IRM PROCEDURAL UPDATE

DATE: 02/06/2026

NUMBER: 26U0206

SUBJECT: Various Changes to Returned Refunds/Releases

AFFECTED IRM(s)/SUBSECTION(s): 21.4.3

CHANGE(s):

IRM 21.4.3.1.3(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 21.4.3.1.6 - For consistency with other IRMs added Available Check Cancellation.

(1) Common acronyms listed throughout this IRM:

Acronym	Definition
ACC	Available Check Cancellation
AM	Accounts Management
AMS	Accounts Management Service
BFS	Bureau of the Fiscal Service
BMF	Business Master File
CC	Command Code
CDN	Claims Disposition Notice
CEBA	Competitive Equality Banking Act
CFIF	Check Forgery Insurance Fund
CII	Correspondence Imaging Inventory
CI-SDC	Criminal Investigation-Scheme Development Center
CP	Computer Paragraph (Notice)
CSR	Customer Service Representative

DD	Direct Deposit
DLN	Document Locator Number
E-Fax	Electronic Fax
EQ	Embedded Quality
ERC	Employee Retention Credit
FI	Financial Institution
IAT	Integrated Automation Technologies
ICCE	Integrated Customer Contact Environment
ICT	Image Control Team
IDRS	Integrated Data Retrieval System
IMF	Individual Master File
IRC	Internal Revenue Code
IRM	Internal Revenue Manual
IRS	Internal Revenue Service
ITAS	Individual Taxpayer Advisory Specialists
LP	Limited Payability
MFT	Master File Tax
NCOA	National Change of Address
NFL	National Forensics Lab
NMF	Non-Master File
POA	Power of Attorney
POC	Payment Over Cancellation
R&C	Receipt and Control
RAC	Refund Anticipation Check
RAL	Refund Anticipation Loan
RFC	Regional Finance Center

RI	Refund Inquiry
RICS	Return Integrity and Compliance Services
RIVO	Return Integrity and Verification Operations
RTN	Routing Transit Number
SERP	Servicewide Electronic Research Program
SS	Secret Service
TAC	Taxpayer Assistance Center
TBOR	Taxpayer Bill of Rights
TC	Transaction Code
TCIS	Treasury Check Information System
TOP	Treasury Offset Program
TS	Taxpayer Services
WMR	Where's My Refund

IRM 21.4.3.2(3) - For clarity added Correspondence Imaging Inventory (CII) as a system to research for prior taxpayer contact.

(3) In addition to account research on the Integrated Data Retrieval System (IDRS), review Account Management Service (AMS) and Correspondence Imaging Inventory (CII) for prior taxpayer contact.

IRM 21.4.3.3(2) - For clarity updated to show returned refund checks are directed to Image Control Team for upload to Correspondence Imaging Inventory (CII).

(2) The Receipt and Control (R&C) function within a Campus receives the returned refund checks and directs them to the Image Control Team (ICT) Unit for scanning to Correspondence Imaging Inventory (CII).

IRM 21.4.3.4(1) - For clarity updated to reassign misrouted cases to the proper campus.

(1) Returned refund checks must be worked by campuses in the proper Business Operating Division (BOD). Individual Master File (IMF) returned checks will be worked at IMF campuses and BMF will be worked at BMF campuses. Reassign misrouted cases to the proper campus.

Note: If a case involves both IMF and BMF returned checks, the receiving campus must coordinate case actions with the proper Refund Inquiry team.

IRM 21.4.3.5(1) - Updated to include new inventory procedures for using the Available Check Cancellation on the Treasury Check Information System platform. Removed procedures for the Returned Refund Program in Account Management Services (AMS). Included reminder when there is potential refund fraud involved not to send letters.

(1) Upon receipt of a returned refund check, ICT scans the check to either the IMF Returned Refund or BMF Returned Refund inventory using Category 3913, with priority code 1 and OFP- 710-01090. Refund Inquiry (RI) takes the following actions to initiate the Available Check Cancellation (ACC) upon receipt of the inventory:

1. Review the check and confirm the ALC begins with 2009XXXX, located at the top of the check next to the date, which indicates the refund check was issued by the IRS. If the ALC is 2009XXXX, then follow procedures listed below. If the ALC is not 2009XXXX, elevate the case to your local Planning and Analysis liaison and request the information be forwarded to Headquarters for coordination with BFS for case resolution.

2. If a completed Form 3913, Acknowledgement of Returned Refund Check, is not received with the case from an IRS Taxpayer Assistance Center (TAC) then send Letter 4427C, Acknowledgement of Returned Refund Check, to the taxpayer, and capture the request complete screen in the CII case. Use the CII case number as the Batch number in your letter, if unable to use the CII case number, then use a zero.. Cases which include Form 3913, do not require Letter 4427C as the Form 3913 will serve as an acknowledgement letter.

   Note: If no acknowledgement letter has been issued to the taxpayer, follow procedures in IRM 21.3.3.3.4, Quality and Timely Response, and issue a final response to the taxpayer, prior to closing the case control.

   Reminder: When there is potential refund fraud involved do not send any letters, RIVO will respond to the taxpayer when the refund issue is resolved.

3. Access the Treasury Check Information System (TCIS) and take the following actions:
   1) From Integrated View Check Query tab, enter check symbol and serial numbers,

then click submit.

2) Navigate to the Payment Details tab and ensure the check status is "Issue Outstanding" then continue to the "Initiate ACC" link at the bottom of the screen.

3) Click the "Initiate ACC" link to display the confirmation screen.

4) To proceed with initiating the ACC, click the button labeled "Confirm". A message is displayed indicating the ACC will be initiated the following day. Use the print to PDF function to print the confirmation screen from TCIS, or use the screen capture button in CII and secure the ACC confirmation to your case.

Note: If you do not wish to proceed with initiating an ACC, click the button labeled "Return to Payment Details".

To return to the Payment Details tab, click the button labeled "Return to Payment Details".

IRM 21.4.3.5(2) - For consistency updated procedures to follow after ACC has been input on TCIS. Also added procedures to follow for inventory not yet in CII which is in Refund Inquiry. Removed procedures to make photocopies of Refund Check and correspondence and forward to ICT. Also, included time frame to allow for funds to be returned from BFS, and procedures to follow when funds have not been returned. SERP Feedback 33147.

(2) After using TCIS to complete the ACC:

1. Place the CII case in monitor status for 10 days and wait for the credit to be returned. If not posted in 10 days, continue to monitor for up to 21 days. If after 21 days the funds have not posted, elevate the case to your local Planning and Analysis liaison with the ACH Trace Number/TCIS Trace Number and request the information be forwarded to Headquarters for coordination with BFS for case investigation.

2. Once the TC 841 has posted update the CII category code to **841P** .

   Exception: Upon receipt of a returned refund check attached to Form 941-X, Form 943-X, Form 944-X or Form CT1-X indicating "Withdrawn" on the left margin of the first page or correspondence relating to or referencing Employee Retention Credit (ERC), after completing the ACC in TCIS reassign the case in CII as follows: Doc Type: Correspondence, use Priority Code 2, category 941X, 943X, 944X or CT1X as appropriate and assigned to IDRS number **0430406002**.

IRM 21.4.3.5(3) - For clarity moved sub paragraph f to sub paragraph b to indicate that procedures are followed after four weeks have passed.

(3) For paper checks currently in Refund Inquiry, which have not been scanned to CII: Route the original correspondence and check to Image Control Team (ICT) to be scanned into CII. If no correspondence has been received send the check to be scanned as a CII case. Use either Form 3210, Document Transmittal or Form 13503, Image Control Team Batch Cover Sheet to scan as Work Type: IMF or BMF (as needed), Doc Type: Returned Refund, Category: 3913, Program: 01090.

IRM 21.4.3.5.2(2) box 1 - For consistency updated to access TCIS to verify if the check has been indicated as previous cancellation.

(2) When the taxpayer returns **either the original, recertified, or both checks**, use the following procedures:

Row	If the check is	And it	Then
1	The original check	**Has not** expired	1. Access the Treasury Check Information System (TCIS) to verify the check has been indicated as a "Previous Cancellation". 2. Send Letter 4427C, Acknowledgment of Returned Refund Check, to the taxpayer. 3. Add a CII case note documenting **previous cancellation** and close CII case. **Note:** No TC 841 will post due to prior cancellation.
2	The original check	**Has expired**	1. Send Letter 4427C to taxpayer. **Note:** Do not return the check to Philadelphia RFC. 2. Add a CII case note documenting **check expired** and close CII case. **Note:** No TC 740 will post due to prior cancellation. 3. Destroy the check.
3	The original check	Previous CC CHKCL initiated	1. Add a CII case note documenting **replacement issued** and close CII case.
4	The recertified check	**Has not** expired, nor has the taxpayer	1. Follow procedures in IRM 21.4.3.5(1), Acknowledgment of Returned Check to begin the cancellation process.

Row			
		cashed the original refund check	2. Send taxpayer Letter 4427C. 3. Monitor until TC 841 posts. 4. Follow the instructions provided in taxpayer's correspondence and advise taxpayer of the action taken, if applicable. 5. If control base does not update **within 45 days** to "841P" take follow-up action to locate and apply the credit correctly.
5	The recertified check	**Has** expired, but the taxpayer has not cashed the original refund check	1. Send Letter 4427C to the taxpayer and follow expired return refund check procedures. See IRM 21.4.3.5.6, Resolving Returned Expired Refunds Limited Payability.
6	The recertified check	Has not expired and taxpayer has cashed the original refund check	1. Follow procedures in IRM 21.4.3.5 (1), Acknowledgment of Returned Check to begin the cancellation process. 2. Add a CII case note documenting **cashed original check**. 3. Monitor for TC 841. 4. Input TC 290 .00, Hold Code 2 to set a -K freeze and hold the credit. (TC 843, POC, will post from Bureau of the Fiscal Service). 5. Close the CII case.

IRM 21.4.3.5.2(2) box 4 - For consistency updated to follow procedures in IRM 21.4.3.5(1) to cancel the check.

(2) When the taxpayer returns **either the original, recertified, or both checks**, use the following procedures:

Row	If the check is	And it	Then
1	The original check	**Has not** expired	1. Access the Treasury Check Information System (TCIS) to verify the check has been indicated as a "Previous Cancellation".

			2. Send Letter 4427C, Acknowledgment of Returned Refund Check, to the taxpayer. 3. Add a CII case note documenting **previous cancellation** and close CII case. **Note:** No TC 841 will post due to prior cancellation.
2	The original check	**Has expired**	1. Send Letter 4427C to taxpayer. **Note:** Do not return the check to Philadelphia RFC. 2. Add a CII case note documenting **check expired** and close CII case. **Note:** No TC 740 will post due to prior cancellation. 3. Destroy the check.
3	The original check	Previous CC CHKCL initiated	1. Add a CII case note documenting **replacement issued** and close CII case.
4	The recertified check	**Has not** expired, nor has the taxpayer cashed the original refund check	1. Follow procedures in IRM 21.4.3.5(1), Acknowledgment of Returned Check to begin the cancellation process. 2. Send taxpayer Letter 4427C. 3. Monitor until TC 841 posts. 4. Follow the instructions provided in taxpayer's correspondence and advise taxpayer of the action taken, if applicable. 5. If control base does not update **within 45 days** to "841P" take follow-up action to locate and apply the credit correctly.
5	The recertified check	**Has** expired, but the taxpayer has not cashed the original refund check	1. Send Letter 4427C to the taxpayer and follow expired return refund check procedures. See IRM 21.4.3.5.6, Resolving Returned Expired Refunds Limited Payability.
6	The recertified check	Has not expired and taxpayer has cashed the original refund check	1. Follow procedures in IRM 21.4.3.5 (1), Acknowledgment of Returned Check to begin the cancellation process.

			2. Add a CII case note documenting **cashed original check**.
			3. Monitor for TC 841.
			4. Input TC 290 .00, Hold Code 2 to set a -K freeze and hold the credit. (TC 843, POC, will post from Bureau of the Fiscal Service).
			5. Close the CII case.

IRM 21.4.3.5.2(2) box 6 - For consistency updated to follow procedures in IRM 21.4.3.5(1) to cancel the check.

(2) When the taxpayer returns **either the original, recertified, or both checks**, use the following procedures:

Row	If the check is	And it	Then
1	The original check	**Has not** expired	1. Access the Treasury Check Information System (TCIS) to verify the check has been indicated as a "Previous Cancellation". 2. Send Letter 4427C, Acknowledgment of Returned Refund Check, to the taxpayer. 3. Add a CII case note documenting **previous cancellation** and close CII case. **Note:** No TC 841 will post due to prior cancellation.
2	The original check	**Has expired**	1. Send Letter 4427C to taxpayer. **Note:** Do not return the check to Philadelphia RFC. 2. Add a CII case note documenting **check expired** and close CII case. **Note:** No TC 740 will post due to prior cancellation. 3. Destroy the check.
3	The original check	Previous CC CHKCL initiated	1. Add a CII case note documenting **replacement issued** and close CII case.

4	The recertified check	**Has not** expired, nor has the taxpayer cashed the original refund check	1. Follow procedures in IRM 21.4.3.5(1), Acknowledgment of Returned Check to begin the cancellation process. 2. Send taxpayer Letter 4427C. 3. Monitor until TC 841 posts. 4. Follow the instructions provided in taxpayer's correspondence and advise taxpayer of the action taken, if applicable. 5. If control base does not update **within 45 days** to "841P" take follow-up action to locate and apply the credit correctly.
5	The recertified check	**Has** expired, but the taxpayer has not cashed the original refund check	1. Send Letter 4427C to the taxpayer and follow expired return refund check procedures. See IRM 21.4.3.5.6, Resolving Returned Expired Refunds Limited Payability.
6	The recertified check	Has not expired and taxpayer has cashed the original refund check	1. Follow procedures in IRM 21.4.3.5 (1), Acknowledgment of Returned Check to begin the cancellation process. 2. Add a CII case note documenting **cashed original check**. 3. Monitor for TC 841. 4. Input TC 290 .00, Hold Code 2 to set a -K freeze and hold the credit. (TC 843, POC, will post from Bureau of the Fiscal Service). 5. Close the CII case.

IRM 21.4.3.5.3(9) box 13 and 14 - For consistency updated the "and" column to state whether the returned refund is or is not through the fault of a government agency. SERP Feedback 32111.

(9) Use the chart below to release an **S-** freeze:

Reminder: After CC CHK64 is input a refund check will be reissued in about 4 weeks, unless otherwise stated below.

Note: More information about allowable interest calculations can be found in IRM 20.2.4.8.5.1, Undeliverable Refund Checks.

Row	If	And	Then
1	An unauthorized person requests the release	no content	Advise the unauthorized person that the refund release request must come from the taxpayer or the taxpayer's authorized representative. **Do not** disclose any information.
2	An authorized person requests the release	The refund is a TC 846 and was returned undeliverable	1. Verify the address. 2. Input CC CHK64. 3. Advise the requestor to allow up to 4 weeks for a refund check to be reissued.
3	An authorized person requests the release	The refund is a TC 840 (manual refund) and returned undeliverable	Determine if the refund must be re-input as a manual refund. If a manual refund is not necessary, input CC CHK64.
4	An authorized person requests the release	Pending TC 018 or TC 014 on CC ENMOD	1. Verify the address. 2. Advise the requestor to allow up to 4 weeks for a refund check to be reissued.
5	An authorized person requests the release	Pending TC 018 or TC 014 is on CC ENMOD, address is incorrect	1. Input CC NOREFP to stop the refund. 2. Update the address by using CC ENREQ, INCHG. 3. Advise the requestor to allow up to 8 weeks for a refund check to be reissued. 4. Release the P- freeze when the TC 841 posts.
6	An authorized person requests the release	• **S-** freeze after CC CHKCL action	1. Verify the address. 2. Input CC CHK64.

		• No open control • No Pending TC 018 or TC 014	3. Advise the requestor to allow up to 4 weeks for a refund check to be reissued.
7	An authorized person requests the release	**S-** freeze after the CC CHKCL action and has an open control	RI will contact area with open control for release of the refund. CSRs will forward Form 4442/e-4442, Inquiry Referral, with the new address, to the area with an open control. Advise the requestor to allow up to 6 weeks for a refund check to be reissued.
8	An authorized person requests the release	• Multiple freeze conditions • **No open control**	Follow the instructions for each freeze condition. See IRM 21.5.6, Freeze Codes.
9	An authorized person requests the release	• Multiple freeze conditions • **Open control**	Contact the employee/area with the control and coordinate the resolution of the conditions. See IRM 21.5.6, Freeze Codes. CSRs will forward Form 4442/e-4442 with the new address, to the area with an open control. Advise the taxpayer they will hear from the IRS in approximately 30 days.
10	Exempt Organization sub-module on BMF **CP 231**, Undelivered Refund Check	no content	CC CHK64 will unpost, a manual refund is required. **Note:** For trustee changes, refer to IRM 21.7.1.4.9, Fiduciary Name/Address Change .
11	Invalid TIN shown on CC ENMOD or CC TXMOD	no content	Research invalid condition and input CC CHK64, to release **S-** freeze, if appropriate.

12	If CC ENMOD shows an incorrect/incomplete address	no content	Input CC CHK64 with correct address.
13	45-day interest-free period is in jeopardy. Interest free period expires 06/01 on IMF refund returns filed by 04/15	Delay **is** through the fault of a government agency	1. Allow interest. 2. **Overlay interest indicator" N" on CC CHK64 with "Y."**
14	45-day interest-free period is in jeopardy. Interest free period expires 06/01 on IMF refund returns filed by 04/15	Delay is **not** through the fault of a government agency	**Do not allow interest.** **Note:** Leave the interest indicator as **N** on CC CHK64.

IRM 21.4.3.5.4(3) - For consistency updated to follow procedures in IRM 21.4.3.5(1) to cancel the check then follow procedures in chart and to include date the cancellation process was taken as well as actions to take in Correspondence Imaging Inventory.

(3) When there is potential refund fraud or ID theft involved, Refund Inquiry should take the following actions. (In most instances, these checks have already been routed by Submission Processing.)

Reminder: Refund checks returned to a Taxpayer Assistance Center (TAC) must be forwarded to the IRS campus Refund Inquiry Unit associated to the taxpayer's state of residency. For fax numbers and addresses, see Refund Inquiry Unit Addresses, located on Servicewide Electronic Research Program (SERP) under the Who/Where tab. Follow the procedures in the table in IRM 21.4.3.5.5, Resolving Returned Refunds (Unexpired Checks).

    a. Follow procedures in IRM 21.4.3.5(1), Acknowledgment of Returned Check, to complete the check cancellation process only. **Do not** send any letters, RIVO will respond to the taxpayer when the refund issue is resolved.

    b. Once the TC 841 has posted to the account.

    c. Follow procedures in the chart below:

Row	If	Then

1	Treasury IRS refund checks are returned as undeliverable, and you identify that there is the **same address** (different names) on **multiple checks** indicating possible fraud	o Fax/eFax check copies and correspondence to Kansas City RIVO at: # ▇▇▇▇▇▇▇ # o Include the date the cancellation process was taken on the Fax/eFax
2	Treasury check(s) is returned, and ID theft is not indicated, but appears to be fraud related (e.g., **Multiple checks** with **different names** have been mailed to the **same address**. Explanation is something like, "I don't know these people, but these checks were mailed to my house.")	o Fax/eFax check copies and correspondence to Kansas City RIVO at: # ▇▇▇▇▇▇▇ # o Include the date the cancellation process was taken on the Fax/eFax
3	Treasury check(s) is returned, and Form 14039, Identity Theft Affidavit or a note is attached indicating **ID theft** (e.g., "I got this refund check made payable to me, but **I have not even filed my tax return this year.** I don't know why I got this check.")	o Fax/eFax check copies and correspondence to Kansas City RIVO at: # ▇▇▇▇▇▇▇ # o Include the date the cancellation process was taken on the Fax/eFax
4	Treasury check(s) is returned undeliverable, **OR** not belonging to the person named on the check, **AND** there is evidence of previous RIVO External Leads review. i.e., TC 841 DLN blocking series/serial number 77711, 77712, or 77713 and issuance of a CP 53A, CP 53B or CP 53C notice	o Fax/eFax check copies and correspondence to Kansas City RIVO at: # ▇▇▇▇▇▇▇ # o Include the date the cancellation process was taken on the Fax/eFax
5	A third-party check (non-Treasury checks including RAL/RAC checks) is received outside of Receipt and Control or Campus Support	Process it back to the proper function per IRM 3.8.46.1, Discovered Remittances (for Receipt and Control), or IRM 21.1.7.9.20, Discovered Remittance (for Campus Support).
6	Check is attached to:	o Fax/eFax check copies and correspondence to

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	o Letter 4115C, or o Letter 4464C, or o Letter 4883C	Kansas City RIVO at: **#** ███████████ **#** o Include the date the cancellation process was taken on the Fax/eFax

d. If not already on the account, input TC 971 AC 522 and the proper IDT tracking code. See IRM 25.23.2.4.4, Initial Allegation or Suspicion of Tax-Related Identity Theft - IMF Identity Theft Indicators, for codes and more information.

e. Close your CII case taking no further action.

f. If you receive items (including debit cards) from different sources, for example U.S. Postal Service, a law enforcement agency, etc., sort the items and mail to:
Internal Revenue Service
Attn: RIVO External Leads Manager
333 W Pershing Rd. Stop #7777
Kansas City, MO 64108

Exception: For returned Economic Impact Payment pre-paid debit cards, follow instructions in IRM 3.8.45.19.1 (4), Repayment of Economic Impact Payments (EIP).

IRM 21.4.3.5.4.1(1) c - For consistency updated procedures for handling correspondence received which is outside the scope of Refund Inquiry.

(1) There are times when the taxpayer will attach correspondence with the returned refund check because the credit/payment that was refunded was intended to be applied to another tax period.

a. Review the taxpayer correspondence and account on AMS and IDRS for the tax period(s) referred to in the taxpayer's correspondence.

b. If the balance due tax period is located, transfer the credit, see IRM 21.5.8.4, IDRS Guidelines for Credit Transfers and input the necessary STAUP, see IRM 21.5.2.4.8 , Notice Suppression.

Note: For more information about situations which will not allow credits to offset to a BMF balance due module, please review IRM 21.7.1.4.6, BMF Offset Program.

c. Continue to process the returned refund check as usual.

If there is any correspondence, unrelated to the returned refund check, that is not within your scope, send the case to your work leader for referral to the ICM to have the case reassigned to a team that can work the specific inventory.

Note: CII case notes must be updated to explain the actions taken to address the returned refund check.

Note: If Spanish language correspondence is received, issue a reply using the Spanish version of the appropriate C-Letter if one is available. Reassign the case to the Refund Inquiry Site Specialized number for Spanish Correspondence see Refund Inquiry Site Specialized Holding Numbers, located on SERP under the Who/Where tab.

IRM 21.4.3.5.5(1) - For consistency included that inventory is scanned to Correspondence Imaging Inventory and that Refund Inquiry employees use the Available Check Cancellation (ACC)link in the Treasury Check Information System (TCIS) to initial the cancellation of the returned refund check directly with the Bureau of the Fiscal Service (BFS).

(1) Refund checks returned within 12 months of issue date are stamped "NOT NEGOTIABLE", and scanned to the Correspondence Imaging Inventory (CII). Refund Inquiry employees use the Available Check Cancellation (ACC) link in the Treasury Check Information System (TCIS) to initial the cancellation of the returned refund check directly with the Bureau of the Fiscal Service (BFS). Non Refund Inquiry Unit employees, see (3) below.

IRM 21.4.3.5.5(2) - For consistency updated that BFS will returned the credit within ten business days.

(2) BFS will return credit for cancelled refund checks via SF 1098 and will post a Transaction Code (TC) 841 to the taxpayer's account within ten business days after the check is cancelled. If there was a TOP TC 898 on the original refund, TOP will generate a TC 899 to reverse it. BFS will return credits for Non-Master File (NMF), Individual Retirement Account File (IRAF) and fee refunds manually on SF 1098.

Note: Returned refund checks are cancelled via TCIS only if they are received on or before the last business day of the 12th month after the issue date. Checks not meeting this criterion have expired and will not be able to have the ACC process completed. See IRM 21.4.3.5.6, Resolving Returned Expired Refunds Limited Payability, for procedures on expired checks.

IRM 21.4.3.5.5(3) box 2 - For consistency updated to follow procedures in IRM 21.4.3.5(1) to cancel the check.

(3) Take the following action when you receive a Form 3210 and/or a returned refund check.

If the returned check is	Then
Received in a Territory Office or Taxpayer Assistance Center (TAC)	1. Write "Void" on back of check. 2. Complete the Form 3913, Acknowledgment of Returned Refund Check, and provide the taxpayer with a copy. 3. Complete the Form 3210. Refer to IRM 3.8.47.4.4, Secure and Process a Returned Refund Check. 4. Send the check, Form 3210 and Form 3913 to the IRS campus Refund Inquiry Unit associated to the taxpayer's state of residency for processing. Individual Master File (IMF) returned checks will be worked at IMF campuses and Business Master File (BMF) will be worked at BMF campuses. For fax numbers and addresses, see Refund Inquiry Unit Addresses, located on Servicewide Electronic Research Program (SERP) under the Who/Where tab.
Received by a campus	1. Acknowledge receipt of form. 2. Keep expired returned refund check per note above in paragraph 2. 3. Follow procedures in IRM 21.4.3.5(1), Acknowledgment of Returned Check, to complete the cancellation process. 4. Send Letter 4427C, Acknowledgment of Returned Refund Check, for refund checks received

Note: If the returned check is a non-IRS returned refund, refer to IRM 21.1.7.9.25, Non IRS Return Refund Checks, for routing procedures.

Note: For more information about the follow up actions required for Form 3210 see IRM 3.5.61.1.7.5, Form 3210, Document Transmittal.

IRM 21.4.3.5.5(4) box 10 - For clarification updated to provide instruction to reassign ERC cases after check cancellation.

(4) To research and resolve returned refund checks that include an explanation from the taxpayer, refer to the chart below. Follow the taxpayer's instructions whenever possible.

Row	If	And	Then

1	Credit is to be applied to a balance due	Credit not posted	Input CC STAUP or TC 470 to prevent offset and monitor for credit.
2	Credit is to be applied to a balance due	No balance due	Notify taxpayer of status.
3	Credit has posted		Follow taxpayer's instructions.
4	Credit intended as payment for taxes	Credit not posted	Monitor for credit, when posted, follow taxpayer's instructions.
5	Refund returned on a deceased taxpayer's account, refer to IRM 21.6.6.2.21.2, Processing Decedent Account Refunds	Form 1310, Statement of Person Claiming Refund Due a Deceased Taxpayer, or required documentation attached	Follow instructions and comply with the request.
6	Refund returned on a deceased taxpayer's account, refer to IRM 21.6.6.2.21.2, Processing Decedent Account Refunds	Form 1310 or required documentation not attached	Send Form 1310 to estate of deceased taxpayer requesting documentation. If the surviving spouse of a joint return is claiming the refund, Form 1310 is not required.
7	An erroneous name or designation of payee	Not negotiable	Request original document to verify payee, if necessary.
8	An original Form 1040-X, Amended U.S. Individual Income Tax Return received with the check	no content	Adjust account or route return to the proper function. **Note:** If routing a Form 1040-X, input a TC 971 Action Code (AC) 010 using the Received Date as the Transaction Date.
9	An original Form 941-X, Adjusted Employer's QUARTERLY Federal Tax Return or Claim for Refund; Form 1065-X, Amended Return or Administrative Adjustment Request (AAR); Form 1120-X,	no content	Adjust account or route return to the proper function.

	Amended U.S. Corporation Income Tax Return		
10	An original Form 941-X, Form 943-X, Form 944-X or Form CT1-X, indicating **Withdrawn** on the left margin of the first page is received with the check	no content	If the original Form 941-X, Form 943-X, Form 944-X or Form CT1-X, indicating **Withdrawn** on the left margin of the first page or correspondence relating to or referencing Employee Retention Credit (ERC), after completing the ACC in TCIS reassign the case in CII as follows: Doc Type: Correspondence, use Priority Code 2, category 941X, 943X, 944X or CT1X as appropriate and assigned to IDRS number **0430406002**.
11	Adjustment action posts before TC 841	Credit and **P-** freeze remaining on account	Refer to IRM 21.5.6, Freeze Codes, to determine if the P-freeze can be released.
12	Refund was correct when issued	Returned in error	Provide explanation to taxpayer. **Do not** allow more interest if the refund is to be reissued or applied to an outstanding liability. **Note:** If the original refund was a manual refund, you may need to reissue it as a manual refund. See IRM 21.4.4, Manual Refunds.
13	Taxpayer filed a married filing joint (MFJ) return and requests the refund check be reissued in one name	Signed statement from other spouse consenting to issuance of the refund to requester is attached	**Do not** allow more interest if the refund is to be reissued or applied to an outstanding liability. Reissue refund as a manual refund. Include signed statement from other spouse consenting to issuance of the refund to requester as supporting

			document. See IRM 21.4.4, Manual Refunds.
14	Refund was correct when issued, but is returned by a third-party because the taxpayer no longer lives at the address	**P-** freeze or TC 841 pending to post	Research CC ENMOD: • If a current address is found, reissue the refund. • If no current address is found on CC ENMOD, research current year IRPTR and issue a Letter 533C, Refund Check Undelivered or Not Negotiated, asking the taxpayer to verify their current address. Suspend and allow 45 days for a response (70 days for overseas taxpayers). • If no current address is located or no response is received, follow paragraph (11) below. **Note:** See paragraphs (7) and (8) below to determine if interest is allowable.
15	Refund check is a non-IRS Treasury check (See IRM 3.8.44-7, Agency Location Codes (ALC), for IRS ALC listing)	Correspondence attached is requesting we apply or reissue the refund to a certain year or other IRS account action	• If the ALC is not 2009XXXX, elevate the case to your local Planning and Analysis liaison and request the information be forwarded to Headquarters for coordination with BFS for case resolution. • Issue Letter 86C, Referring Taxpayer Inquiry/Forms to Another Office, explaining we cannot accept a third-

			party check and the check will be returned to the originating agency to be reissued.
			• Do not forward correspondence to BFS, detach from the check.
16	Refund check is a non-IRS Treasury check (See IRM 3.8.44-7, Agency Location Codes (ALC), for IRS ALC listing)	Correspondence is attached and is NOT requesting an IRS related action, but asking about the check or information related to it	• If the ALC is not 2009XXXX, elevate the case to your local Planning and Analysis liaison and request the information be forwarded to Headquarters for coordination with BFS for case resolution.
17	Refund returned	Correspondence is attached which says they are not entitled to the refund (e.g.,Non-Resident Alien) or have a religious or conscience-based objection to the refund	• Reverse the credits that created the refund (e.g., ACT, EIC or other prepaid credits). See IRM 21.6.3.4.2, Refundable Credits, for applicable credit instructions. • If a reversal of the credit is not possible due to an expired ASED, then move any Earned Income Credit (TC 764 or TC 768) or Generated Refundable Credit (TC 766) to Excess Collections, follow IRM 21.4.3.5.5 (11). • Send a closing letter to advise the credit causing the overpayment has been removed from their account.

	Returned Recovery Rebate Credit (RRC), identified by a TC 766 CRN 256 on the account	Correspondence is attached which says they are not entitled to the refund (e.g.,Non-Resident Alien) or have a religious or conscience-based objection to the refund	• If prior to the ASED, reverse the credit that created the refund. See IRM 21.6.3.4.2.14, Recovery Rebate Credit (RRC), for applicable credit instructions.
18			• If after the ASED, move Generated Refundable Credit (TC 766) to Excess Collections, regardless of credit age, follow IRM 21.4.3.5.5 (11)c.
			• Send a closing letter to advise the credit causing the overpayment has been removed from their account.

Reminder: If there is any correspondence, unrelated to the returned refund check, which is not within your scope, send the case to your work leader for referral to the ICM to have the case reassigned to a team that can work the specific inventory.

IRM 21.4.3.5.5(4) box 15 - For clarification updated to provide instruction if ALC is not 2009XXXX.

(4) To research and resolve returned refund checks that include an explanation from the taxpayer, refer to the chart below. Follow the taxpayer's instructions whenever possible.

Row	If	And	Then
1	Credit is to be applied to a balance due	Credit not posted	Input CC STAUP or TC 470 to prevent offset and monitor for credit.
2	Credit is to be applied to a balance due	No balance due	Notify taxpayer of status.
3	Credit has posted		Follow taxpayer's instructions.

4	Credit intended as payment for taxes	Credit not posted	Monitor for credit, when posted, follow taxpayer's instructions.
5	Refund returned on a deceased taxpayer's account, refer to IRM 21.6.6.2.21.2, Processing Decedent Account Refunds	Form 1310, Statement of Person Claiming Refund Due a Deceased Taxpayer, or required documentation attached	Follow instructions and comply with the request.
6	Refund returned on a deceased taxpayer's account, refer to IRM 21.6.6.2.21.2, Processing Decedent Account Refunds	Form 1310 or required documentation not attached	Send Form 1310 to estate of deceased taxpayer requesting documentation. If the surviving spouse of a joint return is claiming the refund, Form 1310 is not required.
7	An erroneous name or designation of payee	Not negotiable	Request original document to verify payee, if necessary.
8	An original Form 1040-X, Amended U.S. Individual Income Tax Return received with the check	no content	Adjust account or route return to the proper function. **Note:** If routing a Form 1040-X, input a TC 971 Action Code (AC) 010 using the Received Date as the Transaction Date.
9	An original Form 941-X, Adjusted Employer's QUARTERLY Federal Tax Return or Claim for Refund; Form 1065-X, Amended Return or Administrative Adjustment Request (AAR); Form 1120-X, Amended U.S. Corporation Income Tax Return	no content	Adjust account or route return to the proper function.
10	An original Form 941-X, Form 943-X, Form 944-X or Form CT1-X, indicating **Withdrawn** on the	no content	If the original Form 941-X, Form 943-X, Form 944-X or Form CT1-X, indicating **Withdrawn** on the left margin of the first page or correspondence relating to or

	left margin of the first page is received with the check		referencing Employee Retention Credit (ERC), after completing the ACC in TCIS reassign the case in CII as follows: Doc Type: Correspondence, use Priority Code 2, category 941X, 943X, 944X or CT1X as appropriate and assigned to IDRS number **0430406002**.
11	Adjustment action posts before TC 841	Credit and **P-** freeze remaining on account	Refer to IRM 21.5.6, Freeze Codes, to determine if the P-freeze can be released.
12	Refund was correct when issued	Returned in error	Provide explanation to taxpayer. **Do not** allow more interest if the refund is to be reissued or applied to an outstanding liability. **Note:** If the original refund was a manual refund, you may need to reissue it as a manual refund. See IRM 21.4.4, Manual Refunds.
13	Taxpayer filed a married filing joint (MFJ) return and requests the refund check be reissued in one name	Signed statement from other spouse consenting to issuance of the refund to requester is attached	**Do not** allow more interest if the refund is to be reissued or applied to an outstanding liability. Reissue refund as a manual refund. Include signed statement from other spouse consenting to issuance of the refund to requester as supporting document. See IRM 21.4.4, Manual Refunds.
14	Refund was correct when issued, but is returned by a third-party because the taxpayer no longer lives at the address	**P-** freeze or TC 841 pending to post	Research CC ENMOD: • If a current address is found, reissue the refund. • If no current address is found on CC ENMOD, research current year

			IRPTR and issue a Letter 533C, Refund Check Undelivered or Not Negotiated, asking the taxpayer to verify their current address. Suspend and allow 45 days for a response (70 days for overseas taxpayers).
			• If no current address is located or no response is received, follow paragraph (11) below.
			Note: See paragraphs (7) and (8) below to determine if interest is allowable.
15	Refund check is a non-IRS Treasury check (See IRM 3.8.44-7, Agency Location Codes (ALC), for IRS ALC listing)	Correspondence attached is requesting we apply or reissue the refund to a certain year or other IRS account action	• If the ALC is not 2009XXXX, elevate the case to your local Planning and Analysis liaison and request the information be forwarded to Headquarters for coordination with BFS for case resolution.
			• Issue Letter 86C, Referring Taxpayer Inquiry/Forms to Another Office, explaining we cannot accept a third-party check and the check will be returned to the originating agency to be reissued.
			• Do not forward correspondence to BFS, detach from the check.

16	Refund check is a non-IRS Treasury check (See IRM 3.8.44-7, Agency Location Codes (ALC), for IRS ALC listing)	Correspondence is attached and is NOT requesting an IRS related action, but asking about the check or information related to it	• If the ALC is not 2009XXXX, elevate the case to your local Planning and Analysis liaison and request the information be forwarded to Headquarters for coordination with BFS for case resolution.
17	Refund returned	Correspondence is attached which says they are not entitled to the refund (e.g.,Non-Resident Alien) or have a religious or conscience-based objection to the refund	• Reverse the credits that created the refund (e.g., ACT, EIC or other prepaid credits). See IRM 21.6.3.4.2, Refundable Credits, for applicable credit instructions. • If a reversal of the credit is not possible due to an expired ASED, then move any Earned Income Credit (TC 764 or TC 768) or Generated Refundable Credit (TC 766) to Excess Collections, follow IRM 21.4.3.5.5 (11). • Send a closing letter to advise the credit causing the overpayment has been removed from their account.
18	Returned Recovery Rebate Credit (RRC), identified by a TC 766 CRN 256 on the account	Correspondence is attached which says they are not entitled to the refund (e.g.,Non-Resident Alien) or have a religious or conscience-based	• If prior to the ASED, reverse the credit that created the refund. See IRM 21.6.3.4.2.14, Recovery Rebate Credit (RRC), for applicable credit instructions. • If after the ASED, move Generated Refundable

	objection to the refund	Credit (TC 766) to Excess Collections, regardless of credit age, follow IRM 21.4.3.5.5 (11)c.
		• Send a closing letter to advise the credit causing the overpayment has been removed from their account.

Reminder: If there is any correspondence, unrelated to the returned refund check, which is not within your scope, send the case to your work leader for referral to the ICM to have the case reassigned to a team that can work the specific inventory.

IRM 21.4.3.5.5(4) box 16 - For clarification updated to provide instruction if ALC is not 2009XXXX.

(4) To research and resolve returned refund checks that include an explanation from the taxpayer, refer to the chart below. Follow the taxpayer's instructions whenever possible.

Row	If	And	Then
1	Credit is to be applied to a balance due	Credit not posted	Input CC STAUP or TC 470 to prevent offset and monitor for credit.
2	Credit is to be applied to a balance due	No balance due	Notify taxpayer of status.
3	Credit has posted		Follow taxpayer's instructions.
4	Credit intended as payment for taxes	Credit not posted	Monitor for credit, when posted, follow taxpayer's instructions.
5	Refund returned on a deceased taxpayer's account, refer to IRM 21.6.6.2.21.2, Processing Decedent Account Refunds	Form 1310, Statement of Person Claiming Refund Due a Deceased Taxpayer, or required documentation attached	Follow instructions and comply with the request.

6	Refund returned on a deceased taxpayer's account, refer to IRM 21.6.6.2.21.2, Processing Decedent Account Refunds	Form 1310 or required documentation not attached	Send Form 1310 to estate of deceased taxpayer requesting documentation. If the surviving spouse of a joint return is claiming the refund, Form 1310 is not required.
7	An erroneous name or designation of payee	Not negotiable	Request original document to verify payee, if necessary.
8	An original Form 1040-X, Amended U.S. Individual Income Tax Return received with the check	no content	Adjust account or route return to the proper function. **Note:** If routing a Form 1040-X, input a TC 971 Action Code (AC) 010 using the Received Date as the Transaction Date.
9	An original Form 941-X, Adjusted Employer's QUARTERLY Federal Tax Return or Claim for Refund; Form 1065-X, Amended Return or Administrative Adjustment Request (AAR); Form 1120-X, Amended U.S. Corporation Income Tax Return	no content	Adjust account or route return to the proper function.
10	An original Form 941-X, Form 943-X, Form 944-X or Form CT1-X, indicating **Withdrawn** on the left margin of the first page is received with the check	no content	If the original Form 941-X, Form 943-X, Form 944-X or Form CT1-X, indicating **Withdrawn** on the left margin of the first page or correspondence relating to or referencing Employee Retention Credit (ERC), after completing the ACC in TCIS reassign the case in CII as follows: Doc Type: Correspondence, use Priority Code 2, category 941X, 943X, 944X or CT1X as appropriate and assigned to IDRS number **0430406002**.

11	Adjustment action posts before TC 841	Credit and **P-** freeze remaining on account	Refer to IRM 21.5.6, Freeze Codes, to determine if the P-freeze can be released.
12	Refund was correct when issued	Returned in error	Provide explanation to taxpayer. **Do not** allow more interest if the refund is to be reissued or applied to an outstanding liability. **Note:** If the original refund was a manual refund, you may need to reissue it as a manual refund. See IRM 21.4.4, Manual Refunds.
13	Taxpayer filed a married filing joint (MFJ) return and requests the refund check be reissued in one name	Signed statement from other spouse consenting to issuance of the refund to requester is attached	**Do not** allow more interest if the refund is to be reissued or applied to an outstanding liability. Reissue refund as a manual refund. Include signed statement from other spouse consenting to issuance of the refund to requester as supporting document. See IRM 21.4.4, Manual Refunds.
14	Refund was correct when issued, but is returned by a third-party because the taxpayer no longer lives at the address	**P-** freeze or TC 841 pending to post	Research CC ENMOD: - If a current address is found, reissue the refund. - If no current address is found on CC ENMOD, research current year IRPTR and issue a Letter 533C, Refund Check Undelivered or Not Negotiated, asking the taxpayer to verify their current address. Suspend and allow 45 days for a response (70 days for overseas taxpayers).

			• If no current address is located or no response is received, follow paragraph (11) below. **Note:** See paragraphs (7) and (8) below to determine if interest is allowable.
15	Refund check is a non-IRS Treasury check (See IRM 3.8.44-7, Agency Location Codes (ALC), for IRS ALC listing)	Correspondence attached is requesting we apply or reissue the refund to a certain year or other IRS account action	• If the ALC is not 2009XXXX, elevate the case to your local Planning and Analysis liaison and request the information be forwarded to Headquarters for coordination with BFS for case resolution. • Issue Letter 86C, Referring Taxpayer Inquiry/Forms to Another Office, explaining we cannot accept a third-party check and the check will be returned to the originating agency to be reissued. • Do not forward correspondence to BFS, detach from the check.
16	Refund check is a non-IRS Treasury check (See IRM 3.8.44-7, Agency Location Codes (ALC), for IRS ALC listing)	Correspondence is attached and is NOT requesting an IRS related action, but asking about the check or information related to it	• If the ALC is not 2009XXXX, elevate the case to your local Planning and Analysis liaison and request the information be forwarded to Headquarters for coordination with BFS for case resolution.

17	Refund returned	Correspondence is attached which says they are not entitled to the refund (e.g.,Non-Resident Alien) or have a religious or conscience-based objection to the refund	- Reverse the credits that created the refund (e.g., ACT, EIC or other prepaid credits). See IRM 21.6.3.4.2, Refundable Credits, for applicable credit instructions. - If a reversal of the credit is not possible due to an expired ASED, then move any Earned Income Credit (TC 764 or TC 768) or Generated Refundable Credit (TC 766) to Excess Collections, follow IRM 21.4.3.5.5 (11). - Send a closing letter to advise the credit causing the overpayment has been removed from their account.
18	Returned Recovery Rebate Credit (RRC), identified by a TC 766 CRN 256 on the account	Correspondence is attached which says they are not entitled to the refund (e.g.,Non-Resident Alien) or have a religious or conscience-based objection to the refund	- If prior to the ASED, reverse the credit that created the refund. See IRM 21.6.3.4.2.14, Recovery Rebate Credit (RRC), for applicable credit instructions. - If after the ASED, move Generated Refundable Credit (TC 766) to Excess Collections, regardless of credit age, follow IRM 21.4.3.5.5 (11)c. - Send a closing letter to advise the credit causing the overpayment has been removed from their account.

Reminder: If there is any correspondence, unrelated to the returned refund check, which is not within your scope, send the case to your work leader for referral to the ICM to have the case reassigned to a team that can work the specific inventory.

IRM 21.4.3.5.5(4) box 18 - For clarification added instruction for returned Recovery Rebate Credit checks.

(4) To research and resolve returned refund checks that include an explanation from the taxpayer, refer to the chart below. Follow the taxpayer's instructions whenever possible.

Row	If	And	Then
1	Credit is to be applied to a balance due	Credit not posted	Input CC STAUP or TC 470 to prevent offset and monitor for credit.
2	Credit is to be applied to a balance due	No balance due	Notify taxpayer of status.
3	Credit has posted		Follow taxpayer's instructions.
4	Credit intended as payment for taxes	Credit not posted	Monitor for credit, when posted, follow taxpayer's instructions.
5	Refund returned on a deceased taxpayer's account, refer to IRM 21.6.6.2.21.2, Processing Decedent Account Refunds	Form 1310, Statement of Person Claiming Refund Due a Deceased Taxpayer, or required documentation attached	Follow instructions and comply with the request.
6	Refund returned on a deceased taxpayer's account, refer to IRM 21.6.6.2.21.2, Processing Decedent Account Refunds	Form 1310 or required documentation not attached	Send Form 1310 to estate of deceased taxpayer requesting documentation. If the surviving spouse of a joint return is claiming the refund, Form 1310 is not required.
7	An erroneous name or designation of payee	Not negotiable	Request original document to verify payee, if necessary.

8	An original Form 1040-X, Amended U.S. Individual Income Tax Return received with the check	no content	Adjust account or route return to the proper function. **Note:** If routing a Form 1040-X, input a TC 971 Action Code (AC) 010 using the Received Date as the Transaction Date.
9	An original Form 941-X, Adjusted Employer's QUARTERLY Federal Tax Return or Claim for Refund; Form 1065-X, Amended Return or Administrative Adjustment Request (AAR); Form 1120-X, Amended U.S. Corporation Income Tax Return	no content	Adjust account or route return to the proper function.
10	An original Form 941-X, Form 943-X, Form 944-X or Form CT1-X, indicating **Withdrawn** on the left margin of the first page is received with the check	no content	If the original Form 941-X, Form 943-X, Form 944-X or Form CT1-X, indicating **Withdrawn** on the left margin of the first page or correspondence relating to or referencing Employee Retention Credit (ERC), after completing the ACC in TCIS reassign the case in CII as follows: Doc Type: Correspondence, use Priority Code 2, category 941X, 943X, 944X or CT1X as appropriate and assigned to IDRS number **0430406002**.
11	Adjustment action posts before TC 841	Credit and **P-** freeze remaining on account	Refer to IRM 21.5.6, Freeze Codes, to determine if the P-freeze can be released.
12	Refund was correct when issued	Returned in error	Provide explanation to taxpayer. **Do not** allow more interest if the refund is to be reissued or applied to an outstanding liability.

			Note: If the original refund was a manual refund, you may need to reissue it as a manual refund. See IRM 21.4.4, Manual Refunds.
13	Taxpayer filed a married filing joint (MFJ) return and requests the refund check be reissued in one name	Signed statement from other spouse consenting to issuance of the refund to requester is attached	**Do not** allow more interest if the refund is to be reissued or applied to an outstanding liability. Reissue refund as a manual refund. Include signed statement from other spouse consenting to issuance of the refund to requester as supporting document. See IRM 21.4.4, Manual Refunds.
14	Refund was correct when issued, but is returned by a third-party because the taxpayer no longer lives at the address	**P-** freeze or TC 841 pending to post	Research CC ENMOD: • If a current address is found, reissue the refund. • If no current address is found on CC ENMOD, research current year IRPTR and issue a Letter 533C, Refund Check Undelivered or Not Negotiated, asking the taxpayer to verify their current address. Suspend and allow 45 days for a response (70 days for overseas taxpayers). • If no current address is located or no response is received, follow paragraph (11) below. **Note:** See paragraphs (7) and (8) below to determine if interest is allowable.

15	Refund check is a non-IRS Treasury check (See IRM 3.8.44-7, Agency Location Codes (ALC), for IRS ALC listing)	Correspondence attached is requesting we apply or reissue the refund to a certain year or other IRS account action	• If the ALC is not 2009XXXX, elevate the case to your local Planning and Analysis liaison and request the information be forwarded to Headquarters for coordination with BFS for case resolution. • Issue Letter 86C, Referring Taxpayer Inquiry/Forms to Another Office, explaining we cannot accept a third-party check and the check will be returned to the originating agency to be reissued. • Do not forward correspondence to BFS, detach from the check.
16	Refund check is a non-IRS Treasury check (See IRM 3.8.44-7, Agency Location Codes (ALC), for IRS ALC listing)	Correspondence is attached and is NOT requesting an IRS related action, but asking about the check or information related to it	• If the ALC is not 2009XXXX, elevate the case to your local Planning and Analysis liaison and request the information be forwarded to Headquarters for coordination with BFS for case resolution.
17	Refund returned	Correspondence is attached which says they are not entitled to the refund (e.g.,Non-Resident Alien) or have a religious or conscience-based	• Reverse the credits that created the refund (e.g., ACT, EIC or other prepaid credits). See IRM 21.6.3.4.2, Refundable Credits, for applicable credit instructions. • If a reversal of the credit is not possible due to an

		objection to the refund	• expired ASED, then move any Earned Income Credit (TC 764 or TC 768) or Generated Refundable Credit (TC 766) to Excess Collections, follow IRM 21.4.3.5.5 (11). • Send a closing letter to advise the credit causing the overpayment has been removed from their account.
18	Returned Recovery Rebate Credit (RRC), identified by a TC 766 CRN 256 on the account	Correspondence is attached which says they are not entitled to the refund (e.g.,Non-Resident Alien) or have a religious or conscience-based objection to the refund	• If prior to the ASED, reverse the credit that created the refund. See IRM 21.6.3.4.2.14, Recovery Rebate Credit (RRC), for applicable credit instructions. • If after the ASED, move Generated Refundable Credit (TC 766) to Excess Collections, regardless of credit age, follow IRM 21.4.3.5.5 (11)c. • Send a closing letter to advise the credit causing the overpayment has been removed from their account.

Reminder: If there is any correspondence, unrelated to the returned refund check, which is not within your scope, send the case to your work leader for referral to the ICM to have the case reassigned to a team that can work the specific inventory.

IRM 21.4.3.5.5(8) - For consistency with IRM 20.2.4.8.5.1 changed wording from IRS to a government agency.

(8) Allow interest under the following conditions:

- A government agency error caused the refund to go to incorrect address

- TC 841 posts after an adjustment, and **P-** freeze is on account

- IRS caused the incorrect refund amount or directed the refund to the wrong payee

Note: See IRM 20.2.4.8.5.2, Returned and Intercepted Refund Checks, for more information about allowable interest calculations.

IRM 21.4.3.5.5(11) b - For clarification updated to add direction for paper cases to be closed. SERP Feedback 35479.

(11) If unable to release the credit, transfer the credit as follows:

a. If the credit is less than one year old, apply to the Unidentified Remittance File (URF– 4620 Account) using Form 2424, Account Adjustment Voucher. Refer to IRM 3.14.1.6.8, Excess Collections (XSF) and Unidentified Remittance (URF) Files.

   Note: Ensure all documentation is attached to your CII case, follow IRM 21.5.1.5.1, CII General Guidelines.

b. Monitor your case for 45 days using activity code "F2424XXX" where the "XXX" is the julian date that represents the last day of the suspense period. Close the CII or paper case when the credit has been moved from the account by Excess Collections. If working paper case ensure AMS notes are updated, and close refund inquiry control base. If no action after 45 days, follow up with Excess Collections via phone, email or fax.

c. If the credit is more than one year old, or a returned Recovery Rebate Credit (RRC), apply to the Excess Collection File (XSF– 6800 Account) using Form 8758, Excess Collections File Addition. Refer to IRM 3.17.220.2, Excess Collections File, for specific information about the Excess Collections Account 6800. If moving a returned Recovery Rebate Credit (RRC) refund as instructed paragraph 4 box 18 above, clearly annotate the Form 8758 as being a "Returned Recovery Rebate Credit (RRC)".

   Note: Form 8758 - Excess Collections File Addition should be routed to the appropriate site based on the Filing Location Code (FLC) of the DLN see Excess Collection, located on Servicewide Electronic Research Program (SERP) under the Who/Where tab.

d. Monitor your case for 45 days using activity code "F8758XXX" where the "XXX" is the julian date that represents the last day of the suspense period. Close the CII or paper case when the credit has been moved from the account by Excess

Collections. If working paper case ensure AMS notes are updated, and close refund inquiry control base. If no action after 45 days, follow up with Excess Collections via phone, email or fax.

e. Use the procedures in IRM 25.25.13-2, Transferring Credits to Excess, to determine the order in which you should transfer credits to and from Excess Collections. When moving a credit or payment to the Excess Collection File (XSF) or the Unidentified Remittance File (URF) follow procedures in IRM 21.5.8.4 (14), IDRS Guidelines for Credit Transfers, for required audit trail markers. For assistance in matters related to XSF and URF, see Excess Collection, located on Servicewide Electronic Research Program (SERP) under the Who/Where tab.

Exception: Telephone contact is **not** required if a previous attempt was made to obtain new/correct address information (i.e., 533C or another letter).

Note: If the returned check is for the first, second, or third round of Economic Impact Payments, see IRM 21.6.3.4.2.13, Economic Impact Payments, for more information about how to correct these accounts.

IRM 21.4.3.5.5(11) c - For clarification updated to add note providing direction that Form 8758 - Excess Collections File Addition should be routed to the appropriate site based on the submitting employee's location per Excess Collection - Who/Where - SERP. SERP Feedback 33335.

(11) If unable to release the credit, transfer the credit as follows:

a. If the credit is less than one year old, apply to the Unidentified Remittance File (URF– 4620 Account) using Form 2424, Account Adjustment Voucher. Refer to IRM 3.14.1.6.8, Excess Collections (XSF) and Unidentified Remittance (URF) Files.

Note: Ensure all documentation is attached to your CII case, follow IRM 21.5.1.5.1, CII General Guidelines.

b. Monitor your case for 45 days using activity code "F2424XXX" where the "XXX" is the julian date that represents the last day of the suspense period. Close the CII or paper case when the credit has been moved from the account by Excess Collections. If working paper case ensure AMS notes are updated, and close refund inquiry control base. If no action after 45 days, follow up with Excess Collections via phone, email or fax.

c. If the credit is more than one year old, or a returned Recovery Rebate Credit (RRC), apply to the Excess Collection File (XSF– 6800 Account) using Form 8758, Excess Collections File Addition. Refer to IRM 3.17.220.2, Excess Collections File, for specific information about the Excess Collections Account 6800. If moving a returned Recovery Rebate Credit (RRC) refund as instructed paragraph 4 box 18 above,

clearly annotate the Form 8758 as being a "Returned Recovery Rebate Credit (RRC)".

Note: Form 8758 - Excess Collections File Addition should be routed to the appropriate site based on the Filing Location Code (FLC) of the DLN see Excess Collection, located on Servicewide Electronic Research Program (SERP) under the Who/Where tab.

d. Monitor your case for 45 days using activity code "F8758XXX" where the "XXX" is the julian date that represents the last day of the suspense period. Close the CII or paper case when the credit has been moved from the account by Excess Collections. If working paper case ensure AMS notes are updated, and close refund inquiry control base. If no action after 45 days, follow up with Excess Collections via phone, email or fax.

e. Use the procedures in IRM 25.25.13-2, Transferring Credits to Excess, to determine the order in which you should transfer credits to and from Excess Collections. When moving a credit or payment to the Excess Collection File (XSF) or the Unidentified Remittance File (URF) follow procedures in IRM 21.5.8.4 (14), IDRS Guidelines for Credit Transfers, for required audit trail markers. For assistance in matters related to XSF and URF, see Excess Collection, located on Servicewide Electronic Research Program (SERP) under the Who/Where tab.

Exception: Telephone contact is **not** required if a previous attempt was made to obtain new/correct address information (i.e., 533C or another letter).

Note: If the returned check is for the first, second, or third round of Economic Impact Payments, see IRM 21.6.3.4.2.13, Economic Impact Payments, for more information about how to correct these accounts.

IRM 21.4.3.5.5(11) d - For clarity moved sub para f to sub para d to monitor your case for 45 days.

(11) If unable to release the credit, transfer the credit as follows:

a. If the credit is less than one year old, apply to the Unidentified Remittance File (URF– 4620 Account) using Form 2424, Account Adjustment Voucher. Refer to IRM 3.14.1.6.8, Excess Collections (XSF) and Unidentified Remittance (URF) Files.

Note: Ensure all documentation is attached to your CII case, follow IRM 21.5.1.5.1, CII General Guidelines.

b. Monitor your case for 45 days using activity code "F2424XXX" where the "XXX" is the julian date that represents the last day of the suspense period. Close the CII or paper case when the credit has been moved from the account by Excess

Collections. If working paper case ensure AMS notes are updated, and close refund inquiry control base. If no action after 45 days, follow up with Excess Collections via phone, email or fax.

c. If the credit is more than one year old, or a returned Recovery Rebate Credit (RRC), apply to the Excess Collection File (XSF– 6800 Account) using Form 8758, Excess Collections File Addition. Refer to IRM 3.17.220.2, Excess Collections File, for specific information about the Excess Collections Account 6800. If moving a returned Recovery Rebate Credit (RRC) refund as instructed paragraph 4 box 18 above, clearly annotate the Form 8758 as being a "Returned Recovery Rebate Credit (RRC)".

Note: Form 8758 - Excess Collections File Addition should be routed to the appropriate site based on the Filing Location Code (FLC) of the DLN see Excess Collection, located on Servicewide Electronic Research Program (SERP) under the Who/Where tab.

d. Monitor your case for 45 days using activity code "F8758XXX" where the "XXX" is the julian date that represents the last day of the suspense period. Close the CII or paper case when the credit has been moved from the account by Excess Collections. If working paper case ensure AMS notes are updated, and close refund inquiry control base. If no action after 45 days, follow up with Excess Collections via phone, email or fax.

e. Use the procedures in IRM 25.25.13-2, Transferring Credits to Excess, to determine the order in which you should transfer credits to and from Excess Collections. When moving a credit or payment to the Excess Collection File (XSF) or the Unidentified Remittance File (URF) follow procedures in IRM 21.5.8.4 (14), IDRS Guidelines for Credit Transfers, for required audit trail markers. For assistance in matters related to XSF and URF, see Excess Collection, located on Servicewide Electronic Research Program (SERP) under the Who/Where tab.

Exception: Telephone contact is **not** required if a previous attempt was made to obtain new/correct address information (i.e., 533C or another letter).

Note: If the returned check is for the first, second, or third round of Economic Impact Payments, see IRM 21.6.3.4.2.13, Economic Impact Payments, for more information about how to correct these accounts.

IRM 21.4.3.5.5(11) d - For clarification updated to add direction for paper cases to be closed. SERP Feedback 35479.

(11) If unable to release the credit, transfer the credit as follows:

a. If the credit is less than one year old, apply to the Unidentified Remittance File (URF– 4620 Account) using Form 2424, Account Adjustment Voucher. Refer to IRM 3.14.1.6.8, Excess Collections (XSF) and Unidentified Remittance (URF) Files.

   Note: Ensure all documentation is attached to your CII case, follow IRM 21.5.1.5.1, CII General Guidelines.

b. Monitor your case for 45 days using activity code "F2424XXX" where the "XXX" is the julian date that represents the last day of the suspense period. Close the CII or paper case when the credit has been moved from the account by Excess Collections. If working paper case ensure AMS notes are updated, and close refund inquiry control base. If no action after 45 days, follow up with Excess Collections via phone, email or fax.

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IRM 21.4.3.5.5(11) e - Removed note about RRC credit as new procedures were established.

(11) If unable to release the credit, transfer the credit as follows:

a. If the credit is less than one year old, apply to the Unidentified Remittance File (URF– 4620 Account) using Form 2424, Account Adjustment Voucher. Refer to IRM 3.14.1.6.8, Excess Collections (XSF) and Unidentified Remittance (URF) Files.

   Note: Ensure all documentation is attached to your CII case, follow IRM 21.5.1.5.1, CII General Guidelines.

b. Monitor your case for 45 days using activity code "F2424XXX" where the "XXX" is the julian date that represents the last day of the suspense period. Close the CII or paper case when the credit has been moved from the account by Excess Collections. If working paper case ensure AMS notes are updated, and close refund inquiry control base. If no action after 45 days, follow up with Excess Collections via phone, email or fax.

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   Note: Form 8758 - Excess Collections File Addition should be routed to the appropriate site based on the Filing Location Code (FLC) of the DLN see Excess Collection, located on Servicewide Electronic Research Program (SERP) under the Who/Where tab.

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e. Use the procedures in IRM 25.25.13-2, Transferring Credits to Excess, to determine the order in which you should transfer credits to and from Excess Collections. When

moving a credit or payment to the Excess Collection File (XSF) or the Unidentified Remittance File (URF) follow procedures in IRM 21.5.8.4 (14), IDRS Guidelines for Credit Transfers, for required audit trail markers. For assistance in matters related to XSF and URF, see Excess Collection, located on Servicewide Electronic Research Program (SERP) under the Who/Where tab.

Exception: Telephone contact is **not** required if a previous attempt was made to obtain new/correct address information (i.e., 533C or another letter).

Note: If the returned check is for the first, second, or third round of Economic Impact Payments, see IRM 21.6.3.4.2.13, Economic Impact Payments, for more information about how to correct these accounts.

IRM 21.4.3.5.6(1)(2) - For consistency updated the time frame in which a check becomes limited payability.

(1) Under Title X, Government Checks, of the Competitive Equality Banking Act of 1987 (known as Limited Payability provision), checks issued October 1, 1989 or later expire the last business day of the 12th month after issuance. The credit for an expired refund will post as a TC 740, blocking series/serial number "66666", the month after a check reaches one year from issue date (the 2nd business day in the 13th month).

(2) If the taxpayer contacts IRS and either returns or wants to return a refund check that is over 1 year old (known as a "stale dated" check) use the following chart to determine your response:

Row	If	Then
1	S- freeze is present	1. Follow S- freeze procedures in IRM 21.4.3.5.3, Undeliverable Refund Checks. For more information see IRM 21.5.6.4.38, S- Freeze. 2. Advise the taxpayer to destroy the expired check if it is still in their possession.
2	S- freeze and a TC 388 are present on CC IMFOL and not on CC TXMOD	1. Input CC RECON to activate the module. The refund will generate once the TC 389 posts. Advise the taxpayer to allow 4-6 weeks. **Note:** If the refund is older than seven years, TC 389 will post and reissue the refund when the account is brought back from retention. See IRM 2.3.51.2, Command Code IMFOL.

		2. Refer to IRM 21.4.2.4.9, Processing Limited Payability (LP) Cancellations on Checks Dated After 09/30/1989
3	No S- freeze is present	1. Check the tax module for a TC 740, with blocking series 66666, and matching posting date after the TC 846. 2. If the TC 740 is present and another TC 846 or TC 826 is posted after the TC 740, advise the taxpayer their refund has been re-issued or offset. 3. Advise the taxpayer to destroy the expired check if it is still in their possession.
4	No S- freeze is present or credit on the module	Conduct research. Check the account for subsequent refund transactions TC 740, TC 841, TC 846, TC 840, or TC 826. 1. If no subsequent refund is found, and it's been 12 months past the refund issue date but no more than 13 months, prepare a Form 4442/e-4442, Inquiry Referral, to the issuing campus Refund Inquiry Unit for CC CHKCL input. Select Referral Type "IRM" with Category - "Other Write-In". For Write-In description use "IRM 21.4.3.5.6" - Resolving Returned Expired Refunds Limited Payability, and for Reason, select "Other or Complex Issue/Training Specialization". Include in the notes any pertinent information. Advise the taxpayer to allow 4-6 weeks for us to provide a refund check status or the refund to be reissued. Tell the taxpayer to destroy the expired check if it is still in their possession. 2. Refund Inquiry Unit employees: Input CC CHKCL to post the credit for the check. Use the "N" non-receipt code on CC CHKCL. If a P- freeze needs to be set, use non-receipt code "H". See Exhibit 21.4.2-4, Stop Reason Codes Conversion Guide, for available codes. 3. Do not allow more interest if the IRS is not at fault. 4. If the refund check is between the 13th month and 7 years after the issue date, inform the taxpayer to return the refund check to the Refund Inquiry Unit for further research. Advise the taxpayer to write **void** on the back of the check and return it to IRS along with a letter of explanation. See the Refund Inquiry Unit Addresses for

		the proper address. Once research has been completed the taxpayer will receive the refund or a letter.
5	No S- freeze is present or refund cancellation credit on the module	If no refund cancellation credit transaction is found on the module and it's after 7 years of the issue date of the refund check, advise the taxpayer by telephone or Letter 2218C, Refund Inquiry; Check Claim Disallowed, Check Endorsed/Paid, that the check cannot be reissued.
6	Expired check is an Economic Impact Payment (EIP)	The EIP should have been systemically reversed. If EIP has not been reversed, follow IRM 21.6.3.4.2.13.3, Economic Impact Payments (EIP) - Manual Adjustments, to adjust EIP. The taxpayer may claim the Recovery Rebate Credit on their 2020/2021 tax return if eligible. See IRM 21.6.3.4.2.14, Recovery Rebate Credit, for more information.
7	Expired check is an Advance Child Tax Credit Payment (AdvCTC)	The AdvCTC should have been systemically reversed. The funds cannot be reissued, see IRM 21.6.3.4.1.24.2.1, Reconciling Advance Child Tax Credit (AdvCTC) Payments, for more information.

Note: If the original refund was a manual refund, you may need to reissue as a manual refund. Refer to IRM 21.4.4, Manual Refunds.

(3) For refunds meeting or related to TRNS46 transcripts (STAT-08 and AMX-08) with decedent refunds, refer to IRM 21.2.4.3.20, Processing TRNS46 Cases, to address refund.

IRM 21.4.3.5.7(2) - For consistency included that inventory is scanned to Correspondence Imaging Inventory and that Refund Inquiry employees use the Available Check Cancellation (ACC)link in the Treasury Check Information System (TCIS) to initial the cancellation of the returned refund check directly with the Bureau of the Fiscal Service (BFS).

(2) Unexpired refund checks are scanned to Correspondence Imaging Inventory (CII) , which opens a control base on IDRS in Category Code 3913. When the check is cancelled in the Available Check Cancellation (ACC) link on the Treasury Check Information System (TCIS) , the funds will be returned and a TC 841 will post at which time the Category Code changes to 841P.

Note: Checks that are Limited Payability (LP) expired (more than one year old) are not sent to the RFC and a TC 841 will not post, therefore the Category Code will not change.

Caution: A check that is returned directly to the RFC by the taxpayer is known as a "Code 3" cancellation (on the SF1098 listing). RFC cancels the check and forwards any taxpayer correspondence to IRS. The TC 841 for these checks should already be posted when the correspondence is received, but the Category Code "3913" will not automatically change to "841P". If this occurs, change the Category Code to "841P".

IRM 21.4.3.6 - For inclusion of missing procedures created new subsection for returning direct deposit refunds. SERP Feedback 33562.

(1) If the taxpayer calls or sends in a request on how to return a direct deposit refund, the customer service representative (CSR) or tax examiner at the IRS Campus Refund Inquiry (RI) Unit, should first confirm the refund was issued by the IRS. If speaking to the taxpayer or the taxpayer's authorized Power of Attorney (POA) on Form 2848 or Tax Information Authorization (TIA) on Form 8821, verify the refund information on the taxpayers account.

(2) 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 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 and CC IMFOLT display a "10" in the "DIR-DEP-REJ-RSN-CD>" and "DDRC:" fields, respectively.

- CC IMFOBT and CC TRDBV displays the bank ABA (routing) number and the bank account number receiving the direct deposit.

(3) After verifying the direct deposit **was** issued from the taxpayers account, annotate AMS with the reason for the taxpayer request to return the refund. Advise the taxpayer, orally or in writing, to send a letter of explanation and include where the refund should be applied. Advise to annotate all payments with the following:

- Make the check or money order payable to "United States Treasury".

- The taxpayer name and address.

- The SSN or EIN (specify the primary TIN on the account).

- Day time telephone number.

- Tax form(s) to which the payment applies.

- Tax period(s) to which the payment applies.

See TCD 0043 - Payment Annotations, for additional information.
Inform the taxpayer to send the letter and repayment to the Refund Inquiry Unit for further research. See the Refund Inquiry Unit Addresses for the proper address.

(4) If the taxpayer indicates they did not request a refund, or after reviewing the taxpayers account no direct deposit can be found, follow directions in IRM 21.4.5.12, How to Repay an Erroneous Refund or Return an Erroneous Refund Check or Direct Deposit.