

IRM PROCEDURAL UPDATE

DATE: 04/01/2026

NUMBER: ts-21-0426-0384

SUBJECT: Various Changes to Manual Refunds

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

CHANGE(s):

IRM 21.4.4.5(11) - For consistency with other IRMs added link to IRM 21.2.4.3.40.1 Computer Condition Code (CCC) 3 or U-Coded Returns.

(11) If the original return was coded with CCC 3, was a **U** coded return (Form 1040), or Computer Condition Code X (Form 1120) is present on IDRS which means the original return was unprocessable due to no reply from a correspondence sent from the error resolution area. The RPD must be notated in the remarks and a completed REQ54 screen print showing the RPD must be attached as back up documentation to the manual refund. If a previous adjustment was input to the module that contained a RPD, then a copy of the REQ54 screen is not needed, it will be reflected on CC IMFOLR/BMFOLR. For more information see IRM 21.2.4.3.40.1, Computer Condition Code (CCC) 3 or U-Coded Returns.

IRM 21.4.4.5.1(3) Section I - Account Information: Block 20- For clarity added note to explain IAT tool down of characters on remarks line. SERP Feedback 37983. Added information for IDTVA to add to remarks to identify IDTVA refunds. SERP Feedback 37500. Added link to IRM 21.2.4.3.40.1 Computer Condition Code (CCC) 3 or U-Coded Returns. SERP Feedback 37583.

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

- **Block 1, TIN and File Source** - Input the TIN and File Source of the account from which the refund will be issued
- **Block 2, MFT Code** - Input the Master File Tax (MFT) Code
- **Block 3, Tax Period** - Input the tax period as YYYYMM
Exception: Period ending for MFT 52 is always 000000
- **Block 4, Plan Number** - Input the plan/report number, applicable for MFT 46, 74, and 76
- **Block 5, Name Control** - Input the four-character name control

- **Block 6, TC 840 Amount** - Input the TC 840 amount (overpayment, plus allowable interest)
- **Block 7, TC 770 Amount** - Input the TC 770 amount (allowable interest). If no interest is being computed, enter "0" or ".00"
- **Block 8, Overpayment Amount** - Input the overpayment amount: The amount being refunded not including any available credit interest

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

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

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

Note: N for "normal interest" refers to interest that is computed normally with "to and from" dates. R for "restricted interest" refers to interest computed in another method and may involve IRC provisions. See IRM 20.2.1.4, Normal and Restricted Interest, for more information.

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

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

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

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

Deceased Taxpayer Manual Refunds: For decedent accounts, **DO NOT address the first name line to a deceased taxpayer.** Use the name of the person claiming the refund as the payee for refunds issued on decedent accounts. **Refer to IRM 21.6.6.2.21.2, Processing Decedent Account Refunds, to determine the proper documentation for claiming a refund on a decedent account.** The deceased taxpayer's name is shown on the second name line. The "Decd" in the second name line will be entered after the given name of the deceased taxpayer on a joint account or after the surname of the taxpayer on an individual account.

Caution: Before issuing a manual refund on a decedent account with a -X freeze, see IRM 21.5.6.4.48(1)(c), -X Freeze, for updated procedures that may include inputting a TC 971 AC 807 to release the freeze and generate a systemic refund.

Example:

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

	MUST MATCH THE COURT DOCUMENTATION)	
Claimant	Linda Rose	Jack Boxer Decd

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

- **Block 20, Remarks** - Annotate reason for the refund in the remarks field. Be specific. Include all pertinent information. This would be anything you would want Accounting to know about the circumstance of the manual refund. If a form is attached as supporting documentation for the manual refund, specify the form type in the remarks.

For example, if issuing a manual refund because of an injured spouse, you would indicate **"F8379 attached"**; or for a deceased TP refund based on the filing of a Form 1310, you would indicate **"F1310 attached"**.

This block allows up to 320 characters on the form however CC RFUND will only populate the first 80 characters.

Note: The IAT MR tool attempts to avoid splitting a word in half. If the 40th character falls in the middle of a word, the tool adjusts the break point, so the word shifts to the second line instead. In effect: Line 1 contains up to 40 characters, ending at a natural word break when possible. Line 2 contains the remaining text, up to 40 characters. Any text beyond 80 total characters is not transmitted to RFUNDR. The tool formats the remarks to fit within IDRS constraints while preserving readability.

The CII ID does not need to be included in the first 80 characters of the remarks.

To aid accounting in identifying refunds generated by IDTVA, include **"IDTVA MR"** in the last line of the remarks field.

Reminder: If the original return was coded with CCC 3, was a **U** coded return (Form 1040), or Computer Condition Code X (Form 1120) is present on IDRS which means the original return was unprocessable due to no reply from a correspondence sent from the error resolution area. The RPD must be notated in the remarks and a completed REQ54 screen print showing the RPD must be attached as back up documentation to the manual refund. If a previous adjustment was input to the module that contained a RPD, then a copy of the REQ54 screen is not needed, it will be reflected on CC IMFOLR/BMFOLR. For more information see IRM 21.2.4.3.40.1, Computer Condition Code (CCC) 3 or U-Coded Returns.

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

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

Caution: Some programs require specific remarks to be added to the manual refund documents. Always check the IRM of the program you are working to ensure proper remarks are being added to the manual refund forms.

Field Assistance (FA) employees - In addition to the remarks indicated above, enter **TS:CARE:FA**.

- **Block 21, Initiating BOD** - Check the box of the initiating Business Operating Division (BOD).
- **Block 22, Document Locator Number (DLN)** - Input the controlling document locator number (DLN) on the module. If no return posted or not needed, write in “return not posted”
- **Block 23, Bankruptcy Code Case** - Check the box if the account has a bankruptcy indicator.
- **Block 24, TC 130** - Check the box if the account contains a TC 130

IRM 21.4.4.5.1(4) - Section II - Manual Refund Authority: Box 1c: for consistency updated corrected IRM reference for issuing the Injured Spouse Refund. Box 6: added to check box when all supporting documentation I attached and complete. Box 11: For clarity added direction to check DMER Print attached box when DMER form is attached and to enter initials of manager when form is created. SERP Feedback 37877 and 38159.

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

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

Example: If you are working an Injured Spouse Claim and issuing a manual refund because the address is different on the form than master-file, you would use IRM 21.4.6.5.6.6, Issuing the Injured Spouse Refund.

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

- **Box 3, IDRS and Master File Researched for Outstanding Balances and TC 130**
- **Box 4, Check if a Debit Account Transcript is Attached**(Mark ONLY if applicable)

- **Box 6, Necessary Back-Up Documents Attached** -Once you have verified all supporting documentation is attached and complete. For example, taxpayer correspondence, internal transcript, copy of Form 1040X, Form 1045, Form 4442, Form 8379, Injured Spouse worksheet if applicable, Form 1310 (if applicable), Form 843, etc. (this list is not all-inclusive)
- **Box 7, Verify Refund Amount with Source Document Amount**
- **Box 10, Bypass Indicator** - Confirm the BPI has been input on the adjustment if applicable
- **Box 11, IAT Tool DMER Bypass - DMER Print Attached** - Mark when a duplicate condition is found, and DMER form is attached. The initials of the manager who signed the DMER Bypass document must be entered when the Form 5792 is created.
- **Box 13, All items Above completed** - Verify that all applicable items in Section I - Account Information, are completed
- Mark any other boxes in this section as applicable

IRM 21.4.4.5.1(5) - For clarity added when completing the COMPA section in the IAT Manual Refund Tool to the direction when using multiple COMPA definers. SERP Feedback 37263.

(5) The following are the instructions for completing Form 5792, **Section III - Interest Computation** Accounting will need to verify the interest dates are correct and the credit is available for refund.

- The preparer must compute all interest for the TC 770 amount. For information on computing credit interest, see IRM 20.2.4.8.2, Manual Refunds.
- Input the interest "To" date and the total interest amount. The IAT Manual Refund Tool will automatically complete this section. See IRM 21.4.4.6, Other Manual Refund Requirements, for instructions about determining "To" and "From" dates and determining the date of the overpayment.
- If different CC COMPA definers are being used to calculate the total interest, use only the first "From" date and the last "To" date when completing the COMPA section in the IAT Manual Refund Tool and add remarks per third note below. See IRM 2.3.29.3, Command Code COMPA, for definer definitions and when to use them.
- If reissuing a returned refund, input "Original Interest" in Section I Box 20 - Remarks, if an original amount of interest will be issued.

- Check the Interest Computation Attached box Yes and attach a copy of the CC COMPA print or ACT/DMI Report 490 indicating the applicable interest computation. If not required to calculate interest, then check the Interest Computation Attached box No.

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

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

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

Note: Large dollar manual refunds of \$1 million or more that contain credit interest, must be reviewed and approved by the Technical Unit. See IRM 21.4.4.6 (4), Other Manual Refund Requirements.

IRM 21.4.4.5.1(6) Section IV - Manual Refund Approval: Block 3 - For clarity added information to include a managers phone number beginning with 833 including an extension number is acceptable.

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

- **Block 1, No. of Employee Inputting RFUND via IDRS** - Enter the IDRS number of the employee inputting CC RFUND

Reminder: If you are on swing shift, a "Y" needs to be placed at the end of your IDRS number.

- **Block 2, Request Prepared By** - Enter the name of the initiator of the request
- **Block 2a, SEID of the Preparer** - Enter the Standard Employee Identifier (SEID) of the initiator of the request

Note: A SEID always ends with the letter "B" and **does not contain** any vowels.

- **Block 3, Phone Number** - Enter the of the request originator. (The telephone number must either be an internal telephone number or begin with 833 followed by an extension number, not an 800 toll-free number, in order for the accounting function to contact the generating area if necessary).

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

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

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

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

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

IRM 21.4.4.5.2(5) Section I - Account Information: Block 11- removed information for including direct deposit information in Block 11 and added Block 11a, Routing number, Block 11b, Account number and Block 11c, Account type to the section to explain the entries for those lines. SERP Feedback 37345 and 37770.

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

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

Exception: MFT 52 is always 000000

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

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

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

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

- **Block 8, Form Number** - Enter the return form number
- **Block 9, DLN of Return** - Enter the controlling DLN on the module. If no return posted or not needed, write in "return not posted"
- **Block 10b, Amount of Refund Check** - Enter amount of check (TC 770 plus amount of overpayment)
- **Block 10d, Interest** - Enter TC 770 with amount of allowable interest
- **Block 11, Make Check Payable To** - Complete this block if the payee is other than the taxpayer or the refund is being issued to a different address. Differences must be explained in Section 2. If the address is the same, put in the remarks "same address". This will be sufficient for not completing the entire block.

Note: For decedent accounts, do not address the first name line on the check to a deceased taxpayer. Use the name of the person claiming the refund as the payee for refunds issued on decedent accounts. Refer to IRM 21.6.6.2.21.2, Processing Decedent Account Refunds, to determine the proper documentation for claiming a refund on a decedent account. The deceased taxpayer's name will be entered as the second name line. The "Decd" in the second name line will be entered after the given name of the deceased taxpayer on a joint account or after the surname of the taxpayer on an individual account.

Example:

Person claiming the refund is:	1st name line	2nd name line
Surviving spouse	Mary Beagle	John Decd and Mary Beagle
An individual Court Appointed or Personal Representative	James White (A TITLE IS NOT REQUIRED. IF A TITLE IS USED, IT MUST MATCH THE COURT DOCUMENTATION)	Elizabeth White, Decd

A Business Entity Acting as a Court Appointed or Personal Representative	Gopher National Bank (A TITLE IS NOT REQUIRED. IF A TITLE IS USED, IT MUST MATCH THE COURT DOCUMENTATION)	Elizabeth White, Decd
Claimant	Linda Rose	Jack Boxer, Decd

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

- **Block 11a, Routing number** enter the routing number for the bank where the taxpayer wants the direct deposit applied.
- **Block 11b, Account number** enter the account number in which the taxpayer wants the direct deposit applied.
- **Block 11c, Account type** check the box for Checking or Savings as appropriate
- **Block 12a, Symbol and 12b, Amount** - Used only when completing Form 3753 for Credit Card Chargeback, by the Manual Refund Unit or by other IRS Offices/Agencies that require funds to be withdrawn from specific Treasury Accounts
- **Block 13, Overpayment Amount** - Enter amount of overpayment. The amount being refunded, less allowable interest

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

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

IRM 21.4.4.5.2(6) Section II - Manual Refund Authority: Box 13: For clarity added direction to check DMER Print attached box when DMER form is attached. SERP Feedback 37877.

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

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

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

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

- **Box 3, IDRS and Master File researched for outstanding balance and TC 130**
- **Box 4, Transcript of debit accounts attached** (if applicable)
- **Box 5, Evidence of Credit Condition** - Check at least one box
- **Box 6, Necessary back-up documents attached**
- **Box 9, Interest** - Check one box
- **Box 11, By Pass Indicator (BPI)** - Enter a BPI 0 or 3. If the BPI is 3, you must verify that no debt exists and notate the following: BFS contact name, date of contact and no TOP debt. This statement must appear in the "Other Remarks" box on the Form 3753. Exception: Form 8038CP and Department of Justice Cases are not subject to offset.
- **Box 13, IAT Tool DMER Bypass - DMER Print Attached**-Mark when a duplicate condition is found, and DMER form is attached. The initials of the manager who signed the DMER Bypass document must be entered.
- **Box 17, All items Above completed** - Verify that all applicable items in Section I - Account Information, is completed.
- Mark any other boxes in this section as applicable

IRM 21.4.4.5.2(8) Section IV - Other Remarks- For consistency with other IRMs added link to IRM 21.2.4.3.40.1 Computer Condition Code (CCC) 3 or U-Coded Returns.

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

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

Reminder: If the original return was coded with CCC 3, was a **U** coded return (Form 1040), or Computer Condition Code X (Form 1120) is present on IDRS which means the original return was unprocessable due to no reply from a correspondence sent from the error resolution area. The RPD must be notated in the remarks and a completed REQ54 screen print showing the RPD must be attached as back up documentation to the manual refund. If a previous adjustment was input to the module that contained a RPD, then a copy of the REQ54 screen is not needed, it will be reflected on CC IMFOLR/BMFOLR. For more information see IRM 21.2.4.3.40.1 , Computer Condition Code (CCC) 3 or U-Coded Returns.

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

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

IRM 21.4.4.5.2(9) Section IV - Manual Refund Approval: Block 4 - For clarity added information to include a managers phone number beginning with 833 including an extension number is acceptable.

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

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

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

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

- **Blocks 2, a, 3, and 4** - Enter the name, SEID, date, and the managers phone number of the request originator. (The telephone number must either be an internal telephone number or begin with 833 followed by an extension number, not an 800 toll-free number, in order for the accounting function to contact the generating area if necessary.)

Note: A SEID always ends with the letter “**B**” and **does not contain** any vowels.

Exhibit 21.4.4-3(2) - For consistency with other IRMs added link to IRM 21.2.4.3.40.1 Computer Condition Code (CCC) 3 or U-Coded Returns.

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

1. Prior to issuing manual refunds, initiators must review account information and take actions such as:
 - Determine if the account is subject to offset by Bureau of the Fiscal Service Treasury Offset Program (TOP) or other tax obligations.
 - Use appropriate hold codes or posting delay codes as applicable.
 - Use TC 570 with credit transfers.
 - Enter appropriate computer condition codes (CCC) with an original return.
 - Use IDRS to ensure no other site or employee has issued a duplicate refund (TC 840), TC 971 AC 664, or that a refund has already generated (TC 846). The presence of a TC 971 AC 664 indicates that a Form 3753 is in process. If a generated refund will be issued within two cycles, do not issue a manual refund. It is necessary that prepaid credits claimed by the taxpayer are available for refund and that the taxpayer does not have any outstanding balances.
 - Research freeze codes or IDRS control bases assigned to another IRS employee. If accounts are controlled, take no further action to release the freeze or control base without contacting that employee first.
 - A-U Freeze (Erroneous Refund Freeze) requires contact with the Erroneous Refund function and documentation of approval by the Erroneous Refund function in the remarks section of the Form 5792 / Form 3753. Master File displays a TC 844 at times with a TC 700, Document Code 58 in the DLN. These accounts are being monitored by the Erroneous Refund function (SP Accounting Operations) to recover an unassessed erroneous refund. The TC 700 Document Code 58 is input by Accounting to prevent erroneous billing notices and will compensate injured taxpayers from a general ledger

account. Transcripts (TRANS 844) generate to the Erroneous Refund function for applying credits that become available on accounts at the controlling SP Center.

- Review IMFOL/BMFOL. Determine whether a direct deposit was already issued to a bank account.
 - Ensure erroneous refunds are not released during BMF accelerated cycles (generally occurs during the end of May, September and October). Refund intercepts (stopping refunds via IDRS CC NOREF) are not possible during accelerated cycles.
2. The table below summarizes the basic research required for all manual refunds (those issued on Form 5792, Request for IDRS Generated Refund (IGR), and Form 3753, Manual Refund Posting Voucher):

IDRS Research Required on All Manual Refunds.
<p>Verify:</p> <ul style="list-style-type: none">○ TIN○ MFT and Tax Period○ Payee name and address○ Debt indicators (TOP offset), XREF TINs, TC 130 Indicator <p>The following information must be attached to the manual refund form:</p> <ul style="list-style-type: none">○ Sufficient documentation to justify issuing the manual refund (for example: taxpayer correspondence, internal transcript, copy of Form 1040X, Form 1045, Form 4442, Form 8379 or the injured spouse worksheet if applicable, Form 1310, Form 843, the taxpayer's hardship documentation or a signed statement from the Local Taxpayer Advocate (LTA) approving the taxpayer's hardship refund request, etc.)○ CC COMPA or Automated Computation Tool (ACT)/Decision Modeling Inc. (DMI) Report 490 (if interest was calculated)○ CC ENMOD (only if a pending name or address change is indicated)○ If the original return was coded with CCC 3, was a U coded return (Form 1040), or Computer Condition Code X (Form 1120) is present on IDRS which means the original return was unprocessable due to no reply from a correspondence sent from the error resolution area.

The RPD must be notated in the remarks and a completed REQ54 screen print showing the RPD must be attached as back up documentation to the manual refund. If a previous adjustment was input to the module that contained a RPD, then a copy of the REQ54 screen is not needed, it will be reflected on CC IMFOLR/BMFOLR. For more information see IRM 21.2.4.3.40.1, Computer Condition Code (CCC) 3 or U-Coded Returns.

- Generally, unless required by the specific type of manual refund being input all other IDRS prints are not required to be attached to the manual refund request, as the Accounting Functions have access to IDRS and can verify the information.

- Input TC 971 AC 037 as applicable

Note: A manual refund cannot be issued to a POA

- Verify RSED open/expired
- Research freeze codes
- Review for any pending TCs that would release a TC 570, freeze codes, or the K- freeze set by a HC 1, 2, or 4.

Verify outstanding balances (OBLs); research all related accounts (IMF, BMF, NMF) for OBLs using the following CCs:

- CC SUMRY
- CC TXMOD
- CC IMFOLI/CC BMFOLI
- CC IMFOLT/CC BMFOLT

Research CC TXMOD for TC 971 AC 664, which indicates a manual refund has been scheduled/issued by the Accounting Function using Form 3753, Manual Refund Posting Voucher.

Review/verify "O" (letter O) coded returns - See Document 6209, IMF Computer Condition Codes. "O" code identifies a pre-settlement manual refund was paid.

Attach offset bypass refund (OBR) or hardship verification, if applicable.

Research CC FFINQ - Requests IMF from the Fact of Filing information file.

Review manual refunds over \$1 Million - Technical unit is required to review credit interest.

Resolve other open controls and receive approval from other functions (if applicable) to process the manual refund.

Input/review for TC 291, TC 295, TC 299, TC 766 with a HC 1, 2, or 4. Input TC 570 as applicable.

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

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

Form 5792 Checklist

Verify the following information in Section I (Account information) of the Form 5792:

- Box 6, TC 840 amount (math verify that box 7 + box 8 = box 6)
- Box 9, Line Number (see IRM 2.4.20, Command Codes RFUND and REFAP)
- Box 11, ULC code
- Box 13, Blocking Series (as applicable)
- Box 14, First Name Line
- Box 18, Street address or P.O. number
- Box 19, City, State, and Zip code
- Box 20, Remarks (to explain the reason for the manual refund)

Note: If the RSED is expired, a notation must be included in the Remarks section to state the Statute issue has been reviewed and the credit is available for refund. Notations must be clear and can include **“Timely filed, No RSED Issue”** or **“RSED allowable”**. Before initiating the manual refund, you must determine the credit availability. If the original return was coded with CCC 3, was a **U** coded return (Form 1040), or Computer Condition Code X (Form 1120) is present on IDRS which means the original return was unprocessable due to no reply from a correspondence sent from the error resolution area. The RPD must be notated in the remarks and a completed REQ54 screen print showing the RPD must be attached as back up documentation to the manual refund. If a previous adjustment was input to the module that contained a RPD, then a copy of the REQ54 screen is not needed, it will

be reflected on CC IMFOLR/BMFOLR. For more information see IRM 21.2.4.3.40.1, Computer Condition Code (CCC) 3 or U-Coded Returns.

- Box 22, DLN of return

Verify the following information in Section II (Manual Refund Authority) of the Form 5792:

- Box 1, c, Handbook Reference - Input the specific IRM that confirms the reason for the manual refund. IRM 21.4.4 cannot be used as the IRM reference for this box.
- Box 3, IDRS and Master File researched for outstanding balances and TC 130
- Box 4, Transcript of debit accounts attached (ONLY if box is checked)
- Box 5, Evidence of Credit Condition (mark appropriate box if applicable)
- Box 6, Necessary back-up documents attached - For example, taxpayer correspondence, internal transcript, copy of Form 1040X, Form 1045, Form 4442, Form 8379, injured spouse worksheet, Form 1310, Form 843, etc. (this list is not all- inclusive)
- Box 7, Verify refund amount with source document amount
- Box 10, By Pass Indicator (BPI) - Confirm the BPI has been input on the adjustment if applicable. See IRM 21.4.6, Refund Offset
- Box, 11, IAT Tool DMER Bypass - DMER Print Attached -Mark when a duplicate condition is found, and DMER form is attached. The initials of the manager who signed the DMER Bypass document must be entered.
- Box 13, All items above completed - Verify that all applicable items in Section I - Account Information are completed

Verify the following information in Section III (Interest Computation) of the Form 5792:

- Input the interest "To" date and the interest amount, or
- Input "Original Interest" in Section I Box 20 - "Remarks" if an original amount of interest will be issued
- Check the Interest Computation Attached box **Yes** and attach a copy of the CC COMPA print or ACT/DMI Report 490 indicating the

applicable interest computation. If not required to calculate interest, then check the Interest Computation Attached box **No**

- See IRM 20.2.4.8.2, Manual Refunds, for information on computing credit interest

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

Note: A SEID always ends with the letter “**B**” and **does not contain** any vowels.

- Box 3, Phone number - Must be the managers phone number of the request originator. (The telephone number must be either an internal telephone number or begin with 833 followed by an extension number, not an 800 toll-free number, in order for the accounting function to contact the generating area if necessary)
- Box 4, Digital Signature of approving official - A “SEID” digital signature format must be used on Form 5792. (The digital signature must include the SEID and name of the approving official on the active Form 14031 - Section II on file.)

Reminder: See IRM 3.17.79.3.2.3, Manual Refund Digital Signature Requirement, for required authorized digital signature format on Form 5792.

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

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

Form 3753 Checklist

Verify the following information in Section I (Account Information) of the Form 3753:

- Box 7, Name and address
- Box 9, DLN of return
- Box 10b, TC 840 amount (math verify that box 13 + box 10d = box 10b) -Verify refund amount with source document amount
- 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
- **Block 11a, Routing number** enter the routing number for the bank where the taxpayer wants the direct deposit applied.
- **Block 11b, Account number** enter the account number in which the taxpayer wants the direct deposit applied.
- **Block 11c, Account type** check the box for Checking or Savings as appropriate
- Box 14, Universal Location Code (ULC)
- Box 15, Line number (see IRM 2.4.20, Command Codes RFUND and REFAP)

Verify the following information in Section II (Manual Refund Authority) of the Form 3753:

- Box 1c, Handbook reference - Input the specific IRM reference that confirms the reason for the manual refund. IRM 21.4.4 cannot be used as the IRM reference for this box.
- Box 3, IDRS and Master File researched for outstanding balance and TC 130
- Box 4, Transcript of debit accounts attached (if applicable)
- Box 5, Evidence of credit condition (mark appropriate box)
- Box 6, Necessary back-up documents attached - For example: taxpayer correspondence, internal transcript, copy of Form 1040X, Form 1045, Form 4442, Form 8379, injured spouse worksheet, Form 1310, Form 843, etc. (this list is not all-inclusive)
- Box 9, Interest (mark appropriate box)

- Box 11, By Pass Indicator (BPI) - Enter a BPI 0 or 3. If the BPI is 3, you must verify that no debt exists and notate the following: BFS contact name, date of contact and no TOP debt. This statement must appear in the "Other Remarks" box on the Form 3753. Exception: Form 8038CP and Department of Justice Cases are not subject to offset.
- Box 13, IAT Tool DMER Bypass - DMER Print Attached-Mark when a duplicate condition is found, and DMER form is attached. The initials of the manager who signed the DMER Bypass document must be entered.
- Box 17, All items Above completed - Verify that all applicable items in Section I - Account Information, is completed.

Verify the following information in Section III (Interest Computation) of the Form 3753:

- Input the interest "To" date and the interest amount
- Input "Original Interest" in Section IV- Other Remarks if an original amount of interest will be issued.
- Check the Interest Computation Attached box "Yes" and attach a copy of the CC COMPA print or ACT/DMI Report 490 indicating the applicable interest computation. If not required to calculate interest, then check the Interest Computation Attached box "No".
- See IRM 20.2.4.8.2, Manual Refunds, for more information on computing credit interest

Verify the following information in Section IV (Other Remarks) of the Form 3753:

- Remarks (to explain the reason for the manual refund)

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

- Initiating BOD. (mark appropriate box)

Verify the following information in Section V (Manual Refund Approval) of the Form 3753:

- Box 1, Digital Signature of approving official - A “SEID” digital signature format must be used on Form 3753. (The digital signature

must include the SEID and name of the approving official on the active Form 14031 - Section II on file.)

Reminder: See IRM 3.17.79.3.2.3, Manual Refund Digital Signature Requirement, for required authorized digital signature format on Form 3753.

- Box 2, Name of originator -
- Box 2a, SEID

Note: A SEID always ends with the letter “B” and **does not contain** any vowels.

- Box 3, Date
- Box 4, Phone Number Must be the managers phone number of the request originator. (The telephone number must either be an internal telephone number or begin with 833 followed by an extension number, not an 800 toll-free number, in order for the accounting function to contact the generating area if necessary)

Exhibit 21.4.4-3(3) - For consistency with other IRMs added link to IRM 21.2.4.3.40.1 Computer Condition Code (CCC) 3 or U-Coded Returns. For clarity added direction to check DMER Print attached box when DMER form is attached. SERP Feedback 37877. For clarity added information to include a managers phone number beginning with 833 including an extension number is acceptable.

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

1. Prior to issuing manual refunds, initiators must review account information and take actions such as:
 - Determine if the account is subject to offset by Bureau of the Fiscal Service Treasury Offset Program (TOP) or other tax obligations.
 - Use appropriate hold codes or posting delay codes as applicable.
 - Use TC 570 with credit transfers.
 - Enter appropriate computer condition codes (CCC) with an original return.
 - Use IDRS to ensure no other site or employee has issued a duplicate refund (TC 840), TC 971 AC 664, or that a refund has already generated (TC 846). The presence of a TC 971 AC 664 indicates that a Form 3753 is in process. If a generated refund will be issued within two cycles, do not issue a manual refund. It is necessary that prepaid credits claimed by the taxpayer are available for refund and that the taxpayer does not have any outstanding balances.

- Research freeze codes or IDRS control bases assigned to another IRS employee. If accounts are controlled, take no further action to release the freeze or control base without contacting that employee first.
 - A-U Freeze (Erroneous Refund Freeze) requires contact with the Erroneous Refund function and documentation of approval by the Erroneous Refund function in the remarks section of the Form 5792 / Form 3753. Master File displays a TC 844 at times with a TC 700, Document Code 58 in the DLN. These accounts are being monitored by the Erroneous Refund function (SP Accounting Operations) to recover an unassessed erroneous refund. The TC 700 Document Code 58 is input by Accounting to prevent erroneous billing notices and will compensate injured taxpayers from a general ledger account. Transcripts (TRANS 844) generate to the Erroneous Refund function for applying credits that become available on accounts at the controlling SP Center.
 - Review IMFOL/BMFOL. Determine whether a direct deposit was already issued to a bank account.
 - Ensure erroneous refunds are not released during BMF accelerated cycles (generally occurs during the end of May, September and October). Refund intercepts (stopping refunds via IDRS CC NOREF) are not possible during accelerated cycles.
2. The table below summarizes the basic research required for all manual refunds (those issued on Form 5792, Request for IDRS Generated Refund (IGR), and Form 3753, Manual Refund Posting Voucher):

IDRS Research Required on All Manual Refunds.
<p>Verify:</p> <ul style="list-style-type: none"> ○ TIN ○ MFT and Tax Period ○ Payee name and address ○ Debt indicators (TOP offset), XREF TINs, TC 130 Indicator <p>The following information must be attached to the manual refund form:</p> <ul style="list-style-type: none"> ○ Sufficient documentation to justify issuing the manual refund (for example: taxpayer correspondence, internal transcript, copy of Form 1040X, Form 1045, Form 4442, Form 8379 or the injured spouse

worksheet if applicable, Form 1310, Form 843, the taxpayer's hardship documentation or a signed statement from the Local Taxpayer Advocate (LTA) approving the taxpayer's hardship refund request, etc.)

- CC COMPA or Automated Computation Tool (ACT)/Decision Modeling Inc. (DMI) Report 490 (if interest was calculated)
- CC ENMOD (only if a pending name or address change is indicated)
- If the original return was coded with CCC 3, was a **U** coded return (Form 1040), or Computer Condition Code X (Form 1120) is present on IDRS which means the original return was unprocessable due to no reply from a correspondence sent from the error resolution area. The RPD must be notated in the remarks and a completed REQ54 screen print showing the RPD must be attached as back up documentation to the manual refund. If a previous adjustment was input to the module that contained a RPD, then a copy of the REQ54 screen is not needed, it will be reflected on CC IMFOLR/BMFOLR. For more information see IRM 21.2.4.3.40.1, Computer Condition Code (CCC) 3 or U-Coded Returns.
- Generally, unless required by the specific type of manual refund being input all other IDRS prints are not required to be attached to the manual refund request, as the Accounting Functions have access to IDRS and can verify the information.

- Input TC 971 AC 037 as applicable

Note: A manual refund cannot be issued to a POA

- Verify RSED open/expired
- Research freeze codes
- Review for any pending TCs that would release a TC 570, freeze codes, or the K- freeze set by a HC 1, 2, or 4.

Verify outstanding balances (OBLs); research all related accounts (IMF, BMF, NMF) for OBLs using the following CCs:

- CC SUMRY
- CC TXMOD
- CC IMFOLI/CC BMFOLI
- CC IMFOLT/CC BMFOLT

Research CC TXMOD for TC 971 AC 664, which indicates a manual refund has been scheduled/issued by the Accounting Function using Form 3753, Manual Refund Posting Voucher.
Review/verify "O" (letter O) coded returns - See Document 6209, IMF Computer Condition Codes. "O" code identifies a pre-settlement manual refund was paid.
Attach offset bypass refund (OBR) or hardship verification, if applicable.
Research CC FFINQ - Requests IMF from the Fact of Filing information file.
Review manual refunds over \$1 Million - Technical unit is required to review credit interest.
Resolve other open controls and receive approval from other functions (if applicable) to process the manual refund.
Input/review for TC 291, TC 295, TC 299, TC 766 with a HC 1, 2, or 4. Input TC 570 as applicable.

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

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

Form 5792 Checklist
Verify the following information in Section I (Account information) of the Form 5792: <ul style="list-style-type: none"> ○ Box 6, TC 840 amount (math verify that box 7 + box 8 = box 6) ○ Box 9, Line Number (see IRM 2.4.20, Command Codes RFUND and REFAP) ○ Box 11, ULC code ○ Box 13, Blocking Series (as applicable) ○ Box 14, First Name Line ○ Box 18, Street address or P.O. number ○ Box 19, City, State, and Zip code ○ Box 20, Remarks (to explain the reason for the manual refund)

Note: If the RSED is expired, a notation must be included in the Remarks section to state the Statute issue has been reviewed and the credit is available for refund. Notations must be clear and can include **“Timely filed, No RSED Issue”** or **“RSED allowable”**. Before initiating the manual refund, you must determine the credit availability. If the original return was coded with CCC 3, was a **U** coded return (Form 1040), or Computer Condition Code X (Form 1120) is present on IDRS which means the original return was unprocessable due to no reply from a correspondence sent from the error resolution area. The RPD must be notated in the remarks and a completed REQ54 screen print showing the RPD must be attached as back up documentation to the manual refund. If a previous adjustment was input to the module that contained a RPD, then a copy of the REQ54 screen is not needed, it will be reflected on CC IMFOLR/BMFOLR. For more information see IRM 21.2.4.3.40.1, Computer Condition Code (CCC) 3 or U-Coded Returns.

- Box 22, DLN of return

Verify the following information in Section II (Manual Refund Authority) of the Form 5792:

- Box 1, c, Handbook Reference - Input the specific IRM that confirms the reason for the manual refund. IRM 21.4.4 cannot be used as the IRM reference for this box.
- Box 3, IDRS and Master File researched for outstanding balances and TC 130
- Box 4, Transcript of debit accounts attached (ONLY if box is checked)
- Box 5, Evidence of Credit Condition (mark appropriate box if applicable)
- Box 6, Necessary back-up documents attached - For example, taxpayer correspondence, internal transcript, copy of Form 1040X, Form 1045, Form 4442, Form 8379, injured spouse worksheet, Form 1310, Form 843, etc. (this list is not all- inclusive)
- Box 7, Verify refund amount with source document amount
- Box 10, By Pass Indicator (BPI) - Confirm the BPI has been input on the adjustment if applicable. See IRM 21.4.6, Refund Offset
- Box, 11, IAT Tool DMER Bypass - DMER Print Attached -Mark when a duplicate condition is found, and DMER form is attached. The initials of the manager who signed the DMER Bypass document must be entered.

- Box 13, All items above completed - Verify that all applicable items in Section I - Account Information are completed

Verify the following information in Section III (Interest Computation) of the Form 5792:

- Input the interest "To" date and the interest amount, or
- Input "Original Interest" in Section I Box 20 - "Remarks" if an original amount of interest will be issued
- Check the Interest Computation Attached box **Yes** and attach a copy of the CC COMPA print or ACT/DMI Report 490 indicating the applicable interest computation. If not required to calculate interest, then check the Interest Computation Attached box **No**
- See IRM 20.2.4.8.2, Manual Refunds, for information on computing credit interest

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

Note: A SEID always ends with the letter "**B**" and **does not contain** any vowels.

- Box 3, Phone number - Must be the managers phone number of the request originator. (The telephone number must be either an internal telephone number or begin with 833 followed by an extension number, not an 800 toll-free number, in order for the accounting function to contact the generating area if necessary)
- Box 4, Digital Signature of approving official - A "SEID" digital signature format must be used on Form 5792. (The digital signature must include the SEID and name of the approving official on the active Form 14031 - Section II on file.)

Reminder: See IRM 3.17.79.3.2.3, Manual Refund Digital Signature Requirement, for required authorized digital signature format on Form 5792.

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

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

Form 3753 Checklist

Verify the following information in Section I (Account Information) of the Form 3753:

- Box 7, Name and address
- Box 9, DLN of return
- Box 10b, TC 840 amount (math verify that box 13 + box 10d = box 10b) -Verify refund amount with source document amount
- 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
- **Block 11a, Routing number** enter the routing number for the bank where the taxpayer wants the direct deposit applied.
- **Block 11b, Account number** enter the account number in which the taxpayer wants the direct deposit applied.
- **Block 11c, Account type** check the box for Checking or Savings as appropriate
- Box 14, Universal Location Code (ULC)
- Box 15, Line number (see IRM 2.4.20, Command Codes RFUND and REFAP)

Verify the following information in Section II (Manual Refund Authority) of the Form 3753:

- Box 1c, Handbook reference - Input the specific IRM reference that confirms the reason for the manual refund. IRM 21.4.4 cannot be used as the IRM reference for this box.

- Box 3, IDRS and Master File researched for outstanding balance and TC 130
- Box 4, Transcript of debit accounts attached (if applicable)
- Box 5, Evidence of credit condition (mark appropriate box)
- Box 6, Necessary back-up documents attached - For example: taxpayer correspondence, internal transcript, copy of Form 1040X, Form 1045, Form 4442, Form 8379, injured spouse worksheet, Form 1310, Form 843, etc. (this list is not all-inclusive)
- Box 9, Interest (mark appropriate box)
- Box 11, By Pass Indicator (BPI) - Enter a BPI 0 or 3. If the BPI is 3, you must verify that no debt exists and notate the following: BFS contact name, date of contact and no TOP debt. This statement must appear in the "Other Remarks" box on the Form 3753. Exception: Form 8038CP and Department of Justice Cases are not subject to offset.
- Box 13, IAT Tool DMER Bypass - DMER Print Attached-Mark when a duplicate condition is found, and DMER form is attached. The initials of the manager who signed the DMER Bypass document must be entered.
- Box 17, All items Above completed - Verify that all applicable items in Section I - Account Information, is completed.

Verify the following information in Section III (Interest Computation) of the Form 3753:

- Input the interest "To" date and the interest amount
- Input "Original Interest" in Section IV- Other Remarks if an original amount of interest will be issued.
- Check the Interest Computation Attached box "Yes" and attach a copy of the CC COMPA print or ACT/DMI Report 490 indicating the applicable interest computation. If not required to calculate interest, then check the Interest Computation Attached box "No".
- See IRM 20.2.4.8.2, Manual Refunds, for more information on computing credit interest

Verify the following information in Section IV (Other Remarks) of the Form 3753:

- Remarks (to explain the reason for the manual refund)

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

- Initiating BOD. (mark appropriate box)

Verify the following information in Section V (Manual Refund Approval) of the Form 3753:

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

Reminder: See IRM 3.17.79.3.2.3, Manual Refund Digital Signature Requirement, for required authorized digital signature format on Form 3753.

- Box 2, Name of originator -
- Box 2a, SEID

Note: A SEID always ends with the letter **“B”** and **does not contain** any vowels.

- Box 3, Date
- Box 4, Phone Number Must be the managers phone number of the request originator. (The telephone number must either be an internal telephone number or begin with 833 followed by an extension number, not an 800 toll-free number, in order for the accounting function to contact the generating area if necessary)

Exhibit 21.4.4-3(4) - For consistency with other IRMs added Block 11a, Routing number, Block 11b, Account number and Block 11c, Account type to the section to explain the entries for those lines. SERP Feedback 37345 and 37770. For clarity added direction to check DMER Print attached box when DMER form is attached. SERP Feedback 37877. For clarity added information to include a managers phone number beginning with 833 including an extension number is acceptable.

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

1. Prior to issuing manual refunds, initiators must review account information and take actions such as:

- Determine if the account is subject to offset by Bureau of the Fiscal Service Treasury Offset Program (TOP) or other tax obligations.
 - Use appropriate hold codes or posting delay codes as applicable.
 - Use TC 570 with credit transfers.
 - Enter appropriate computer condition codes (CCC) with an original return.
 - Use IDRS to ensure no other site or employee has issued a duplicate refund (TC 840), TC 971 AC 664, or that a refund has already generated (TC 846). The presence of a TC 971 AC 664 indicates that a Form 3753 is in process. If a generated refund will be issued within two cycles, do not issue a manual refund. It is necessary that prepaid credits claimed by the taxpayer are available for refund and that the taxpayer does not have any outstanding balances.
 - Research freeze codes or IDRS control bases assigned to another IRS employee. If accounts are controlled, take no further action to release the freeze or control base without contacting that employee first.
 - A-U Freeze (Erroneous Refund Freeze) requires contact with the Erroneous Refund function and documentation of approval by the Erroneous Refund function in the remarks section of the Form 5792 / Form 3753. Master File displays a TC 844 at times with a TC 700, Document Code 58 in the DLN.
These accounts are being monitored by the Erroneous Refund function (SP Accounting Operations) to recover an unassessed erroneous refund. The TC 700 Document Code 58 is input by Accounting to prevent erroneous billing notices and will compensate injured taxpayers from a general ledger account. Transcripts (TRANS 844) generate to the Erroneous Refund function for applying credits that become available on accounts at the controlling SP Center.
 - Review IMFOL/BMFOL. Determine whether a direct deposit was already issued to a bank account.
 - Ensure erroneous refunds are not released during BMF accelerated cycles (generally occurs during the end of May, September and October). Refund intercepts (stopping refunds via IDRS CC NOREF) are not possible during accelerated cycles.
2. The table below summarizes the basic research required for all manual refunds (those issued on Form 5792, Request for IDRS Generated Refund (IGR), and Form 3753, Manual Refund Posting Voucher):

IDRS Research Required on All Manual Refunds.

Verify:

- TIN
- MFT and Tax Period
- Payee name and address
- Debt indicators (TOP offset), XREF TINs, TC 130 Indicator

The following information **must** be attached to the manual refund form:

- Sufficient documentation to justify issuing the manual refund (for example: taxpayer correspondence, internal transcript, copy of Form 1040X, Form 1045, Form 4442, Form 8379 or the injured spouse worksheet if applicable, Form 1310, Form 843, the taxpayer's hardship documentation or a signed statement from the Local Taxpayer Advocate (LTA) approving the taxpayer's hardship refund request, etc.)
 - CC COMPA or Automated Computation Tool (ACT)/Decision Modeling Inc. (DMI) Report 490 (if interest was calculated)
 - CC ENMOD (only if a pending name or address change is indicated)
 - If the original return was coded with CCC 3, was a **U** coded return (Form 1040), or Computer Condition Code X (Form 1120) is present on IDRS which means the original return was unprocessable due to no reply from a correspondence sent from the error resolution area. The RPD must be notated in the remarks and a completed REQ54 screen print showing the RPD must be attached as back up documentation to the manual refund. If a previous adjustment was input to the module that contained a RPD, then a copy of the REQ54 screen is not needed, it will be reflected on CC IMFOLR/BMFOLR. For more information see IRM 21.2.4.3.40.1, Computer Condition Code (CCC) 3 or U-Coded Returns.
 - Generally, unless required by the specific type of manual refund being input all other IDRS prints are not required to be attached to the manual refund request, as the Accounting Functions have access to IDRS and can verify the information.
-
- Input TC 971 AC 037 as applicable

<p>Note: A manual refund cannot be issued to a POA</p> <ul style="list-style-type: none"> ○ Verify RSED open/expired ○ Research freeze codes ○ Review for any pending TCs that would release a TC 570, freeze codes, or the K- freeze set by a HC 1, 2, or 4.
<p>Verify outstanding balances (OBLs); research all related accounts (IMF, BMF, NMF) for OBLs using the following CCs:</p> <ul style="list-style-type: none"> ○ CC SUMRY ○ CC TXMOD ○ CC IMFOLI/CC BMFOLI ○ CC IMFOLT/CC BMFOLT
<p>Research CC TXMOD for TC 971 AC 664, which indicates a manual refund has been scheduled/issued by the Accounting Function using Form 3753, Manual Refund Posting Voucher.</p>
<p>Review/verify "O" (letter O) coded returns - See Document 6209, IMF Computer Condition Codes. "O" code identifies a pre-settlement manual refund was paid.</p>
<p>Attach offset bypass refund (OBR) or hardship verification, if applicable.</p>
<p>Research CC FFINQ - Requests IMF from the Fact of Filing information file.</p>
<p>Review manual refunds over \$1 Million - Technical unit is required to review credit interest.</p>
<p>Resolve other open controls and receive approval from other functions (if applicable) to process the manual refund.</p>
<p>Input/review for TC 291, TC 295, TC 299, TC 766 with a HC 1, 2, or 4. Input TC 570 as applicable.</p>

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

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

Form 5792 Checklist

Verify the following information in Section I (Account information) of the Form 5792:

- Box 6, TC 840 amount (math verify that box 7 + box 8 = box 6)
- Box 9, Line Number (see IRM 2.4.20, Command Codes RFUND and REFAP)
- Box 11, ULC code
- Box 13, Blocking Series (as applicable)
- Box 14, First Name Line
- Box 18, Street address or P.O. number
- Box 19, City, State, and Zip code
- Box 20, Remarks (to explain the reason for the manual refund)

Note: If the RSED is expired, a notation must be included in the Remarks section to state the Statute issue has been reviewed and the credit is available for refund. Notations must be clear and can include **“Timely filed, No RSED Issue”** or **“RSED allowable”**. Before initiating the manual refund, you must determine the credit availability. If the original return was coded with CCC 3, was a **U** coded return (Form 1040), or Computer Condition Code X (Form 1120) is present on IDRS which means the original return was unprocessable due to no reply from a correspondence sent from the error resolution area. The RPD must be notated in the remarks and a completed REQ54 screen print showing the RPD must be attached as back up documentation to the manual refund. If a previous adjustment was input to the module that contained a RPD, then a copy of the REQ54 screen is not needed, it will be reflected on CC IMFOLR/BMFOLR. For more information see IRM 21.2.4.3.40.1, Computer Condition Code (CCC) 3 or U-Coded Returns.

- Box 22, DLN of return

Verify the following information in Section II (Manual Refund Authority) of the Form 5792:

- Box 1, c, Handbook Reference - Input the specific IRM that confirms the reason for the manual refund. IRM 21.4.4 cannot be used as the IRM reference for this box.
- Box 3, IDRS and Master File researched for outstanding balances and TC 130
- Box 4, Transcript of debit accounts attached (ONLY if box is checked)

- Box 5, Evidence of Credit Condition (mark appropriate box if applicable)
- Box 6, Necessary back-up documents attached - For example, taxpayer correspondence, internal transcript, copy of Form 1040X, Form 1045, Form 4442, Form 8379, injured spouse worksheet, Form 1310, Form 843, etc. (this list is not all- inclusive)
- Box 7, Verify refund amount with source document amount
- Box 10, By Pass Indicator (BPI) - Confirm the BPI has been input on the adjustment if applicable. See IRM 21.4.6, Refund Offset
- Box, 11, IAT Tool DMER Bypass - DMER Print Attached -Mark when a duplicate condition is found, and DMER form is attached. The initials of the manager who signed the DMER Bypass document must be entered.
- Box 13, All items above completed - Verify that all applicable items in Section I - Account Information are completed

Verify the following information in Section III (Interest Computation) of the Form 5792:

- Input the interest "To" date and the interest amount, or
- Input "Original Interest" in Section I Box 20 - "Remarks" if an original amount of interest will be issued
- Check the Interest Computation Attached box **Yes** and attach a copy of the CC COMPA print or ACT/DMI Report 490 indicating the applicable interest computation. If not required to calculate interest, then check the Interest Computation Attached box **No**
- See IRM 20.2.4.8.2, Manual Refunds, for information on computing credit interest

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

Note: A SEID always ends with the letter “B” and **does not contain** any vowels.

- Box 3, Phone number - Must be the managers phone number of the request originator. (The telephone number must be either an internal telephone number or begin with 833 followed by an extension number, not an 800 toll-free number, in order for the accounting function to contact the generating area if necessary)
- Box 4, Digital Signature of approving official - A “SEID” digital signature format must be used on Form 5792. (The digital signature must include the SEID and name of the approving official on the active Form 14031 - Section II on file.)

Reminder: See IRM 3.17.79.3.2.3, Manual Refund Digital Signature Requirement, for required authorized digital signature format on Form 5792.

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

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

Form 3753 Checklist

Verify the following information in Section I (Account Information) of the Form 3753:

- Box 7, Name and address
- Box 9, DLN of return
- Box 10b, TC 840 amount (math verify that box 13 + box 10d = box 10b) -Verify refund amount with source document amount
- 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
- **Block 11a, Routing number** enter the routing number for the bank where the taxpayer wants the direct deposit applied.
- **Block 11b, Account number** enter the account number in which the taxpayer wants the direct deposit applied.

- **Block 11c, Account type** check the box for Checking or Savings as appropriate
- Box 14, Universal Location Code (ULC)
- Box 15, Line number (see IRM 2.4.20, Command Codes RFUND and REFAP)

Verify the following information in Section II (Manual Refund Authority) of the Form 3753:

- Box 1c, Handbook reference - Input the specific IRM reference that confirms the reason for the manual refund. IRM 21.4.4 cannot be used as the IRM reference for this box.
- Box 3, IDRS and Master File researched for outstanding balance and TC 130
- Box 4, Transcript of debit accounts attached (if applicable)
- Box 5, Evidence of credit condition (mark appropriate box)
- Box 6, Necessary back-up documents attached - For example: taxpayer correspondence, internal transcript, copy of Form 1040X, Form 1045, Form 4442, Form 8379, injured spouse worksheet, Form 1310, Form 843, etc. (this list is not all-inclusive)
- Box 9, Interest (mark appropriate box)
- Box 11, By Pass Indicator (BPI) - Enter a BPI 0 or 3. If the BPI is 3, you must verify that no debt exists and notate the following: BFS contact name, date of contact and no TOP debt. This statement must appear in the "Other Remarks" box on the Form 3753. Exception: Form 8038CP and Department of Justice Cases are not subject to offset.
- Box 13, IAT Tool DMER Bypass - DMER Print Attached-Mark when a duplicate condition is found, and DMER form is attached. The initials of the manager who signed the DMER Bypass document must be entered.
- Box 17, All items Above completed - Verify that all applicable items in Section I - Account Information, is completed.

Verify the following information in Section III (Interest Computation) of the Form 3753:

- Input the interest "To" date and the interest amount

- Input "Original Interest" in Section IV- Other Remarks if an original amount of interest will be issued.
- Check the Interest Computation Attached box "Yes" and attach a copy of the CC COMPA print or ACT/DMI Report 490 indicating the applicable interest computation. If not required to calculate interest, then check the Interest Computation Attached box "No".
- See IRM 20.2.4.8.2, Manual Refunds, for more information on computing credit interest

Verify the following information in Section IV (Other Remarks) of the Form 3753:

- Remarks (to explain the reason for the manual refund)

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

- Initiating BOD. (mark appropriate box)

Verify the following information in Section V (Manual Refund Approval) of the Form 3753:

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

Reminder: See IRM 3.17.79.3.2.3, Manual Refund Digital Signature Requirement, for required authorized digital signature format on Form 3753.

- Box 2, Name of originator -
- Box 2a, SEID

Note: A SEID always ends with the letter **“B”** and **does not contain** any vowels.

- Box 3, Date
- Box 4, Phone Number Must be the managers phone number of the request originator. (The telephone number must either be an internal telephone number or begin with 833 followed by an extension number, not an 800 toll-free number, in order for the accounting function to contact the generating area if necessary)