IRM PROCEDURAL UPDATE

DATE: 03/08/2016

NUMBER: WI-21-0316-0484

SUBJECT: Required Remarks on Manual Refunds

AFFECTED IRM(s)/SUBSECTION(s): 21.4.4

CHANGE(s):

IRM 21.4.4.3.1(3) Updated the verbiage for required notations in Remarks section of the manual refund forms with expired RSED refunds.

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

   NOTE: If the RSED is expired, a notation must be included in the Remarks section of the manual refund Form 3753/Form 5792 to indicate there is no Refund Statute issue and the credit is available for refund. Notations can include **"Timely filed, No RSED Issue" or "RSED allowable"**. Before initiating the manual refund, credit availability must be determined. See IRM 21.4.4.4.1(3) Block 20 and IRM 21.4.4.4.2 (7) Section IV - Other Remarks.

IRM 21.4.4.4(3)(f) Updated the statute notation verbiage.

3. Form 3753 and Form 5792 are posting documents used by Accounting to schedule and certify refunds. Accounting will reject any request that:
   a. Is not legible, or contains a strike through, or contains white out
   b. Is prepared on an obsolete form
   c. Does not have supporting documentation attached
   d. Authorized digital approval signature is missing, incorrect, or not complete (The "SEID" digital signature format is required on Form 3753 and Form 5792.)

      NOTE: See IRM 3.17.79.3.5 (19)(b), Employees Authorized to Sign Requests for Refunds, for digital signature requirements on Form 3753 and Form 5792.

   e. Does not have an open control base indicating monitoring for duplicate refund conditions

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

f. Is missing required RSED statute notations for credit availability. See IRM 21.4.4.4.1(3) Block 20 and IRM 21.4.4.4.2 (7) Section IV - Other Remarks.

IRM 21.4.4.4.2(7) Revised the verbiage for required Remarks on expired RSED cases. Notations should state, "Timely filed, No RSED Issue" or "RSED allowable".

7. The following are instructions for completing Form 3753, **Section IV - Other Remarks** (All fields are mandatory):
   - Annotate reason for the refund in the remarks field. Be specific. Include all pertinent information Accounting will need to verify the interest dates are correct and the credit is available for refund.

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

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

Exhibit 21.4.4-2(2)(3) Updated the verbiage for required Remarks on expired RSED cases. Notations can include "Timely filed, No RSED Issue" or "RSED allowable".

2. A review of the sections of Form 5792, *Request for IDRS Generated Refund (IGR)* is shown below. See IRM 21.4.4.4.1, *Preparation of Form 5792, IDRS Generated Refund*, for additional information.

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

Form 5792 Checklist
Verify the following information in Section I (Account information) of the Form 5792: o Box 6, TC 840 amount (math verify that box 7 + box 8 = box 6) o Box 9, Line Number (see IRM 2.4.20, *Command Codes RFUND*

and REFAP) o Box 13, Blocking Series (as applicable) o Box 14, First Name Line o Box 18, Street address or P.O. number o Box 19, City, State, and Zip code o Box 20, Remarks (to explain the reason for the manual refund) **NOTE:** If the RSED is expired, a notation must be included in the Remarks section to state the Statute issue has been reviewed and the credit is available for refund. Notations can include **"Timely filed, No RSED Issue" or "RSED allowable"**. Before initiating the manual refund you must determine the credit availability. o Box 22, DLN of return
Verify the following information in Section II (Manual Refund Authority) of the Form 5792: o Box 1, c, Handbook Reference - Input the IRM that confirms the reason for the manual refund o Box 3, IDRS and Master File researched for outstanding balances and TC 130 o Box 4, Transcript of debit accounts attached (ONLY if box is checked) o Box 5, Evidence of Credit Condition (mark appropriate box if applicable) o Box 6, Necessary supporting documents attached - For example, taxpayer correspondence, internal transcript, copy of Form 1040X, Form 1045, Form 4442, Form 8379, injured spouse worksheet, Form 1310, Form 843, etc. (this list is not all inclusive) o Box 7, Verify refund amount with source document amount o Box 8, All items above completed - Verify that all applicable items in Section I - Account Information are completed o Box 11, By Pass Indicator (BPI)- Confirm the BPI has been input on the adjustment if applicable. See IRM 21.4.6, *Refund Offset* o Box 13, Control Base Opened - If there is no control base, the Accounting Function will reject the manual refund to the originator
Verify the following information in Section III (Interest Computation) of the Form 5792: o Input the interest "From" and "To" date(s) and the interest amount, or o Input "Original Interest" in Section I Box 20 - "Remarks" if an original amount of interest will be issued or

- Attach a COMPA print or ACT/DMI Report 490 indicating the applicable interest computation
Verify the following information in Section IV (Manual Refund Approval) of the Form 5792: - Box 1, Number of the employee inputting REFUND via IDRS - Must match the information shown in IDRS or the manual refund will be rejected - Box 2, Request prepared by (Name) - - Box 2a, SEID - Must match the SEID shown in IDRS or the manual refund will be rejected - Box 3, Phone number - Must be a valid phone number for the area. Cannot be a 1-800 number - Box 4, Digital Signature of approving official - A "SEID" digital signature format must be used on Form 5792. (The digital signature must include the name or e-mail and SEID of the approving official on the active Form 14031 - Section II on file.) **REMINDER:** See ***IRM 3.17.79.3.5 Employees Authorized to Sign Requests for*** *Refunds*, for required authorized digital signature format on Form 5792.

3. A review of the sections of Form 3753, *Manual Refund Posting Voucher* is shown below. See IRM 21.4.4.4.2, *Preparation of the Form 3753, Manual Refund Posting Voucher*, for additional information.

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

Form 3753 Checklist
Verify the following information in Section I (Account Information) of the Form 3753: - Box 7, Name and address - Box 9, DLN of return - Box 10b, TC 840 amount (math verify that box 13 + box 10d = box 10b) - Box 11, Make check payable to - If the payee is other than the taxpayer or if the refund is being issued to a different address - Box 14, Universal Location Code (ULC) - Box 15, Line number (see IRM 2.4.20, *Command Codes RFUND and REFAP)*
Verify the following information in Section II (Manual Refund Authority)

of the Form 3753: o Box 1c, Handbook reference - Input the IRM that confirms the reason for the manual refund o Box 2, Evidence of credit condition (mark appropriate box) o Box 3, Interest (mark appropriate box) Verify the following information in the open section of Section II: o All items above completed - Verify that all applicable items in Section I - Account Information are completed o Control base opened - If there is no control base, the accounting function will reject the manual refund to the originator o IDRS and Master File researched for outstanding balances and TC 130 o Transcript of debit accounts attached o Necessary supporting documents attached - For example: taxpayer correspondence, internal transcript, copy of Form 1040X, Form 1045, Form 4442, Form 8379, injured spouse worksheet, Form 1310, Form 843, etc. (this list is not all inclusive) o Verify refund amount with source document amount o By Pass Indicator - Confirm the BPI has been input on the adjustment if applicable. See IRM 21.4.6, *Refund Offset*
Verify the following information in Section III (Interest Computation) of the Form 3753: o Input the interest "From" and "To" date(s) and the interest amount
Verify the following information in Section IV (Other Remarks) of the Form 3753: o Remarks (to explain the reason for the manual refund) **NOTE:** If the RSED is expired, a notation must be included in the Remarks section to state the Statute issue has been reviewed and the credit is available for refund. Notations can include **“Timely filed, No RSED Issue” or “RSED allowable”**. Before initiating the manual refund you must determine the credit availability. o Initiating BOD. (mark appropriate box)
Verify the following information in Section V (Manual Refund Approval)

of the Form 3753:

- Box 1, Digital Signature of approving official - A “SEID” digital signature format must be used on Form 3753. (The digital signature must include the name or e-mail and SEID of the approving official on the active Form 14031 - Section II on file.)

  REMINDER: See ***IRM 3.17.79.3.5 Employees Authorized to Sign Requests for*** *Refunds*, for required authorized digital signature format on Form 3753.

- Box 2, Name of originator -
- Box a, SEID
- Box 3, Date
- Box 4, Phone Number - Must be a valid phone number for the area. Cannot be a 1-800 number