 3. They should wait and check the tool again tomorrow. 4. For BMF accounts advise to call back after time frame has been met.
5	<p>Yes, and the normal processing time frames have been met, and they originally received a response saying "We received your tax return and it is being processed," or "Your tax refund is scheduled to be sent to your bank on..." or other message about the refund status, but now the automated system returns a</p>	<ol style="list-style-type: none"> 1. Authenticate the taxpayer's identity and conduct account research to assist the taxpayer. <p>Note: The automated systems may at times provide an incorrect response in error. Apologize for any inconvenience and conduct research.</p>

	message indicating "no data available"	
6	Yes, and the taxpayer provides a 4-digit reference number that they received on one of the automated systems or a " take action " message was received but no reference number	<ol style="list-style-type: none"> 1. Authenticate the taxpayer's identity and conduct account research to assist the taxpayer. See IRM 21.4.1.6, Where's My Refund (WMR), for further guidance, and Exhibit 21.4.1-3, Internet Refund Fact of Filing Reference Numbers, for a list of the most common reference codes. <p>Exception: If IDRS research reveals UPC 126 RC 0, see the guidance in the (1) Table in IRM 21.4.1.4.1.2, Return Found/Not Processed, for guidance.</p>
7	Yes, and the taxpayer was informed by the automated application that a change occurred to the refund amount for which the taxpayer needs additional information, or the taxpayer was provided with a call back number and 3-digit extension	<ol style="list-style-type: none"> 1. Authenticate the taxpayer's identity and conduct account research to assist the taxpayer. See IRM 21.4.1.5.1, Refund Not Sent or Amount Differs, for additional information.
8	Yes, but the automated application "cannot provide any information" and it has been more than 24 hours since the taxpayer received acknowledgement of their e-filed return or 4 weeks since they mailed their paper return	<ol style="list-style-type: none"> 1. Authenticate the taxpayer's identity and confirm that they are using the correct shared secrets on the automated applications (TIN, filing status and expected refund amount, in whole dollar amount). Once additional authentication is confirmed, provide correct shared secrets if applicable. Access CC FFINQ or CC REINF, if necessary. Do not provide any refund information, unless there is a TC 846 present. Do not continue with the steps below if the TC 846 status is provided. 2. Before ending the call, on Individual accounts, advise the taxpayer that the best way to get the most current information about their refund is through the automated systems, Where's My

		<p>Refund (WMR) on IRS.gov; IRS2GO (English and Spanish) for smart phones; or the Refund Hotline. They are fast, accurate and available 7 days a week from any computer or smart phone with internet access, and the information provided is specific to each taxpayer who uses the tool. Remind them that by using the automated systems, they would not have to wait on hold to speak to an assist. Also, advise them that updates to the automated systems will depend on the account status, and whether required actions have been completed to release the refund. Automated systems are not available for business taxpayers.</p> <ol style="list-style-type: none"> 3. Route them out to the automated Refund Hotline, transfer to extension 3158 for English or 3258 for Spanish. 4. If the taxpayer refuses to be routed to the automated Refund Hotline, ask the taxpayer if they have any additional questions. If not, then thank them for calling and end the call.
9	Yes, and the normal processing time frames have been met	<ol style="list-style-type: none"> 1. Authenticate the taxpayer's identity and conduct account research to assist the taxpayer. See IRM 21.4.1.4.1, Locating the Taxpayer's Return, for additional information. 2. Before ending the call, on Individual accounts, advise the taxpayer that the best way to get the most current information about their refund is through the automated systems, Where's My Refund (WMR) on IRS.gov; IRS2GO (English and Spanish) for smart phones; or the Refund Hotline. They are fast, accurate and available 7 days a week from any computer or smart phone with internet access, and the information

		provided is specific to each taxpayer who uses the tool. Remind them that by using the automated systems, they would not have to wait on hold to speak to an assistor. Also, advise them that updates to the automated systems will depend on the account status, and whether required actions have been completed to release the refund. Automated systems are not available for business taxpayers.
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Reminder: Where's My Refund cannot provide any information on Form 1040-X or Form 8379, Injured Spouse Allocation, claims filed after the original return. To check the status of Form 1040-X taxpayers must use the Where's My Amended Return (WMAR) application on IRS.gov. See (8) below for Form 1040-X information through automation.

IRM 21.4.1.4.1.2(1) box 9 - For clarity updated to include link to SERP Form 4442 Submission Processing Unpostable Referral Listing. SERP Feedback 34274 and 36220.

(1) It is essential to complete all account research prior to telling the taxpayer to refile a return. The list of command codes below is not all inclusive, and additional command codes may be required for thorough research. Research the Correspondence Imaging Inventory (CII) to determine if the taxpayer submitted their return in response to a previous request for information. See IRM 21.5.1.5.5, Processing/Reprocessing CII Tax Returns, for more information.

The return was received, but not processed:

Row	If Command Code (CC)	Research Shows	Then
1	TXMOD	UXXXX (unpostable return) in same line as TC 150 in pending transaction section. See IRM 21.5.5, Unpostables.	Research CC UPTIN
2	TXMOD / IMFOL	TC 914, 916 or 918 or # # #	# #

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3	TXMOD / ENMOD	<p>Shows TC 971 AC 052, or TC 971 AC 152 or Refund Status Code is K4 on CC FFINQ, which indicates RICS is reviewing the return.</p>	<ul style="list-style-type: none"> • Advise the caller that the return is still in processing. • If there are freeze code conditions present, these will take precedence over the TC 971 AC 052/152 • If there are no freeze codes present, and the account has: <p>A transaction code (TC) 971, action code (AC) 052 posted, normal processing time will increase by two cycles.</p> <p>A TC 971, AC 152 posted, normal processing time will increase by one cycle.</p> <p>If both TC 971 AC 052 and TC 971 AC 152 appear on the account, use the 2 cycle delay, as the AC 052 would supersede the AC 152.</p> <p>If the taxpayer asks why the processing time was increased tell them the return was randomly selected for additional review.</p> <p>Reminder: Do not mention RICS, RIVO, CI, etc, unless other account conditions indicate involvement and require it.</p> <p>Note: If the processing time frames are up and the return is UPC 126 or UPC 147 or showing as stopped in ERS (return is showing on CC ERINV), then follow the instructions in the appropriate box below.</p>
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4	TXMOD / ENMOD	Return was zeroed out, partially zeroed or credits reversed by RIVO (the address may have been updated to the service center address)	Initiate a Form 4442 /e-4442, Inquiry Referral, to RIVO, using category "RIVO – Complex Issue not ID Theft". Advise the taxpayer to allow 9 weeks for a response.
5	TXMOD / ENMOD	TC 971 AC 111 (CC TXMOD) and TC 971 AC 501/506 (CC ENMOD) with MISC: "AM" or "AMADJ"	See IRM 25.23.12.4.1, Telephone Inquiries Regarding Identity Theft Victim Assistance (IDTVA) Tax-Related Cases, for guidance.
6	TXMOD / TRDBV	TC 971 AC 111 (CC TXMOD), TRDBV shows UPC 126 RC 0 and the TP filed the return on MFT 32, or the return was GUF Voided/Deleted.	See IRM 25.25.6.6, Non Taxpayer Protection Program (TPP) Telephone Assistors Response to Taxpayers.
7	TXMOD / TRDBV	TC 971 AC 111 (CC TXMOD), CC TRDBV shows UPC 126 RC 0 and the return was not moved to MFT 32 prior to the end of year cycle deadline and is archived/deleted. This appears on CC TRDBV as GUF Voided/Deleted or GUF perfected but there is no MFT 32.	See IRM 25.25.6.5.5.4, The Taxpayer's Return has been Archived/Deleted. Note: Non-TPP assistors see IRM 25.25.6.6, Non Taxpayer Protection Program (TPP) Telephone Assistors Response to Taxpayers.
8	IMFOLI / IMFOLE / IMFOLT / TRDBV	A module for MFT 32 with a TC 976 posted, regardless if there is a TC 971 AC 506 on CC IMFOLE, and CC TRDBV codes show status code ERS CORRECTED and CC TRDBV CODES screen does not have an Identity Theft indicator T .	See IRM 25.25.6.6, Non Taxpayer Protection Program (TPP) Telephone Assistors Response to Taxpayers.
9	IMFOLI / IMFOLE / IMFOLT / TRDBV	A module for MFT 32 with a TC 976 posted, regardless if there is a TC 971 AC 506 on CC IMFOLE, and CC TRDBV codes show status code ERS CORRECTED and CC TRDBV CODES screen has an Identity Theft indicator T .	<ul style="list-style-type: none"> • If the contact is from the taxpayer or authorized third party, authenticate per IRM 21.1.3.2.3 (2), Required Taxpayer Authentication, and prepare Form 4442/e-4442 to the SP IDT team.

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		<ul style="list-style-type: none"> Follow the guidance in IRM 3.28.4.9 (2), Procedures for Reprocessing Deleted Returns - UPC 147 RC 0 Only, for routing based on the DLN of the return. Please also see Form 4442 Submission Processing Unpostable Referral Listing Select category, "Refund" then select "SPIDT" If additional action is required (i.e., injured spouse claim, Form 1040-X) request that the refund be held, monitor the account and take appropriate follow-up action once the return has posted to MFT 30. Include authentication results in AMS. Advise the taxpayer they should receive their refund or correspondence within 12 weeks. If the taxpayer contacts us after the current processing times plus 12 weeks have passed and a Form 4442 has already been submitted, follow the procedures in IRM 21.1.3.18, Taxpayer Advocate Service (TAS) Guidelines. If the caller cannot authenticate, provide the
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			<p>caller the toll-free appointment number, 844-545-5640, to schedule an appointment at one of the Taxpayer Assistance Centers (TACs), (Hours of operation: 7:00 a.m. to 7:00 p.m. local time; Hawaii and Alaska follow Pacific Time Zone). After authenticating, TAC assistors should then follow the guidance above.</p> <ul style="list-style-type: none"> • For paper inquiries, follow procedures in Note below. <p>Note: If no return is posted and indicators exist for MFT 32, when working Form 3911, Form 1310, or other correspondence, employees should close their case with Letter 109C, Return Requesting Refund Can't be Located or Not Filed; Send Copy, using an "*" to replace the taxpayer's TIN. Use the paragraph for all other toll-free numbers advising the taxpayer to call IRS at 800-829-1040. Include the hours of operation which are Monday through Friday, 7:00 a.m. to 7:00 p.m., local time, with the exception of Puerto Rico, which is 8:00 a.m. to 8:00 p.m., local time. Advise the taxpayer that the return has been selected for further review and that we'll need to speak with them to validate the information that was submitted. Form 3911 and Form 1310 should then be destroyed as classified waste. See IRM 21.5.1.4.10,</p>
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			<p>Classified Waste.</p> <p>For additional information on refund inquiries, see IRM 21.4.2, Refund Trace and Limited Payability and IRM 21.4.3, Returned Refunds/Releases.</p> <p>Exception: If the taxpayer is responding to Letter 0012C and provides all the requested documents, send Form 4442/e-4442 as instructed above.</p>
10	TXMOD / ENMOD	RJ 150 (rejected return).	<p>Research CC ERINV. See IRM 21.4.1.4.1.2.3, Returns Located on Error Resolution System (ERS) or Rejects.</p>
11	FFINQ	Return information (after no information on CC SUMRY or CC IMFOL) and no FREEZE-INDICATOR.	<p>See IRM 21.4.1.4.1.2.3, Returns Located on Error Resolution System (ERS) or Rejects.</p>
12	TRDBV	Return information (for IRS e-File).	<p>See IRM 21.4.1.4.1.2.2, Researching Rejected IMF E-filed Returns.</p> <p>Note: If CC TRDBV response screen TRDPG displays: "Current-Status: GUF Voided/Deleted" on the first page of the tax return or on the response screen itself, see IRM 21.5.5, Unpostables.</p>

Note: If taxpayer indicates the routing transit number or account number shown on their return is incorrect, advise the taxpayer IRS employees cannot change or correct these numbers from the numbers shown on their return. In some circumstances, TC 971 AC 850 may be input to flip a direct deposit refund to a paper check. See IRM 21.4.1.5.7, Direct Deposits - General Information, for additional information.

IRM 21.4.1.4.2(3) box EFT direct deposit- To incorporate new information about the Executive Order 14247, Modernizing Payments to and From America's Bank Account, included CC BMFOLT for where return information can be found.

(3) CC IMFOLT, CC BMFOLT and CC TXMOD will indicate when a refund (TC 846 only) is issued. For IMF accounts, the indicator **DD:0** (paper check) or **DD:9** (direct deposit) will appear near the right margin either on the same line as the TC 846 or the next line down. If the taxpayer requests their refund be deposited into more than one account, each deposit will reflect a TC 846 with a split refund indicator of 1, 2, or 3. If the taxpayer requests only one direct deposit or a paper check, the indicator will be 0. Below is an explanation of the indicators:

- 0 - One direct deposit refund or paper check
- 1 - First refund of multiple refunds
- 2 - Second refund of multiple refunds
- 3 - Third refund of multiple refunds

Using the following table, determine when the refund was or will be issued and advise taxpayer. For additional information on CADE/CADE 2 processing, see paragraph 4 and 5 below.

Note: Refer to the chart in Exhibit 21.4.2-1 (11), Command Code (CC) "CHKCL" Input, if the refund was issued during an accelerated cycle.

If	And	Then advise taxpayer
Paper check	Return information found via CC IMFOLT, CC BMFOLT, CC TXMOD or CC REINF	<p>The issue date of the refund.</p> <ul style="list-style-type: none">• For current year and all prior year IMF returns, the issue/mailing date is found on CC IMFOLT on line below the TC 846 as "RFND-PAY-DATE:", and on CC TXMOD on the line below the TC 846 as "RFND-PYMT-DT".• Business Master File (BMF), the issue date is one day after the TC 846 date.• Manual refund, the taxpayer should receive the refund within 10 calendar days from the RFND-PAY-DATE on CC IMFOLT or the RFND-PYMT-DT on CC TXMOD. <p>Note: If the taxpayer asks how long it will take to receive their refund: For IMF accounts, advise the taxpayer that the best way to get the most current</p>

		<p>information about their refund is through the automated systems, Where's My Refund (WMR) on IRS.gov; IRS2GO (English and Spanish) for smart phones; or the Refund Hotline.</p> <p>Advise the taxpayer to call back when four weeks (nine weeks if it's a foreign address) from the issue/mailing date have passed if a trace cannot be started on one of the self-service platforms.</p> <p>For BMF accounts, advise the taxpayer to call back if four weeks (nine weeks if it's a foreign address) from the issue/mailing date have passed if check was not received.</p> <p>If the issue date falls on a federal holiday, the refund will be issued on the day before the holiday.</p>
Electronic Funds Transfer (EFT) direct deposit	Return information found on CC IMFOBT, CC BMFOLT or CC TXMOD	<p>Deposit date of refund.</p> <ul style="list-style-type: none"> For all current and prior year IMF returns, the deposit date is found on CC IMFOLT on the line below the TC 846 as "RFND-PAY-DATE:", and on CC TXMOD on the line below the TC 846 as "RFND-PYMT-DT>". Business Master File (BMF), the deposit date is six days before the TC 846 date. <p>Note: If the issue date falls on a federal holiday, EFT refunds are dated on the holiday, but depending on the financial institution, may not be credited until the following day.</p>
EFT/direct deposit	Return information found on CC "REINF" (Generated Refund Check Scheduled)	Deposit date "REF CHK SCHEDULED" date.

IRM 21.4.1.4.4(2) Row 1 - For accuracy of information updated to remove "or begin a refund trace" as IRS2GO self-option tools does not initiate a refund trace.

(2) If research shows a refund has been generated and the taxpayer says they did not receive the check or direct deposit, use the following "If-And-Then" table to assist in resolving the issue:

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Caution: Do not initiate a refund trace over the phone if there is IDT involvement on the account. See IRM 25.23.12.4.1, Telephone Inquiries Regarding Identity Theft Victim Assistance (IDTVA) Tax-Related Cases, for additional information.

Caution: Do not initiate a refund trace over the phone if there is RIVO involvement on the module. When providing a pre-populated Form 3911, verify all information is for the correct taxpayer. See IRM 21.5.6.4.35.3, -R freeze Overview For Accounts With Return Integrity Verification Operations (RIVO) Involvement, for additional information.

Note: Many U.S. Post Offices will forward the refund check if the taxpayer has a forwarding address on file with the local post office. If this is the case, advise the taxpayer to allow up to 6 weeks from the IDRS refund payment date for receipt of the check. If the check is not received by the end of those 6 weeks, follow normal refund trace procedures.

Row	If taxpayer says they did not receive a refund	And the date is	Then
1	TC 846 is present on the module and a paper check was issued	Less than four weeks (or nine weeks if it's a foreign address) from the mailing date. For current and all prior year IMF returns, the issue/mailing date is found on CC IMFOLT on the line below the TC 846 as "RFND-PAY-DATE", and on CC TXMOD on the line below the TC 846 as "RFND-PYMT-DT>". For Business Master File (BMF), the issue/mailing date is one day after the TC 846 date.	<ul style="list-style-type: none">Advise the taxpayer that the most reliable way to get the most current information about their refund or begin a refund trace is by using the self-service tools, Where's My Refund (WMR) on IRS.gov or the Refund Hotline. IRS2GO for smartphones can provide current refund information however, it cannot initiate a refund trace. Exception: Self-service trace option is not available if filing status is Married Filing Joint.Advise the taxpayer to call back when four weeks (nine weeks if it's a foreign address) from the issue/mailing date have

			<p>passed if a trace cannot be started on one of the self service platforms.</p> <ul style="list-style-type: none"> For BMF accounts advise the taxpayer to call back if four weeks (nine weeks if it's a foreign address) from the issue/mailing date have passed if check was not received.
2	TC 846 is present on an IMF module and a paper check was issued	Four or more weeks (or nine or more weeks if it's a foreign address) since the issue/mailing date. For current and all prior year IMF returns, the issue/mailing date is found on CC IMFOLT on the line below the TC 846 as "RFND-PAY-DATE", and on CC TXMOD on the line below the TC 846 as "RFND-PYMT-DT>".	See IRM 21.4.2.3, Refund Trace Process.
3	TC 846 is present on a BMF module and a paper check was issued	Four or more weeks (or nine or more weeks if it's a foreign address) since the issue/mailing date. For Business Master File (BMF), the issue/mailing date is one day after the TC 846 date.	Advise the taxpayer to file Form 3911, Taxpayer Statement Regarding Refund. See IRM 21.4.2.4.1, Form 3911, Taxpayer Statement Regarding Refund.
4	TC 846 is present on the module and the refund is a DD	The caller says they have been told by their bank that their refund was returned to the IRS. The caller may use terms such as, the bank returned the refund as a bank lead (External	<ul style="list-style-type: none"> Follow the IF and THEN chart in IRM 25.25.8.7, Responding to Taxpayer Inquiries, or If the conditions in IRM 25.25.8.7, do not exist, follow IRM 21.4.1.5.7.1,

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		<p>lead) OR I have a lead number (XXXXXX XX) OR the bank received an indemnification letter from IRS or the funds were requested/returned.</p> <p>Note: Due to timing, the account may not reflect the external lead process is in progress. Do NOT refer the taxpayer back to the financial institution unless the External Lead IRM instructs you to do so.</p>	Direct Deposit of Refunds.
5	TC 846 is present on the module and the refund is a direct deposit (DD), a split refund or a Refund Advance Product (RAL/RAC)	<p>Five or more calendar days since scheduled DD date</p> <p>Note: The scheduled date of a DD is found on CC IMFOLT or CC BMFOLT on the line below the TC 846 as RFND-PAY-DATE, and on CC TXMOD on the line below the TC 846 as RFND-PYMT-DT></p>	<ul style="list-style-type: none"> Verify the direct deposit bank by providing the taxpayer with the routing transit number (RTN) from CC IMFLOBT or CC BMFOBT. If necessary, also provide the bank name using the link in the note below this chart. Ask the taxpayer if they have contacted the financial institution. If the answer is NO, advise to do so and give the account number and type indicated on CC IMFLOBT or CC BMFOBT. If the answer is YES, initiate refund trace per IRM 21.4.2, Refund Trace and Limited Payability, if appropriate. <p>Caution: If the deposit is a split refund or if a Refund Advance Product</p>

			(RAL/RAC), review IRM 21.4.1.5.7.1, Direct Deposit of Refunds, for additional information first.
6	TC 840 manual refund Note: If TC 840 carries a blocking series and serial number 9XXXX series with a Julian date less than 400, it is a "Dummy TC 840" and no actual check has been issued. Research for the SSN where the refund was issued.	10 calendar days (30 calendar days if it's a foreign address) from the "RFND-PAY-DATE" on CC IMFOLT or the "RFND-PYMT-DT" on CC TXMOD, either of which is located below the TC 840	Advise the taxpayer to file Form 3911, Taxpayer Statement Regarding Refund. See IRM 21.4.2.4.1, Form 3911, Taxpayer Statement Regarding Refund, for additional guidance about Form 3911. See exception below for taxpayers located in a disaster area.
7	TC 740 Undelivered Refund	no content	See IRM 21.4.3, Returned Refunds/Releases, for resolving undelivered refunds.
8	TC 841 Returned/Stopped Refund	no content	<ol style="list-style-type: none"> 1. Determine cause of the refund stop 2. Attempt to resolve issue 3. See IRM 21.5.6, Freeze Codes, for resolving freeze releases. <p>Note: Refer to Exhibit 21.4.2-3, Reason for Cancellation Codes and Generated Account Information, to determine the cause of refund cancellation.</p>
9	TC 898/899 TOP Offset	no content	See IRM 21.4.6.6.1, Taxpayer Inquiries on TOP Offset.
10	TC 960 is posted and a refund has been issued	no content	<ul style="list-style-type: none"> • Research CC CFINK for receipt code "R" and advise the taxpayer to

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			<p>check with the POA of record for receipt of the refund check.</p> <ul style="list-style-type: none"> • If the taxpayer has already asked the POA, follow the appropriate guidance above.
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Note: If during the conversation it is determined the taxpayer did not request a direct deposit, refer to IRM 21.4.1.5.9.5, Taxpayer Expecting a Paper Check But Refund Issued as Direct Deposit.

Note: If the taxpayer alleges preparer misconduct as the reason for non-receipt of the refund, see IRM 25.24.1.3, Identifying Potential RPM Issues For Telephone Assistors/Taxpayer Assistance Center (TAC) Assistors. In some situations, you may need to advise the taxpayer that the restoration of the refund to the taxpayer may become a civil matter between the taxpayer and the preparer.

Note: When sending a Form 3911 to the taxpayer, input the following history item on CC TXMODA:

Example: H,39112TP

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

Note: To find the financial institutions for specific routing numbers, use the link at Financial Institution Routing Numbers. If the number isn't found, advise the taxpayer to contact their return preparer.

IRM 21.4.1.4.4(2) Row 5 - For consistency, added information about BMF commands which reflect direct deposit information.

(2) If research shows a refund has been generated and the taxpayer says they did not receive the check or direct deposit, use the following "If-And-Then" table to assist in resolving the issue:

Caution: Do not initiate a refund trace over the phone if there is IDT involvement on the account. See IRM 25.23.12.4.1, Telephone Inquiries Regarding Identity Theft Victim Assistance (IDTVA)Tax-Related Cases, for additional information.

Caution: Do not initiate a refund trace over the phone if there is RIVO involvement on the module. When providing a pre-populated Form 3911, verify all information is for the correct taxpayer. See IRM 21.5.6.4.35.3, -R freeze Overview For Accounts With Return Integrity Verification Operations (RIVO) Involvement, for additional information.

Note: Many U.S. Post Offices will forward the refund check if the taxpayer has a forwarding address on file with the local post office. If this is the case, advise the taxpayer to allow up to 6 weeks from the IDRS refund payment date for receipt of the check. If the check is not received by the end of those 6 weeks, follow normal refund trace procedures.

Row	If taxpayer says they did not receive a refund	And the date is	Then
1	TC 846 is present on the module and a paper check was issued	Less than four weeks (or nine weeks if it's a foreign address) from the mailing date. For current and all prior year IMF returns, the issue/mailing date is found on CC IMFOLT on the line below the TC 846 as "RFND-PAY-DATE", and on CC TXMOD on the line below the TC 846 as "RFND-PYMT-DT>". For Business Master File (BMF), the issue/mailing date is one day after the TC 846 date.	<ul style="list-style-type: none"> Advise the taxpayer that the most reliable way to get the most current information about their refund or begin a refund trace is by using the self-service tools, Where's My Refund (WMR) on IRS.gov or the Refund Hotline. IRS2GO for smartphones can provide current refund information however, it cannot initiate a refund trace. <p>Exception: Self-service trace option is not available if filing status is Married Filing Joint.</p> <ul style="list-style-type: none"> Advise the taxpayer to call back when four weeks (nine weeks if it's a foreign address) from the issue/mailing date have passed if a trace cannot be started on one of the self service platforms.

			<ul style="list-style-type: none"> For BMF accounts advise the taxpayer to call back if four weeks (nine weeks if it's a foreign address) from the issue mailing date have passed if check was not received.
2	TC 846 is present on an IMF module and a paper check was issued	Four or more weeks (or nine or more weeks if it's a foreign address) since the issue mailing date. For current and all prior year IMF returns, the issue mailing date is found on CC IMFOLT on the line below the TC 846 as "RFND-PAY-DATE", and on CC TXMOD on the line below the TC 846 as "RFND-PYMT-DT>".	See IRM 21.4.2.3, Refund Trace Process.
3	TC 846 is present on a BMF module and a paper check was issued	Four or more weeks (or nine or more weeks if it's a foreign address) since the issue mailing date. For Business Master File (BMF), the issue mailing date is one day after the TC 846 date.	Advise the taxpayer to file Form 3911, Taxpayer Statement Regarding Refund. See IRM 21.4.2.4.1, Form 3911, Taxpayer Statement Regarding Refund.
4	TC 846 is present on the module and the refund is a DD	The caller says they have been told by their bank that their refund was returned to the IRS. The caller may use terms such as, the bank returned the refund as a bank lead (External lead) OR I have a lead number (XXXXXX XX) OR the bank received an indemnification letter	<ul style="list-style-type: none"> Follow the IF and THEN chart in IRM 25.25.8.7, Responding to Taxpayer Inquiries, or If the conditions in IRM 25.25.8.7, do not exist, follow IRM 21.4.1.5.7.1, Direct Deposit of Refunds.

Any line marked with a # is for Official Use Only

		<p>from IRS or the funds were requested/returned.</p> <p>Note: Due to timing, the account may not reflect the external lead process is in progress. Do NOT refer the taxpayer back to the financial institution unless the External Lead IRM instructs you to do so.</p>	
5	TC 846 is present on the module and the refund is a direct deposit (DD), a split refund or a Refund Advance Product (RAL/RAC)	<p>Five or more calendar days since scheduled DD date</p> <p>Note: The scheduled date of a DD is found on CC IMFOBT or CC BMFOLT on the line below the TC 846 as RFND-PAY-DATE, and on CC TXMOD on the line below the TC 846 as RFND-PYMT-DT></p>	<ul style="list-style-type: none"> Verify the direct deposit bank by providing the taxpayer with the routing transit number (RTN) from CC IMFOBT or CC BMFOBT. If necessary, also provide the bank name using the link in the note below this chart. Ask the taxpayer if they have contacted the financial institution. If the answer is NO, advise to do so and give the account number and type indicated on CC IMFOBT or CC BMFOBT. If the answer is YES, initiate refund trace per IRM 21.4.2, Refund Trace and Limited Payability, if appropriate. <p>Caution: If the deposit is a split refund or if a Refund Advance Product (RAL/RAC), review IRM 21.4.1.5.7.1, Direct Deposit of Refunds, for</p>

			additional information first.
6	TC 840 manual refund Note: If TC 840 carries a blocking series and serial number 9XXXX series with a Julian date less than 400, it is a "Dummy TC 840" and no actual check has been issued. Research for the SSN where the refund was issued.	10 calendar days (30 calendar days if it's a foreign address) from the "RFND-PAY-DATE" on CC IMFOLT or the "RFND-PYMT-DT" on CC TXMOD, either of which is located below the TC 840	Advise the taxpayer to file Form 3911, Taxpayer Statement Regarding Refund. See IRM 21.4.2.4.1, Form 3911, Taxpayer Statement Regarding Refund, for additional guidance about Form 3911. See exception below for taxpayers located in a disaster area.
7	TC 740 Undelivered Refund	no content	See IRM 21.4.3, Returned Refunds/Releases, for resolving undelivered refunds.
8	TC 841 Returned/Stopped Refund	no content	<ol style="list-style-type: none"> 1. Determine cause of the refund stop 2. Attempt to resolve issue 3. See IRM 21.5.6, Freeze Codes, for resolving freeze releases. <p>Note: Refer to Exhibit 21.4.2-3, Reason for Cancellation Codes and Generated Account Information, to determine the cause of refund cancellation.</p>
9	TC 898/899 TOP Offset	no content	See IRM 21.4.6.6.1, Taxpayer Inquiries on TOP Offset.
10	TC 960 is posted and a refund has been issued	no content	<ul style="list-style-type: none"> • Research CC CFINK for receipt code "R" and advise the taxpayer to check with the POA of

			<p>record for receipt of the refund check.</p> <ul style="list-style-type: none"> • If the taxpayer has already asked the POA, follow the appropriate guidance above.
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Note: If during the conversation it is determined the taxpayer did not request a direct deposit, refer to IRM 21.4.1.5.9.5, Taxpayer Expecting a Paper Check But Refund Issued as Direct Deposit.

Note: If the taxpayer alleges preparer misconduct as the reason for non-receipt of the refund, see IRM 25.24.1.3, Identifying Potential RPM Issues For Telephone Assistors/Taxpayer Assistance Center (TAC) Assistors. In some situations, you may need to advise the taxpayer that the restoration of the refund to the taxpayer may become a civil matter between the taxpayer and the preparer.

Note: When sending a Form 3911 to the taxpayer, input the following history item on CC TXMODA:

Example: H,39112TP

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

Note: To find the financial institutions for specific routing numbers, use the link at Financial Institution Routing Numbers. If the number isn't found, advise the taxpayer to contact their return preparer.

IRM 21.4.1.4.6(4) - For accuracy of information updated to include direction if Form 150.1 is obtained on TCIS. SERP Feedback 34770.

(4) If Refund Inquiry determines a refund trace has been started and either the account meets the criteria described in IRM 25.25.8-2, External Lead Involvement Indicators, or the taxpayer stated their refund was returned to the IRS by their bank, even if the account doesn't meet the criteria, then update AMS Notes with the following information (if known):

- name and contact information of the taxpayer
- name of the financial institution
- signature date of Form 3911

Allow the trace to continue, when either the TC 720 or TC 841 is posted, a Claims Disposition Notice (CDN) is received or Form 150.1 is posted to TCIS, send the taxpayer a Letter 86C, refer to IRM 21.3.3.4.2.1, Use of 86C Letter- Referring Taxpayer Inquiry/Forms to Another Office.

Advise the taxpayer: "The return or refund for which you requested a refund trace is currently under review. It may take up to 10 weeks to complete the review and for you to receive your refund or a letter about the review."

Use CC ACTON to update the activity field of the control base with **CLS2BNKLD**.

Close the CII case or the control base of a physical paper case if CDN or Form 150.1 was received, retain as a source document on CII or with your physical paper case.

Note: A refund trace cannot be interrupted if the campus deadline to "DQ" the trace has passed. Per IRM 2.4.23.2 (5), General Overview for Command Code CHKCL/CHKCLR, CC TERUPC can only be done on the same day of input. If the CC CHKCL was input today and the TERUP can be completed (this action requires same day contact with the site that completed the input of CC CHKCL), then request they input the CC TERUPC. Once TERUPC is confirmed, contact the open Bank Lead control to advise that the trace was stopped. If trace was started over the phone, then close the trace control base, use **CLS2BNKLD** in the activity field.

Reminder: When sending letters to the taxpayer follow IRM 21.5.1.5.1(8), CII General Guidelines, and capture the "request completed" screen of the CC LETER request.

IRM 21.4.1.5.1(1) - For consistency updated to include information about refunds returned from the financial institution being less due to bank fees. SERP Feedback 35535.

(1) If your research indicates that the return was processed but the refund was never issued, or the amount was not what the taxpayer expected, the problem may be due to:

- Tax Offsets see IRM 21.4.1.5.2
- Math Errors see IRM 21.4.1.5.3
- Invalid Taxpayer Identification Number (TIN) see IRM 21.4.1.5.4
- Freeze Conditions see IRM 21.4.1.5.5
- Credit Elect Problems see IRM 21.4.1.5.6
- TOP offsets see IRM 21.4.6.6.1 Taxpayer Inquiries on TOP Offset
- IRS received returned funds (refund) from a financial institution after direct deposit, the amount returned typically is less than the TC 846 due to bank fees assessed or withdrawals made from the account.

IRM 21.4.1.5.6(1) - For consistency added information that credit elect can only be applied after all other outstanding obligations are satisfied (spousal obligations, tax debts, non-tax debts, etc.) and provided link to IRM 21.3.4.2.1 for additional information. SERP Feedback 36282.

(1) A taxpayer may elect to have all, or a portion of an overpayment credited to the next year's estimated tax (ES) after all other outstanding obligations are satisfied (spousal obligations, tax debts, non-tax debts, etc.). See IRM 21.6.3.4.2.1, Outstanding Balance Considerations Prior to Refund or Credit-Elect, for additional information. The "credit elect" can be recognized by TC 836 on the current year's module and TC 716 on the following year's module. Access CC REINF or CC IMFOL if there is no data on CC TXMOD.

Note: The IRS will apply the credit elect to the next year's estimated tax periods in the order necessary to avoid the addition to tax for underpayment of estimated tax. Taxpayers may request to have an overpayment credited to another year/period other than the immediately succeeding tax year or period. See IRM 20.2.4.7.2, Rules for Applying Offsets Under Section 6402, at (2) for guidance.

Note: If the taxpayer receives a refund rather than the credit being applied as credit elect, instruct the taxpayer to void the check and return it to the IRS with an explanation that the overpayment was intended to be credited (credit elect) to the next tax period. Explain to the taxpayer that if the refund is not returned, they should not claim the credit elect on their next tax period filing. See IRM 21.4.3.5.4, Returned Refund Check Procedures.

IRM 21.4.1.5.7(1) - For clarity updated to include changes to refund policies as a result of the Executive Order - Protecting America's Bank Account Against Fraud, Waste, and Abuse.

(1) Direct deposits are encouraged on all IMF and BMF current year tax returns and IMF prior year original returns. Direct deposits are also encouraged on tax year 2021 and subsequent electronically filed Form 1040-X, Amended U.S. Individual Income Tax Return. For more information, see IRM 21.5.3.4.18.1, Direct Deposit for Amended Returns.

Note: Direct deposits cannot currently be requested on a paper filed Form 1040-X, Amended U.S. Individual Income Tax Return. Review IRM 21.4.1.5.7.1(4), Direct Deposit of Refunds for more information.

Reminder: Bank account information cannot be updated via IDRS.

Reminder: According to the **Protecting Americans from Tax Hikes Act of 2015 (PATH Act) Section 201(b) which is codified at IRC 6402(m)**, the IRS cannot issue refunds, including applying credit elects, before **February 15** (15th day of the second month for fiscal year filers) for tax returns that claim the Earned Income Tax Credit (EITC) or the Additional

Child Tax Credit (ACTC). This applies to the entire refund, even the portion not associated with these credits.

IRM 21.4.1.5.7(2) - To incorporate new information about the Executive Order 14247, Modernizing Payments to and From America's Bank Account, included information about changes to direct deposit refunds and returned received without direct deposit information. Subsequent paragraphs have been renumbered.

(2) Beginning January 2026, the following direct deposit changes will be implemented due to the Executive Order 14247, Modernizing Payments to and From America's Bank Account. These changes will apply to returns filed in 2026 and direct deposit rejects beginning in 2026:

- Individual REFUND Form 1040 series tax returns filed with no direct deposit account information, except for taxpayers meeting the bypass conditions below, will be processed but the refund will be frozen with a 1- freeze (new numeric freeze).
- All direct deposits that are rejected back to IRS (except for reject codes 07,17, 18, 19 & 23) will be posted to the account with a P- freeze with TC 841 DLN block and serial number 77716 (IMF) or 77777 (BMF).
- The bypass conditions include:
 - IMF and BMF International Taxpayers
 - Minors
 - Prisoners
 - Religious Exceptions
 - Decedent Taxpayers
- For individual REFUND Form 1040 series tax returns for which the taxpayers refund was frozen or rejected, a CP 53E notice will be issued to the taxpayer requesting they provide a new or updated direct deposit account using their IRS online account (IOLA). The letter provides the taxpayer a 30-day time frame to add the bank account information, but the freeze will allow 6 weeks total before the refund is auto- released as a paper check, if no update is provided.
- The CP53E notice will only be issued once, ex. if TP updates bank account and that refund gets rejected, they will not receive a second chance to update the bank account and a paper refund check will be issued.
- When the taxpayer accesses IOLA and inputs the direct deposit information it will go through verification, and if it is successfully verified, the TP will receive a message advising the update was successful. The direct deposit update will then post to their account as TC 970 AC 001 MISC direct deposit account type code with a subsequent direct deposit TC 846 DD: 9.

- The valid values for direct deposit will be:
 "C" for checking account
 "S" for Saving account
 "D" for Debit Bank card (IMF only)
 "M" for Mobile account (IMF only)
- When the taxpayer accesses IOLA, if they have no direct deposit information to provide and want a paper check issued, they will select the appropriate reason from the waiver list. Once they successfully submit the waiver request online, a TC 971 AC 850 MISC 1-9 (will show waiver reason number) will post on the tax module and a paper check will generate.
- If the taxpayer indicates they do not want a direct deposit or do not have an account to provide, follow procedures in IRM 21.5.6.4.31, P- Freeze, or IRM 21.5.6.4.53, 1- Freeze.

Note: A toll-free informational line has been established which will contain different prompts explaining CP53E conditions and what actions to take. This line will not allow transfers to other lines or any actions, it will only serve to explain the new direct deposit process. If the taxpayer has questions about the CP53E they received, give the taxpayer the informational toll-free number 866-325-4066, then transfer the caller to the CP53E information line using the telephone transfer guide.

- For Business accounts:
 - Direct deposits are encouraged and allowed for all BMF MFTs.
 - BMF taxpayers do not have access to an IOLA account, therefore, rejected direct deposit refunds will be issued as a paper check without additional intervention.
 - Business tax returns filed with out direct deposit account information are not frozen, the refund will be generated as a paper check.
 - CP53E will not be issued for Business accounts.

IRM 21.4.1.5.7(3) - For consistency, added information about BMF commands which reflect direct deposit information.

(3) There are five ways to identify Direct Deposit Refunds:

- CC TXMOD shows the RSN directly below the TC 846. The 11th and 12th digits identify the method of payment for the refund. A "Z" in the 11th position indicates a Direct Deposit.
- The CC REINF response screen shows "GENERATED REFUND EFT" if a Direct Deposit Refund was issued in lieu of a paper check.

- CC TXMOD, CC BMFOLT and CC IMFOLT indicator will appear near the right margin either on the same line as the TC 846 or the next line as: DD: "0" (paper check) or "9" (direct deposit).
- CC TXMOD, CC BMFOLT and CC IMFOLT display a "10" in the "DIR-DEP-REJ-RSN-CD>" and "DDRC:" fields, respectively.
- CC IMFOBT, CC BMFOBT and CC TRDBV displays the bank ABA (routing) number and the bank account number receiving the direct deposit.

Caution: A Direct Deposit Refund can be rejected during processing. A Direct Deposit Reject Reason Code will appear in the "DIR-DEP-REJ-RSN-CD>" field on TXMOD and in the "DDRC" field on IMFOLT or BMFOLT. See IRM 21.4.1.5.8.1, Direct Deposit Reject Reason Codes for a list of reject reason codes. For IMF accounts, a CP 53 series may be present on TXMOD.

IRM 21.4.1.5.7(4) - To incorporate new information about the Executive Order 14247, Modernizing Payments to and From America's Bank Account, included procedures for releasing rejected direct deposit refunds as paper checks. Subsequent paragraphs have been renumbered.

(4) If an IMF taxpayers direct deposit has been **rejected** by the bank and the taxpayer is unable to get online to update their IOLA account with new direct deposit information, and/or wish for the refund to be issued as a paper check, update AMS history with the reason taxpayer gave for requesting a paper check be issued, then follow procedures in IRM 21.5.6.4.31 , P- Freeze, or IRM 21.5.6.4.53 , 1- Freeze. If the waiver was input via IOLA, the posting of a TC 971 AC 850 with source code 1 or 3 and MISC field showing waiver number 1-9 or if multiples they'll be separated by a space, will indicate refund was released as paper check.

BMF taxpayers do not have access to an IOLA account, therefore, rejected direct deposit refunds will be issued as a paper check without additional intervention.

IRM 21.4.1.5.7(7) - For consistency reworded to include changes to Form 8888 and the contact information for Treasury Direct.

(7) Beginning in 2010 and continuing until January 1, 2025, taxpayers could elect to get their tax refund in the form of Series I U.S. Savings Bonds. Beginning January 1, 2025, the program of purchasing savings bonds with a refund on a Form 8888 has been discontinued by the Bureau of the Fiscal Services (BFS). Direct taxpayers inquiring about purchasing savings bonds to the Treasury Direct website.

Note: The RTN for savings bonds is always **043736881**. The account number is always identified by the word "**BONDS**". If either of these is entered incorrectly, or there is a math

error on the return, the savings bond purchase request will be rejected, and the refund will be issued as a paper check.

- Form 8888, Allocation of Refund (Including Savings Bond Purchases), gave the taxpayer the option to designate up to three unique savings bond elections: one for the taxpayer themselves, and two designations can be as gift bonds to someone other than the taxpayer and/or as a purchase for a beneficiary.
- If the amount of the refund was increased because of a math error, the savings bond was issued, and the additional amount was refunded in the form of a paper check or direct deposit if designated on the Form 8888.
- The purchase request must have been in increments of \$50 and was not to exceed \$5,000. If either of these conditions were not met, or if there was a math error on the return that reduced the amount of refund, or invalid information was on the Form 8888, per IRM 21.4.1.5.7.1 (1), Direct Deposit of Refunds, the refund was issued as a paper check.
- Except in the case of a math error reduction, any amount over and above the \$50 increment was direct deposited into a savings, checking or IRA account, or refunded as a paper check.

Example: For example, if the refund is \$275, the taxpayer chose to get paper I Series savings bonds in the amount of up to \$250, and the remaining \$25 was direct deposited into a savings, checking or IRA account or refunded in the form of a paper check.

Note: Savings bonds cannot be purchased on late filed or amended prior year tax returns.

IRM 21.4.1.5.7(11) - For clarity added note to explain account indicators when direct deposit refund is rejected by the bank.

(11) Taxpayers can request their refund be deposited (split) into as many as three bank accounts/investment vehicles that are held in the taxpayer's name; a combination of savings, checking, Individual Retirement Account (IRA). Split Refunds will be allowed on all Forms 1040 series (paper and electronic returns). Taxpayers who want their refund deposited into more than one account will be required to complete a Form 8888. The request for split refund will be honored if all of the following conditions are met:

- The return is for the current tax year.
- The refund is issued in the same cycle that the return is processed.
- The module does not contain any condition that would cause the refund to be frozen (e.g., Injured Spouse Claim).

- The bank account numbers on the Form 8888 are all valid (e.g., correct amount of numbers).

Caution: Under current programming for split refund requests made through Form 8888, IMF only stores the information from the first bank account on Form 8888. Thus, if the refund is held beyond the first cycle, a split refund does not occur, and the entire amount is direct deposited into the first bank account listed on Form 8888. If the first bank account has been updated through IOLA due to a previous rejection, then subsequent refunds will be deposited to the updated IOLA account.

Note: If the above conditions are not met, refunds will be rejected by the bank. All direct deposits that are rejected back to IRS (except for reject codes 07,17, 18, 19 & 23) will be posted to the account with a P- freeze with TC 841 DLN block and serial number 77716 (IMF) or 77777 (BMF). CP53E will be issued to an IMF taxpayers requesting a bank account update via IOLA. If no bank account update is received or a waiver request is entered, after six weeks a paper check will be issued. Encourage the taxpayer to update their IOLA account. If the taxpayer states they have attempted to update their IOLA account and were unsuccessful, or is unable to get online, and wish for the refund to be issued as a paper check, update AMS history with the reason taxpayer gave for requesting a paper check be issued, the follow procedures in IRM 21.5.6.4.31 , P- Freeze, or IRM 21.5.6.4.53 , 1- Freeze.

Reminder: BMF taxpayers do not have access to an IOLA account, therefore, rejected direct deposit refunds will be issued as a paper check without additional intervention. CP53E will not be issued on BMF accounts.

Note: Taxpayers should be informed that they should not agree to have any portion of their refund direct deposited into an account that is not in their name (e.g., tax return preparer's account). If Form 8888 contains account information that does not belong to the taxpayer, the resolution may become a civil matter between the taxpayer and that third party.

IRM 21.4.1.5.7(14) - For clarity added note to explain account indicators when direct deposit refund is rejected by the bank.

(14) Since the refunds at BFS will be sorted in ascending order by Routing Transit Numbers (RTN), offsets will be taken in RTN order, not by the split refund indicator. There are times when BFS transmits the information to the financial institution and the routing number is invalid or the bank account has been closed. When this occurs, refunds will be rejected by the bank. All direct deposits that are rejected back to IRS (except for reject codes 07,17, 18, 19 & 23) will be posted to the account with a P- freeze with TC 841 DLN block and serial number 77716 (IMF) or 77777 (BMF). A CP53E will be issued to an IMF taxpayer requesting a bank account update via IOLA, if no bank account update is received or a

waiver request is entered, after six weeks part of the refund may be issued in a paper check and part may be direct deposit.

Reminder: BMF taxpayers do not have access to an IOLA account, therefore, rejected direct deposit refunds will be issued as a paper check without additional intervention. CP53E will not be issued on BMF accounts.

IRM 21.4.1.5.7(15) - For clarity updated to advise that as of 2026 IRS no longer limits the number of refunds electronically deposited into a single account and added information about subsequent refunds when IOLA indicators are on the account.

(15) As of 2026, the IRS no longer limits the number of refunds that can be electronically deposited into a single account or pre-paid debit card to three. For Subsequent Refunds, if the module contains an IOLA TC 970 AC 001 with a valid bank account (DDRC 10 and Transaction Source code '1'), the subsequent refund will be issued as a direct deposit refund to the IOLA bank account. If the module doesn't have an IOLA TC 970 AC 001 with valid account, the refund will be issued in the same manner as the previous refund, direct deposit refund if the original Return has a valid account otherwise issue a paper check.

IRM 21.4.1.5.7.1(1) - For clarity updated to include the valid values for the Account type code will be "C" for checking account, "S" for Saving account, "D" for Debit Bank card and "M" for Mobile account. Also added information about BMF commands which reflect direct deposit information.

(1) Routing transit number (RTN) identifies the financial institution (FI) to which the refund will be deposited. A direct deposit indicator (DD) will post with the TC 846 and can be identified on CC TXMOD, CC BMFOLT or CC IMFOLT as DD:9. Taxpayers can elect DD of their refunds on their electronic or paper Individual Income Tax returns. RTN can be verified by checking IDRS CC IMFOBT or CC BMFOBT.

The valid values for direct deposit will be:

- "C" for checking account
- "S" for Saving account
- "D" for Debit Bank card (IMF only)
- "M" for Mobile account (IMF only)

Note: The deposit date is shown on CC IMFOLT or CC BMFOLT on the line below the TC 846 as "RFND-PAY-DATE", and on CC TXMOD on the line below the TC 846 as "RFND-PYMT-DT".

Note: The RTN for savings bonds is always **043736881**. The account number is always identified by the word "**BONDS**". If either of these is entered incorrectly, or there is a math error on the return, the savings bond purchase request will be rejected, and the refund will be issued as a paper check.

Note: Beginning January 1, 2025, purchasing savings bonds with a refund on a Form 8888, will no longer be an option. The program has been discontinued by the Bureau of the Fiscal Services (BFS).

IRM 21.4.1.5.7.1(2) - For clarity added note to explain account indicators when direct deposit refund is rejected by the bank.

(2) Research CC IMFOBT or CC BMFOBT (CC RTVUE and CC TRDBV can also be used) for the exact RTN and account numbers to verify they match the taxpayer's information.

Reminder: Direct deposit refunds are held one week if this is a first time filer, or the first time the current last name is being used, or the taxpayer has not filed a return in the past 10 years.

Note: If either routing or account numbers provided by the taxpayer differ from those on the return, provide the account information shown for the taxpayer's refund deposit. Use the link in Exhibit 21.4.1-2, Most Common Banks that Offer Refund Transfer Products (RAL/RAC), to find the financial institution (FI) contact information. Provide the FI contact information and advise the taxpayer to immediately contact the FI. Leave an AMS narrative of the information provided to the taxpayer. IRS employees cannot change the routing or account numbers. If the direct deposit is rejected by the financial institution, (except for reject codes 07, 17, 18, 19 & 23) will be posted to the account with a P- freeze with TC 841 DLN block and serial number 77716 (IMF) or 77777 (BMF) and CP53E will be issued to an IMF taxpayer requesting a bank account update via IOLA, if no bank account update is received or a waiver request is entered, after six weeks a paper check will be issued.

BMF taxpayers do not have access to an IOLA account, therefore, rejected direct deposit refunds will be issued as a paper check without additional intervention. CP53E will not be issued on BMF accounts.

IRM 21.4.1.5.7.1(4) - For clarity updated note to explain which account a second refund will be issued to if a math error occurs and original direct deposit refund is rejected by the bank.

(4) If one of the following conditions occur during the initial return processing, Master File will issue (if applicable) two direct deposits if both refunds are issued in the same processing year:

- Unallowable condition on original return usually a -Q Freeze.
- Refund cancellation freeze, TC 841 with block series 777 and serial number 98 or 99.
- Math error condition when partial refund is issued.
- Credit elect reversal (TC 832).

Note: The computer will allow two direct deposits (TC 846) in the same processing year regardless of a split refund. For IMF accounts, If there is a math error code on the original return, the second refund will be issued as a direct deposit to the bank account currently listed in IOLA and any subsequent refunds will be issued as a paper check. In the case of an account that has a split refund, the second direct deposit will be deposited into the last bank account listed on the Form 8888, Allocation of Refund (Including Savings Bond Purchases). For BMF accounts, the second refund will be issued as direct deposit to the account listed on the original return, or as a paper check if a prior direct deposit was rejected.

IRM 21.4.1.5.7.1(6) box 4 - For clarity added note to explain account indicators when direct deposit refund is rejected by the bank due to account closure.

(6) Check RTN, account type, and the account number.

Note: If the taxpayer indicates their TIN has been misused to obtain the Economic Impact Payments, see IRM 25.23.12.4.9, Identity Theft - Economic Impact Payments (EIP).

Note: If the caller says the bank returned their refund to the IRS, check for External Lead indicators IRM 25.25.8-2, External Lead Involvement Indicators. If found, follow procedures in IRM 25.25.8.7, Responding to Taxpayer Inquiries.

Row	If	And	Then
1	Date of deposit is less than 5 calendar days prior.	no content	<ol style="list-style-type: none"> 1. Provide the date of deposit. 2. Advise taxpayer to contact the bank or financial institution. 3. Advise taxpayer refund trace cannot be initiated until after 5 calendar days from the scheduled date of deposit.
2	5 or more calendar days have passed	no content	Ask if the taxpayer has contacted the financial institution.

	since scheduled date of deposit.		<ul style="list-style-type: none"> • If NO - advise to do so and leave an AMS narrative with direction given to taxpayer • If YES - continue with the steps below
3	Taxpayer says that the bank shows no record of the deposit and it has been 5 or more calendar days since the scheduled date of deposit	The bank does NOT indicate that the refund was returned to the IRS.	<ol style="list-style-type: none"> 1. Initiate a refund trace. 2. Refer to IRM 21.4.2, Refund Trace/Limited Payability. <p>Caution: # [REDACTED] #</p> <p>Refer to IRM 21.5.6.4.35.3, -R Freeze Overview For Accounts With Return Integrity Verification Operations (RIVO) Involvement, or IRM 25.25.8.7, Responding to Taxpayer Inquiries, to determine if a referral (Form 4442/e-4442) is required.</p>
4	Taxpayer says the account was closed before the refund was deposited which will also result in the bank returning the deposit.	no content	<ol style="list-style-type: none"> 1. Do not initiate a refund trace. 2. Advise the taxpayer of the following: <ul style="list-style-type: none"> ○ It will take approximately 3 weeks for the IRS to receive the funds back from the bank and can be identified by a P-freeze and a TC 841 with block and serial number 77716 (IMF) or 77777 (BMF) in the DLN (except for reject codes 07, 17, 18, 19 & 23). ○ For IMF taxpayers, a CP53E will be generated and the refund will be held for 6 weeks pending a direct deposit account update or waiver request via IOLA. ○ Advise the taxpayer upon receipt f the CP 53E to access their IOLA and

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			<p>update their bank information. When the funds are returned, a new direct deposit will be issued to the updated account.</p> <ul style="list-style-type: none"> ○ If the taxpayer enters a waiver request in IOLA, taking into account the mail delivery time, the taxpayer should receive their paper check within 5 weeks from the RFND-PAY-DATE of the TC 846. ○ If their paper check is not received within 5 weeks from the date of the TC 846, the taxpayer should contact us again and a refund trace will be initiated. ○ BMF taxpayers do not have access to an IOLA account, therefore, rejected direct deposit refunds will be issued as a paper check without additional intervention. CP53E will not be issued on BMF accounts. <p>Caution: If research indicates Direct Deposit Reject Reason Code 58 or 59, the direct deposit was rejected. Advise the taxpayer of the additional 10-week time frame from the date of the rejection. See IRM 21.4.1.5.8.1, Direct Deposit Reject Reason Codes, for additional information. Refer the taxpayer to the Form 1040 instructions or IRS.gov “Get Your Refund Status” page for information on direct deposit rules.</p>
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5	The refund was direct deposited into the wrong account because an IRS employee did not timely input a TC 971 AC 850 when required.	<p>There is no indication of identity theft on the account.</p> <p>Reminder: A list of identity theft action codes can be found in IRM 25.23.2, Identity Protection and Victim Assistance - General Case Processing.</p>	<ol style="list-style-type: none"> 1. Input a TC 971 AC 850 if not already on the account. 2. Initiate a refund trace. 3. Refer to IRM 21.4.2, Refund Trace/Limited Payability. 4. Leave an AMS narrative of any information provided to you by the taxpayer.
6	The refund was direct deposited into the wrong account	<p>There is an indication of identity theft on the account.</p> <p>Reminder: A list of identity theft action codes can be found in IRM 25.23.2, Identity Protection and Victim Assistance - General Case Processing.</p>	<p>See IRM 25.23.12.4.1, Telephone Inquiries Regarding Identity Theft Victim Assistance (IDTVA) Tax-Related Cases, for further guidance.</p> <p>Exception: TAC Employees follow IRM 21.3.4.28, Identity Theft Issues.</p>

Note: If the taxpayer closes the bank account before the second direct deposit, the refund will be returned via the Automated Clearing House (ACH) file to BFS. BFS will return the credit to the IRS to post to the taxpayer's account.

IRM 21.4.1.5.7.1(8) - For clarity added information to explain account indicators when direct deposit refund is rejected by the bank.

(8) If the direct deposit does not pass normal pipeline validation, a 1- freeze will post to the account and a CP53E will be issued to an IMF taxpayer requesting a bank account update via IOLA, if no bank account update is received or a waiver request is entered, after six weeks a paper check will be issued. In the case of a split refund, all deposits must meet the normal pipeline validation, or the taxpayer will receive one combined refund deposited to the last updated account in IOLA that is not Form 1040-X or Form 1045 related. IRM 21.4.1.5.8.1, Direct Deposit Reject Reason Codes, to determine why the direct deposit was rejected. If the refund is issued as a direct deposit and the financial institution rejects/returns the refund (e.g., invalid account number) the refund will cancel with a TC 841 blocking series 77716 (IMF) or 77777 (BMF). A P- freeze will post to the account and CP53E will be

issued to an IMF taxpayer requesting a bank account update via IOLA, if no bank account update is received or a waiver request is entered, after six weeks a paper check will be issued. In the case of a split refund, one refund may be issued as a direct deposit and one refund may be issued as a paper check if the financial institution is rejecting the deposit.

Reminder: BMF taxpayers do not have access to an IOLA account, therefore, rejected direct deposit refunds will be issued as a paper check without additional intervention. CP53E will not be issued on BMF accounts.

IRM 21.4.1.5.8.1(1) - For clarity updated DDRC 50 to explain account indicators when direct deposit refund is rejected by the bank. Also added information about BMF commands which reflect direct deposit information.

(1) The following direct deposit (DD), reject reason code Indicators are found on IDRS under CC TXMOD, CC BMFOBT and CC IMFOBT:

DIR- DEP- REJ- RSN-CD	Indicates
00	DD not requested.
07	No DD allowed.
10	DD passed the validity check.
21	Missing routing transit number (RTN), all blanks/zeros.
23	Invalid RTN, first two digits not in valid range.
24	Invalid RTN. RTN not on Financial Organization Master File Routing Transit Number File (FOMF-RTN-FILE).
25	Invalid RTN, failed internal RTN validity check.
31	Missing depositor account number, all blanks/zeros.
32	Invalid depositor account number, non-alpha-numeric characters (other than hyphen) present.
36	Direct deposit information is present on Form 8888 and on Form 1040.
37	Form 8888 is present, and the return contains Injured Spouse information.
38	The sum of the deposits requested on Form 8888 does not match the refund amount on Form 1040 and the difference is NOT a math error.

41	Prior year return. (Obsolete as of July 1, 2021)
42	Centralized authorization file (CAF) indicator authorizes a third party to receive refund.
43	Computer condition code (CCC) "W" present.
44	The total tax is zero and withholding/excess Federal Insurance Contribution Act (FICA) is \$10,000 or more. Advise taxpayer we are unable to comply with their request for a direct deposit due to programming limitations.
46	Return posted to wrong account.
47	Module contains a TC 971 AC 053 # [REDACTED] #
48	Module contains a TC 971 AC 011 (Non-receipt of refund check) or TC 971 AC 850 (Flip direct deposit to paper)
49	Module contains a TC 971 AC 850 (flip direct deposit to paper); the number of direct deposit refunds (3) allowed to the same bank account has been exceeded. CP 53D is issued to the taxpayer as notification.
50	Prior to December 31, 2025: All DD rejected by bank; block and serial number "77777" in DLN indicates issuance of paper check. Beginning January 2026 and subsequent: IMF Accounts: 77716 in DLN indicates the financial institution has rejected the direct deposit due to an invalid bank account number or bank account could not be validated. For IMF accounts, a CP 53E will be issued advising the taxpayer to update their bank account information or request a waiver. BMF Accounts: DD rejected by bank; block and serial number 77777 in DLN indicates issuance of paper check without additional intervention. CP53E will not be issued on BMF accounts.
56	One or more split refund DDs rejected by bank; block and serial number "77777" in DLN indicates issuance of paper check.
58	DD rejected by bank; TC 841 with block and serial number: <ul style="list-style-type: none">• "77711" in DLN indicates a rejection due to name mismatch between the name on the refund and the name on the bank account. CP 53A will be issued advising that the refund may take up to 10 weeks.• "77712" in DLN indicates ID Theft where the financial institution has been notified or believes as a result of internal fraud investigation that an ACH credit entry is related to a case where a taxpayer's identity has been

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	<p>stolen. A CP 53B will be issued advising that the refund may take up to 10 weeks.</p> <ul style="list-style-type: none"> • "77713" in DLN indicates a questionable refund where account characteristics, history, investigation and/or other key markers identified through filters implemented by the financial institution indicate that an ACH credit entry is questionable, invalid, erroneous or obtained through fraudulent filings. A CP 53C will be issued advising that the refund may take up to 10 weeks. • "77714" in DLN indicates a direct deposit was rejected by the bank or has a TC 971 AC 123 with MISC field "TPP Recovery". <p>The account will have a P- freeze and will be reviewed automatically by the RIVO External Leads Program. See IRM 21.5.6.4.31.2 (3), P- Freezes with Return Integrity Verification Operations (RIVO) involvement, for additional guidance and time frame to give taxpayer.</p>
59	<p>Split DD rejected by bank; TC 841 with block and serial number:</p> <ul style="list-style-type: none"> • "77711" in DLN indicates a rejection due to name mismatch between the name on the refund and the name on the bank account. A CP 53A will be issued advising that the refund may take up to 10 weeks. • "77712" in DLN indicates ID Theft where the financial institution has been notified or believes as a result of internal fraud investigation that an ACH credit entry is related to a case where a taxpayer's identity has been stolen. A CP 53B will be issued advising that the refund may take up to 10 weeks. • "77713" in DLN indicates a questionable refund where account characteristics, history, investigation and/or other key markers identified through filters implemented by the financial institution indicate that an ACH credit entry is questionable, invalid, erroneous or obtained through fraudulent filings. A CP 53C will be issued advising that the refund may take up to 10 weeks. <p>The account will have a P- freeze and will be reviewed automatically by the RIVO External Leads Program. See IRM 21.5.6.4.31.2 (3), P- Freezes with Return Integrity Verification Operations (RIVO) Involvement, for additional guidance.</p>
60	<p>Savings bond purchase request was not allowed because the refund per taxpayer from the posted return is not equal to the refund amount per the computer calculation.</p>

61	Savings bond purchase request was not allowed because the SSN/TIN is on the IRS Liability file.
62	Savings bond purchase request was not allowed because the requested amount was not divisible by \$50.
63	Savings bond purchase request was not allowed because the requested amount was more than \$5,000.
64	Savings bond purchase request was not allowed because the return contained computer condition code 'F', '9', 'A' or the word 'DECD' was present in the current tax year controlling name line.
66	Savings Bond purchase request was not allowed because the name lines contain "&" or other special characters.
67	Savings bond purchase request was not allowed because the beneficiary bond registration is checked on the Form 8888, but the 1st bond name line and the 2nd bond name line are not present.
68	Savings bond purchase request was not allowed because the Form 8888 2nd name line is present, but the 1st name line is not present on a MFJ return (FSC2).
69	Savings bond purchase request was not allowed because the 1st and/or 2nd bond name lines are present on the Form 8888, but the amount of the requested bond registration is NOT significant.

Note: Beginning January 1, 2025, purchasing savings bonds with a refund on a Form 8888, will no longer be an option. The program has been discontinued by the Bureau of Fiscal Services (BFS).

IRM 21.4.1.5.8.1(5) - To incorporate new information about the Executive Order 14247, Modernizing Payments to and From America's Bank Account, added information about BMF commands which reflect direct deposit information.

(5) Manual refunds (TC 840) may also be issued via direct deposit in certain situations, i.e., hardships. A direct deposit TC 840 will show an **F** in the 11th position of the Refund Schedule Number (RSN) on CC TXMOD, CC BMFOLT, CC IMFOLT, CC BMFOBT and CC IMFOBT. See IRM 3.17.79-4 Refund Schedule Number Format.