

IRM PROCEDURAL UPDATE

DATE: 01/18/2018

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SUBJECT: OIC Refund Trace Procedures, CHKCL TERUP Timeframe

AFFECTED IRM(s)/SUBSECTION(s): 21.4.2

CHANGE(s):

IRM 21.4.2.3.2 - Added paragraph to include procedures for refund trace requests on OIC claims that are not found on IDRS and issued by Accounting.

1. If you cannot find a refund on the master file, it may have been a Non-Master File (NMF) refund. Use local established procedures to locate refund information. If no information is found using the following research procedures, ask the taxpayer to send copies of any correspondence about the refund. Information received may contain the necessary Document Locator Number (DLN). The Non-Master File DLN is tax class "6" and all refunds from NMF accounts must be manual refunds. Refer to IRM 21.4.4, *Manual Refunds*. Refund Inquiry employees can also find the required check information on Treasury Check Information System (TCIS).
2. Most NMF accounts will now be found on the Automated Non Master File (ANMF). Depending on the location of terminals, Refund Inquiry employees may be able to do their own research on the ANMF accounts. Call sites should contact (by phone) their servicing center and request ANMF research. The center should fax the research results back to the call site requesting the information. See IRM 11.3.1.11, *Facsimile Transmission of Tax Information*, for further guidance.
3. Employees must obtain a unique "login" through On Line 5081 requesting ANMF for research only. Request must be submitted through local management.
4. The ANMF allows employees to read any entity or transaction on the file by following the instructions displayed with the "Research NMF" option.
 - a. With the "Query" command, employees can research for a desired entity by entering the DLN or TIN, MFT, and tax period of the desired record. If only partial information is available, enter the data for any fields shown on the screen page for the record you need.
 - b. Use the "NMF Transcript" option to request a printed transcript (not a certified transcript) that will be delivered from the NMF unit on the following day. The ANMF system does not provide the "print screen" capability that would allow you to copy what you see on the research screen.
5. There are other refunds not found on the master file, which may have been an Offer in Compromise (OIC) refund. The OIC program issues refunds from

the 4710 Account that will not show up on IDRS, refer to IRM 5.19.7.2.12, *OIC Deposits*. An OIC can be identified by a Transaction Code (TC) 48X on IDRS. It takes approximately 4 months to verify the refund has been processed.

6. Most OIC accounts are on the Automated Offer in Compromise System (AOIC). Refund Inquiry employees will e-Fax the case to the MOIC Deposit Request Information Liaisons based on the state mapping found on SERP Who/Where Offer in Compromise (OIC) Compliance Campus Locations for the Monitoring of Accepted Offers. TE's will close their IDRS control and leave a note to indicate the case was reassigned to MOIC (Brookhaven or Memphis) in the AMS notes.

IRM 21.4.2.4.4 (1) - Included verbiage to explain when CHKCL can be interrupted and procedures to advise the taxpayer.

1. The taxpayer may subsequently inquire after initiation of a refund trace on their missing refund check or non-receipt of a direct deposit refund. Use the following table in your attempt to resolve the taxpayer's issues.

If	Then
Taxpayer calls to check the status of his/her case.	<ol style="list-style-type: none"> 1. Research IDRS to determine the Disposition Code of the claim. 2. CSRs should only refer a case to the tax examiner with control if, after complete research, he/she cannot answer the taxpayer's inquiry.
Taxpayer finds his/her refund after Form 3911, <i>Taxpayer Statement Regarding Refund</i> , was sent, or a refund trace was initiated per oral statement authority.	<ol style="list-style-type: none"> 1. Determine if the CC CHKCL action can be interrupted. See Note below for CHKCL TERUP timeframe. NOTE: A refund trace cannot be interrupted if the campus deadline to "DQ" the trace has passed. Per IRM 2.4.23.1(5), <i>General Overview for Command Code CHKCL/CHKCLR</i>, CC TERUPC can only be done on the same day of input. If it is too late to cancel the trace and the trace was valid, advise the taxpayer to wait for a replacement check and return the original when the replacement is received. 2. If the CC CHKCL was input today and the TERUP can be completed (this action requires same day contact with the site that completed

	the input of CC CHKCL), advise the taxpayer the refund trace can be cancelled and the check can be cashed.
More than three weeks from the History item "3911TORDCC".	<ol style="list-style-type: none"> 1. Advise taxpayer you are checking the status of their claim. 2. If this is a paper refund check, advise taxpayer he/she will receive a contact within 30 days. Prepare an e-4442, Inquiry Referral, and send to the responsible Refund Inquiry function. 3. If a direct deposit refund, advise the taxpayer, banks are allowed up to 90 days to respond to our request for information, from the date of the CHKCL input.
Six weeks after taxpayer sends Form 3911, <i>Taxpayer Statement Regarding Refund</i> , or a refund trace was initiated per oral statement authority.	<ol style="list-style-type: none"> 1. Research IDRS for the claim status. 2. Determine the latest disposition or status code. Frequently used disposition and status codes are described in Exhibit 21.4.2-5, <i>Disposition and Status Codes - Additional Action Time Frames</i>. 3. If you are an assistor at a call site or a TAC office, and you cannot resolve the taxpayer's inquiry, you may need to refer (FAX) the case to the Refund Inquiry Unit which either now controls a case, or to your affiliated RI unit if there is no current control base. Advise the taxpayer to expect a response within 15 days.
Taxpayer received Form FMS 1133 and check was cashed by someone other than the taxpayer.	Advise the taxpayer to complete the claim form (Form FMS 1133) and return it to BFS (Formerly FMS) to pursue the claim.
Taxpayer received Form FMS 1133 and does not wish to pursue the claim.	Advise the taxpayer no further action is required. Taxpayer may keep the copy of the check for personal records.
Taxpayer finds the original check and also receives a replacement.	Advise the taxpayer to return the original as soon as possible. See IRM 21.4.3.5.4, <i>Returned Refund Check Procedures</i> , for information. Input a History Item on CC TXMOD:H:CHKFOUND.

2. Upon receipt of cases from the field where it has been more than three weeks since the CC CHKCL was input and no Disposition Code received, the Refund Inquiry Unit is to reinput the CC CHKCL and advise the taxpayer of the action.

Exhibit 21.4.2-1 - Added verbiage that CHKCL 90 day timeframe begins after input.

(1) For CC input, see Servicewide Electronic Research Program (SERP) hyperlink to IDRS CC CHKCL. Accounts Management employees are required to use the Missing Refund (CHKCL) IAT tool, see IRM 21.2.2-2, *Accounts Management Mandated IAT Tools*. Click IAT CHKCL Tool Job Aid for input guidance.

(2) Assistors are authorized to input CC CHKCL based on an oral statement from the taxpayer if **all** the following conditions are met:

- a. Check was scheduled for mail out 4 weeks prior to taxpayer's contact or their direct deposit was issued at least 5 calendar days prior to contact. Use the table below to determine the check mail out date or the direct deposit date. Input immediately if taxpayer states the check was received but lost, stolen or destroyed.

Refund issued as	Determine date issued
IMF paper check	For current year and all prior year IMF returns, the issue/ mailing date is found on CC IMFOLT on the line below the TC 846 as "RFND-PAY-DATE:", and on CC TXMOD on the line below the TC 846 as "RFND-PYMT-DT>".
IMF direct deposit	For all current and prior year IMF returns, the deposit date is found on CC IMFOLT on the line below the TC 846 as "RFND-PAY-DATE:", and on CC TXMOD on the line below the TC 846 as "RFND-PYMT-DT>".
Accelerated Cycle as a check prior to January 1, 2012	See dates in Item 10 listed below.

- b. TC 846 refund date must be 12 months or less from current date for paper checks.
- c. Valid TIN.

NOTE: If the return has been resequenced, CC CHKCL must be entered on the original TIN the refund was issued on.

- d. Tax return filed can be an individual or business tax return.

- e. Taxpayer resides at the address currently on record (CC ENMOD). If taxpayer resides at a different address, DO NOT change the address unless the taxpayer meets oral statement criteria for an address change. See IRM 3.13.5.27, *Oral Statement/Telephone Contact Address Change Requirements*, for guidance. If you **can** update the address per oral statement, input CC CHKCL using the new address to begin the refund trace. If the taxpayer does not meet oral statement criteria, DO NOT input CC CHKCL. Advise the taxpayer you are mailing them a Form 3911, *Taxpayer Statement Regarding Refund*, to complete and sign, or advise the taxpayer that Form 3911 is available through the internet on irs.gov. See IRM 21.3.6.4.2, *Other Methods of Obtaining Forms and Publication*. Advise the taxpayer they can either mail or fax their form back to the IRS. If the taxpayer prefers to mail the form, enclose an envelope with your affiliated Refund Inquiry Unit address. If the taxpayer prefers to fax the form, provide the fax number of your affiliated Refund Inquiry function. For addresses and fax numbers, see Refund Inquiry Unit Addresses, located on SERP under the Who/Where tab. If Married Filing Joint, advise taxpayer both spouses must sign.

NOTE: Form 3911 can be used as written documentation to change a taxpayer's address. Upon receipt of Form 3911, update the address and input CC CHKCL. However, if the refund check was returned undelivered by the Postal Service, do not input CC CHKCL. See IRM 21.4.3.5.3, *Undeliverable Refund Checks*.

REMINDER: Advise taxpayer the Form 3911 is available through the internet on irs.gov. See IRM 21.3.6.4.2, *Other Methods of Obtaining Forms and Publications*.

- g. If TC 840, send taxpayer a Form 3911 with issuing campus return envelope.
- h. Not a mixed entity account.
- i. Not a full TOP offset matching the TC 846 amount. If TC 898 matches the TC 846 this is a full TOP offset. See IRM 21.4.6, *Refund Offset*, TOP procedures.
- j. No TC 740, TC 841 or TC 843 matching the TC 846 in question. If freeze codes are present, follow freeze release procedures.
- k. No TC 971 AC 011 (indicates previous trace) posted after the TC 846 date. See IRM 21.4.2.4.4, *Responding to Taxpayers Subsequent Inquiries*.

(3) After determining taxpayer meets oral statement criteria or a completed Form 3911 has been received, follow the CC CHKCL procedures to start the refund trace (recertification) process.

NOTE: If the taxpayer does not meet oral statement criteria, Form 3911, *Taxpayer Statement Regarding Refund*, can be mailed to the taxpayer with a return envelope of your servicing Refund Inquiry function, or advise the

taxpayer that Form 3911 is available through the internet on irs.gov.

(4) Access CC TXMOD for the period in question.

(5) Open a control base as follows. This base must be created prior to CC CHKCLR input:

- a. CC ACTON
C#, CHKCLINPUT,B,3911
*, IRS received date

(6) See Exhibit 2.4.23-3, *CC CHKCL Input Example*, for additional information on CC CHKCL. Below is information regarding the input screen.

- a. Overlay CC TXMOD with CC CHKCLR, the response will be CC CHKCL.
- b. Line 1 is generated from CC TXMOD.
- c. Line 2–5 Enter taxpayer's name on Line 2 (Name Line 1). Use the additional name lines for any in-care-of or other information. If the check copy and/or claim form are to be sent to the IRS employee instead of the taxpayer, input Internal Revenue Service on Name Line 2.
- d. Line 6–7 Enter taxpayer's current address or the address where the claim form/check copy are to be sent if the check is paid.

NOTE: Input of a name or address different from that on CC ENMOD will not update the master file Entity.

- e. Line 8 Check Number (used by Refund Inquiry Unit ONLY.)
- f. Line 9 Overlay T with the type of non-receipt code:
 - C = Request for certified photocopy check (no P freeze set).
 - D = Destroyed, unendorsed check (no P freeze set).
 - E = Lost stolen or destroyed endorsed check (no P freeze set).
 - F = Non-entitlement (Used by Refund Inquiry Unit only) (no P freeze set).
 - H = Unendorsed check freeze cancellation credit (P- Freeze set).
 - J = Non-receipt of substitute check (Used by Refund Inquiry Unit only).
 - L = Lost, unendorsed check (no P freeze set).
 - N = Non-receipt of refund (no P freeze set).
 - P = Request for regular photocopy of check (no P freeze set).
 - S = Stolen, unendorsed check (no P freeze set).
 - X = Endorsed check freeze cancellation credit (P- Freeze set).
- g. Line 9 Refund schedule number (RSN) = YYYYJJJSC TLLLL. On refunds issued in 2003 and later, input the refund schedule number shown on CC TXMOD as "RSN" below the TC 846. On CC IMFOLT the RSN is located to the right of the TC 846. Be sure to **modify** input using the campus number with which you are affiliated.
YYYY = (1-4 position) Cycle **YEAR** of the refund TC 846. **NOT the TAX PERIOD.**
JJJ = (5-7 position) Julian date refund is issued.
SC = (8-9 position) Modify by inputting your affiliated service center.

T = (10th position) File type "1" for IMF/CADE/CADE 2; "0" for BMF; "3" for CADE (obsolete as of January 1, 2012); "4" for IRAF; "5" for other; "6" for Non Master File.

LLLL = (11-14 position) Alpha characters; Four blanks for paper refunds; "Z" followed by three blanks for direct deposit; "I" followed by three blanks for International; "ZI" followed by two blanks for International direct deposit.

- h. Line 9 Enter "Y" Generate TC 971 this generates a TC 971 AC 011. Only the Refund Inquiry Unit can use "N" for this entry.
- i. Line 10 MMYYYY
MMYYYY=Issue date of refund input. Input actual date of the refund
MM= month; **YYYY** = year.
IMF paper refund check and direct deposit refund dates are found on CC IMFOLT on the line below the TC 846 as "RFND-PAY-DATE:", and on CC TXMOD on the line below the TC 846 as "RFND-PYMT-DT>".
BMF check date - Add 1 calendar day to the TC 846 date.
BMF direct deposit date - Subtract 6 calendar days from the TC 846 date.
Accelerated cycle check date, see dates in items 10 below.
- j. Line 10 Type of Payment code (P)
I = IMF
B = BMF
D = IDRS (CC RFUND)
M = Manual refund
- k. Line 10 Sequence number of input from 001–999.
- l. Line 10 DO = leave blank.
- m. Lines 11, 13, and 15 Overlay the dollar signs with the full TC 846 amount of the refund you are tracing, even if a TOP partial offset has reduced the refund amount. If a TC 898 matches the TC 846, DO NOT input CC CHKCL.
- n. Lines 11, 13, and 15 split refund indicator (SRI) = Indicates the type of split refund. Values are:
 - o 0 - Not a split refund.
 - o 1 through 3 - Enter the SRI related to the TC 846 shown on account for the refund you are tracing.

(7) After CC CHKCL is input, reassign the control base to the Refund Inquiry Unit located at the Accounts Management Center serving your site. An open control base must remain **open** pending the trace process, which can take up to 90 days for direct deposits and 6 weeks for paper checks. Use the control numbers listed below for processing the case:

NOTE: Using the Missing Refund (CHKCL) IAT tool will automatically reassign the control base to the Refund Inquiry (RI) Team. Paper refund trace inquiries (e.g., Form 3911, correspondence, etc.) should be worked where received unless the exception in IRM 21.4.2.4, *Refund Trace Actions* applies. Toll free refund cases generated by Denver and Oakland will be reassigned to Kansas City RI, and Cleveland and Indianapolis will be reassigned to Memphis RI.

Overlay CC TXMOD with:
 CC ACTON (new line)
 C01 (new line)
 Reassign Refund Inquiry Unit number
 Andover = 0836088888
 Atlanta = 0735300044
 Austin = 0636099058
 Brookhaven = 0136033333
 Cincinnati = 0235300000
 Kansas City = 0935903000
 Fresno = 1036000005
 Memphis = 0336000000
 Ogden = 0436400005
 Philadelphia = 0536022222

REMINDER: If after inputting CC CHKCL you determine it was done in error, per IRM 2.4.23.1 (5), *General Overview for Command Code CHKCL/CHKCLR*, CC TERUPC can only be done on the same day of input.

(8) Advise taxpayer:

IF	THEN
Their check was not cashed.	They will receive a replacement check in approximately 6 weeks.
Their refund was a direct deposit.	A letter will be issued to the banking institution from BFS (formerly FMS) inquiring about their refund. It can take up to 90 days for a response after CHKCL input.
Their check was cashed.	They will receive a claim package within 6 weeks to complete and return to BFS in order to pursue their claim.
They do not wish to pursue their claim.	No further action is required. They may keep the claim package with a copy of their check for their records.

(09) **Category Codes Associated with Command Code (CC) CHKCL**

Category Codes	Definition	How Updated	When Updated	Overaged
RFIQ	Correspondence received regarding refund.	CC ACTON	When case controlled	45 days from received date

3911	Oral statement/or correspondence received regarding refund.	CC ACTON	Case controlled or condition identified.	30 days from received date.
RCTF	CC CHKCL input for check or direct deposit claim.	Computer generated.	When CC CHKCL input.	30 days from action date.
RFCK	CC CHKCL input for Photocopy.	Computer generated.	When CC CHKCL input.	30 days from action date.

(10) Use the charts below to determine the correct issue date when inputting CC CHKCL for paper refunds that were issued during an accelerated refund cycle. CADE/CADE 2 refunds are processed daily and do not fall into accelerated cycles. See Document 6209, for cycle charts.

NOTE: No refund intercepts (i.e., NOREF/HAL Hold) are allowed during accelerated refund cycles.

a. IMF accounts for 2011

Cycle	23C Date	Check Date
201121	06-06-2011	05-27-2011
201147	12-05-2011	11-25-2011

- b. IMF accounts no longer have accelerated cycles with the implementation of CADE 2 on January 1, 2012.
c. BMF accounts for 2011

Cycle	23C Date	Check Date
201116 (1120)	05-02-2011	04-26-2011
201120 (1041)	05-30-2011	05-24-2011
201129 (1120)	08-01-2011	07-26-2011
201142 (1120)	10-31-2011	10-25-2011

d. BMF accounts for 2012

Cycle	23C Date	Check Date
201216 (1120)	04-30-2012	04-24-2012
201221 (1041)	06-04-2012	05-29-2012
201229 (1120)	07-30-2012	07-24-2012
201243 (1120)	11-05-2012	10-30-2012

e. BMF accounts for 2013

Cycle	23C Date	Check Date
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201316 (1120)	05-06-2013	04-30-2013
201321 (1041)	06-10-2013	06-04-2013
201330 (1120)	08-12-2013	08-06-2013
201343 (1120)	11-11-2013	11-05-2013

f. BMF accounts for 2014

Cycle	23C Date	Check Date
201416 (1120)	05-05-2014	04-29-2014
201420 (1041)	06-02-2014	05-27-2014
201429 (1120)	08-04-2014	07-29-2014
201442 (1120)	11-03-2014	10-28-2014

g. BMF accounts for 2015

Cycle	23C Date	Check Date
201515 (1120)	05-04-2015	04-28-2015
201519 (1041)	06-01-2015	05-26-2015
201528 (1120)	08-03-2015	07-28-2015
201541 (1120)	11-02-2015	10-27-2015

h. BMF accounts for 2016

Cycle	23C Date	Check Date
201615 (1120)	05-02-2016	04-26-2016
201619 (1041)	05-30-2016	05-24-2016
201628 (1120)	08-01-2016	07-26-2016
201641 (1120)	10-31-2016	10-25-2016