IRM PROCEDURAL UPDATE

DATE: 12/05/2022

NUMBER: wi-21-1222-1164

SUBJECT: Refund Trace; Limited Pay Ability

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

CHANGE(s):

IRM 21.4.2.1.6 Updated to include Bank of First Deposit. Changes made for IRM consistency and clarity.

(1) Common acronyms listed throughout IRM:

Acronym	Definition
ACH	Automated Clearing House
AM	Accounts Management
AMS	Accounts Management Service
AOIC	Automated Offer in Compromise
BFS	Bureau of the Fiscal Service
BMF	Business Master File
BOFD	Bank of First Deposit
CADE	Customer Account Data Engine
CC	Command Code
CDN	Claims Disposition Notice
CEBA	Competitive Equality Banking Act
CFIF	Check Forgery Insurance Fund
CI-SDC	Criminal Investigation-Scheme Development Center
CP	Computer Paragraph (Notice)
CSR	Customer Service Representative
DD	Direct Deposit
DLN	Document Locator Number
EFT	Electronic Funds Transfer
EQ	Embedded Quality
FI	Financial Institution
FPD	Financial Processing Division
FRB	Federal Reserve Board
IAT	Integrated Automated Tools
ICCE	Integrated Customer Contact Environment
IDRS	Integrated Data Retrieval System
IMF	Individual Master File
IRC	Internal Revenue Code

IRM	Internal Revenue Manual
IRS	Internal Revenue Service
ITAS	Individual Taxpayer Advisory Specialists
LP	Limited Payability
MeF	Modernized e-File
MFT	Master File Tax
MOIC	Monitoring Offer in Compromise
NFL	National Forensics Lab
NMF	Non-Master File
OIC	Offer in Compromise
POA	Power of Attorney
POC	Payment Over Cancellation
RAC	Refund Anticipation Check
RAL	Refund Anticipation Loan
RFC	Regional Finance Center
RI	Refund Inquiry
RICS	Return Integrity and Compliance Services
RIVO	Return Integrity Verification Operations
RPM	Return Preparer Misconduct
RSED	Refund Statute Expiration Date
RTN	Routing Transit Number
SPIDT	Submission Processing Specialized Identity Theft
SS	Secret Service
TAC	Taxpayer Assistance Center
TAS	Taxpayer Advocate Service
TC	Transaction Code
TCIS	Treasury Check Information System
TOP	Treasury Offset Program
WI	Wage and Investment
WMR	Where's My Refund

IRM 21.4.2.4(1)(a) Updated to include referral guidance if CC TXMOD indicates an open control. Changes made for IRM consistency and clarity.

IRM 21.4.2.4(1)(b)(c) Clarified that paper refunds over a year old must be worked in Refund Inquiry. Added procedures for when timeframe has been met and no open Refund Inquiry control is found on cases that do not meet oral statement criteria. Changes made for IRM consistency and clarity.

(1) The procedures for processing a refund trace request are the same for telephone, Taxpayer Assistance Centers, or written inquiries.

a. Refund trace cases should be worked at the Accounts Management (AM) Directorate where they are received. TAC and remote sites should refer cases to their affiliated Refund Inquiry team.

   Exception: Refund Inquiry must work refund traces involving a refund over a year old and cases meeting condition in (2) below, as well as cases received at TAC and remote sites.

   Caution: If CC TXMOD indicates an open Refund Inquiry control base, complete Form 4442, Inquiry Referral, or e-4442 with the information you obtain from the taxpayer and refer the case to the employee or unit with the open control.

b. If the paper refund is less than one year old or the refund was direct deposit, and there is no evidence of a refund trace being started, input of the CC CHKCL is required to begin the refund trace. See Exhibit 21.4.2-1, Command Code (CC) CHKCL Input.

c. As of October 2004, Limited Payability refunds over one year old no longer need to be worked by the issuing center. Follow the procedures in IRM 21.4.2.4.1(1), Form 3911, Taxpayer Statement Regarding Refund. Paper refunds over one year old must be processed by a Refund Inquiry Unit, because they **do not meet oral statement criteria**. Advise the taxpayer they may obtain a copy of the Form 3911, Taxpayer Statement Regarding Refund, at www.irs.gov under Forms and Instructions or you can mail the form with a return envelope. **DO NOT** input **CC CHKCL**. Advise the taxpayer they can either mail or fax their request. Provide the fax number and address of your affiliated Refund Inquiry function. For fax numbers and addresses, see Refund Inquiry Unit Addresses, located on Servicewide Electronic Research Program (SERP) under the Who/Where tab. Refund Inquiry employees see IRM 21.4.2.4.7, Limited Payability (LP) Rules.

   Note: If the normal 6 week timeframe has been met, and there are no open Refund Inquiry controls and the refund **does not meet oral statement criteria**, apologize for the processing delay. Ask the taxpayer if they can fax the Form 3911 to you while on the phone. Send Form 4442/e-4442 to your local Refund Inquiry function, along with the Form 3911 if received requesting the trace be started. Advise the taxpayer of the proper timeframe. If the taxpayer calls back after the 30 days have past and no open Refund Inquiry control can be found, see IRM 13.1.7, Taxpayer Advocate Service (TAS) Case Criteria, to determine if the inquiry meets Taxpayer Advocate Criteria.

IRM 21.4.2.4.1(2) Updated procedures for paper cases. Change made for IRM clarification.

(2) For paper inquiries, a written statement can be accepted for CC CHKCL input provided all oral statement criteria are met and the correspondence is signed by the

taxpayer or their authorized representative. If oral statement criteria are not met, or the correspondence is not signed, reply to the correspondence and advise the taxpayer to file Form 3911, Taxpayer Statement Regarding Refund, which is available through the internet on www.irs.gov. Using AMS or Correspondence Imaging Inventory (CII) case note, input the following history item on the account - **"Form 3911 needed"**.

    a. If a Form 3911 is scanned into CIS, review the form for completeness. Form 3911 should have lines 1,2,3, and 7, as well as appropriate signatures, to be considered complete. If Form 3911 is incomplete, correspond for the missing information. If a joint return, both taxpayers must sign.

    b. Update CC ENMOD if an address change is required. If paper refund is **less than** one year old or refund was direct deposit, follow procedures in IRM 21.4.2.4.2, Input Command Code (CC) CHKCL, to input CC CHKCL. If paper refund is **more than** one year old, **or** taxpayer is requesting a refund trace for a combination of both, send the Form 3911 to your local Refund Inquiry Unit for trace to be completed.

    c. If forwarding the Form 3911 to another Service Center with an open Refund Inquiry Unit control, create a history item stating **"39112XX"** (XX=SC), using command code (CC) ACTON.

IRM 21.4.2.4.4 Clarified procedures to follow if TC 971 AC 011 is not found. Changes made for IRM clarity.

(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. Determine if the taxpayer expected to receive their refund as a paper check or direct deposit. Use the following table in your attempt to resolve the taxpayer's issues. If no TC 971 AC 011 (indicates previous trace) is posted after the TC 846 date, see IRM 21.4.2.4, Refund Trace Actions.

If	And	Then
Taxpayer calls to check the status of their refund trace	The refund was issued as a paper check	1. Research IDRS to determine the disposition code of the claim. Follow the procedures for the appropriate disposition code. See Exhibit 21.4.2-5, Disposition and Status Codes — Additional Action Time Frames for more information. 2. If there is no disposition code or 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 **30 days**.
Taxpayer calls to check the status of a direct deposit refund trace	Less than 90 days from the Activity Code **3911TORDCC**	Advise the taxpayer banks are allowed up to **90 days** to respond to our request for information, from the date of the CC CHKCL input. **Note:** While banks may have 90 days to respond, it may take up to 120 days for resolution.
Taxpayer calls to check the status of a direct deposit refund trace	90 days or more from the Activity Code **3911TORDCC**	1. Research IDRS to determine the disposition code of the claim. Follow the procedures for the appropriate disposition code. See Exhibit 21.4.2-5, Dispositon and Status Codes — Additional Action Time Frames for more information. 2. If there is no disposition code or 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 **30 days**.
Taxpayer finds his/her refund after Form 3911, Taxpayer Statement Regarding Refund, was sent, or a refund trace was initiated per oral statement authority		1. Determine if the CC CHKCL action can be interrupted. See Note below for CHKCL TERUP time frame. **Note:** A refund trace cannot be interrupted if the campus deadline to "DQ" the trace has passed. Per IRM 2.4.23.2 (5), General Overview for Command Code CHKCL/CHKCLR, CC TERUPC can only be done on the same day of input. If 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. If the original check is

		found and cashed, advise the taxpayer to return the replacement check. 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.
Taxpayer received FS Form 1133	Check was cashed by someone other than the taxpayer	**Advise** the taxpayer to complete the claim form (FS Form 1133) and return it to BFS to pursue the claim.
Taxpayer received FS Form 1133	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	Also received a replacement check	**Advise** the taxpayer to return the original as soon as possible. See IRM 21.4.3.5.4, Returned Refund Check Procedures, for information. Input a History Item on CC TXMOD saying "CHKFOUND".

Note: If you are unable to determine where an employee is located, refer to the IUUD:IDRS UNIT & USR DATABASE and Discovery Directory. When faxing Form 4442/e-4442, you must use the fax number provided in the IRM if one is available. If a fax number is not available, refer to the fax number for the appropriate function shown on the Form 4442 Referral Fax Numbers on the SERP Who/Where page. For additional information regarding preparing Form 4442/e-4442 and sending to the responsible Refund Inquiry function, see IRM 21.3.5.4.3, How to Transmit/Route Referrals to Another Office/Function.

(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. Once the trace is reinput, the refund trace time frames start over again, the TP must allow 6 weeks for paper checks and 90 days for direct deposits.

IRM 21.4.2.4.11(4) Updated procedures for unendorsed checks. Changes made for IRM clarity.

IRM 21.4.2.4.11(7) Updated procedures when notifying TIGTA if an altered check. Changes made for IRM consistency.

(4) If the IRS did not send the check to the correct address, follow the chart below.

If	Then
It appears the taxpayer benefited from the check proceeds	1. Deny the claim. 2. Send Letter 2218C, Refund Inquiry; Check Claim Disallowed, Check Endorsed/Paid, with appropriate paragraphs.
It appears the check was cashed with taxpayer's permission	1. Deny the claim. 2. Send Letter 2218C.
Check is stamped with a business endorsement different from name on CC ENMOD and no connection to the taxpayer can be found	Allow the claim.

There is no endorsement other than the bank's endorsement on the check. (No signature appears on the check)	Additional research is required. Follow procedures in (2) above to send the taxpayer Form 13818.
	
	1. Upon receipt of the completed Form 13818, take the following actions:
	    o Compare the banking information supplied by the taxpayer to the bank of first deposit (BOFD) listed on the check copy.
	    o Research TCIS for copies of any other negotiated checks to determine previously used BOFDs.
	    o If evidence is found that the BOFD has been used previously by the taxpayer, the claim should be denied.
	    o If no evidence of prior BOFD use, contact BOFD and request assistance in determining account ownership, or confirmation of non-endorsement acceptance. Depending on the answers from BOFD, accept or deny the claim as appropriate.
	2. After reviewing all information, continue with (5) below.

There is indication the taxpayer is making a fraudulent claim	1. Deny the claim.

	2. Send Letter 2218C, with an explanation to the taxpayer.

No check copy or endorsement is available for handwriting analysis	1. Review taxpayer's account for any prior or subsequent year claims (TC 971 AC 011).
	2. Request any documentation such as:
	  o Bank Statements
	  o Police Reports
	  o Taxpayer Letters
	  o Anything the taxpayer has that convinces him/her the check was not received, or information you feel may be helpful.

Note: The above guidelines are for the most common occurrences. If you have a case that is not covered in the table above, consult with your manager, senior, or lead tax examiner.

(5) After all information is considered:

If	And	Then
Claim is valid		Continue to process, see IRM 21.4.2.4.14, Account 6565 Processing for Refund Inquiry Function.
Additional processing is required	Examiner cannot make decision to settle	Prepare claim to send to National Forensics Laboratory (NFL). See paragraph (7) and (8) below.
Denying the claim		a. Send Letter 2218C, and attach a copy to your case file. b. If a copy of the check was needed to work the case, attach a copy to the case file. c. Close case with TC 290 .00 using case file as a source document.

(6) If you believe the taxpayer's claim is valid or no specific reason to deny claim can be found, allow the claim following the procedures in IRM 21.4.2.4.14, Account 6565 Processing for Refund Inquiry Function.

(7) If an altered limited payability check is identified during your research, take the following actions:

- Refer the PDF copy of the check to the TIGTA Complaints Management Team (CMT) at OI.AdditionalReports@tigta.treas.gov with a copy to the IRS CI mailbox at SDCLeads@ci.irs.gov. TIGTA CMT will respond with a reference number for your case file.

Note: A TIGTA Special Agent will contact the financial institution to retrieve the altered check if they are in possession of it.

- Since these mailboxes are not secure, two e-mails must be sent regardless of the order. Documents must be password protected, you must create that password and send separate from the documents.
- Include the following when sending the PDF document:
  b. A complete image of the front and back of the altered check(s).
  c. A screenshot image of the TCIS Payment details screen.
  d. Information for the bank where the check was cashed.
- Indicate in the body of the e-mail that the Lead Submission Excel spreadsheet pertaining to the specific altered check is not applicable.
- Follow the procedures in IRM 21.4.2.4.14, Account 6565 Processing for Refund Inquiry Function.

IRM 21.4.2.4.14 Updated to include link to Exhibit for completing Form 3809 and instructions for sending Form 3809 to accounting. Update made for IRM clarity.

(1) If a decision is made to allow the Limited Payability (LP) claim, the "Account 6565" is debited and a refund is issued to the taxpayer. Prepare Form 3809, Miscellaneous Adjustment Voucher, to debit "Account 6565" and post TC 841 to the taxpayer's account. Be sure to use the TC 840 or TC 846 date of the applicable refund. Annotate "CAT 1" in the upper left of Form 3809. See Exhibit 3.17.80-11, Form 3809 Miscellaneous Adjustment Voucher, for information on completing the form.

(2) Send Form 3809 to the Accounting function servicing your site as follows:

Site:	Accounting Location:	E-Mail Address:
Andover, Atlanta, Fresno and Kansas City	Kansas City Submission Processing Center 333 W. Pershing Road Kansas City, MO 64108	*W&I SP Erroneous Refund Kansas City
Austin	Austin Submission Processing Center 3651 S IH HWY 35 Austin, TX 78741	*W&I SP Erroneous Refund Austin
Brookhaven, Cincinnati, Memphis, Ogden and Philadelphia	Ogden Submission Processing Center 1973 N. Rulon White Blvd. M/S 6250 Ogden, UT 84409	*W&I SP Erroneous Refund Ogden

(3) When forwarding to Accounting include the following:

- Completed Form 3809.
- History sheet.
- Complete transcript of account.

- Copy of Form 3911, Taxpayer Statement Regarding Refund, or taxpayer correspondence.
- Form 13818, Limited Payability Claim Against the United States for the Proceeds of an Internal Revenue Refund Check, response if one was sent to the taxpayer.
- Photocopy (front and back) of the cancelled check. If photocopy not available, an explanation is required on Form 3809.
- If case was sent to National Forensics Laboratory, include their response. Annotate on Form 3809 that this response is attached.

(4) Monitor for posting of TC 841. The TC 841 DLN will carry a Document Code "48" and Block Series "88999". Input TC 290 for .00 to release refund to the taxpayer. Limit interest to the amount on the original refund by including a TC 770 for .00 or the original credit interest amount along with the original CR-INT-TO-DATE of the original TC 776/770.

Note: If the original was a manual refund, a manual refund may be required. See IRM 21.4.4, Manual Refunds.

IRM 21.4.2.4.15.5 Updated timeframe to monitor OOPS status 08, removed note regarding R06 designation under DDPD. Update made for IRM consistency.

(1) As cases progress to each stage of processing required for final resolution, the category code(s) will be changed to reflect the current state of processing.

   a. In some cases, this is done automatically by the computer. In other cases, they are changed using CC ACTON and will be reflected on CC TXMOD.
   b. Each category code has its own "aging" time that determines when an asterisk appears in the HMMM column on the aged listings.
   c. The "aging" time is keyed to the minimum follow-up time for that step in the process. If an action is not taken on a case before the cutoff for the next aged case listings, the number "1" will appear in the HMMM column instead of an asterisk.
   d. If anything appears in the "HMMM" column such as an "*", a number, or ">" symbol, the case is considered overaged.

(2) Category codes that allow aging from the last action date do so only when the case is in "B" Status. For this reason, it is important to maintain the case in "B" Status, unless otherwise directed, to allow easy monitoring of cases.

(3) See Exhibit 21.4.2-6, Category Codes, for "category codes" used in refund inquiry cases. Please note that any category code generated by the computer can also be input manually by using CC ACTON if it is needed to reflect the true Status of the case.

(4) To prevent an excess of closed cases being left in the suspense file, a clerk or designated person must purge the file monthly. If required, input TC 290 .00, blocking series "05", using case as your source document.

(5) If a stop pay disposition code is not received within 14 days following CC CHKCL input, reinput request.

(6) Monitor cases on a weekly basis using IDRS Category Code listing below:

Category Code	Activity Code	1st day overaged	Action to take if "HMMM" appears
1664	Various	45 days from received date.	Find case and take action. If no case, research IDRS for a previous action.
3858	Various	45 days from action date.	If this category code is for an LP Claim Form received from the taxpayer, take immediate action. Perform necessary research (i.e., doc request, signature requests.) Analyze the Forgery Claim Form.
3859	Various	14 days from received date.	Find case and take action. If no case, research IDRS for a previous action.
3911	Various	30 days from received date.	Look for a case. If no case, contact taxpayer by phone to determine if oral statement criteria is met. If unable to contact taxpayer or oral statement criteria is not met, send a Form 3911, Taxpayer Statement Regarding Refund, to the taxpayer. Apologize that we are unable to locate prior inquiry. See IRM 21.4.2.4.1, Form 3911, Taxpayer Statement Regarding Refund
3913	Various	45 days from received date.	Find case and take action. If no case, research IDRS for a previous action.
840-	Various	45 days from received date.	Check IDRS and close case if TC 840 posted. If no TC 840, further research is required.
841P	32yyyymmdd	14 days from action date.	Case is workable when the TC 841 posted. This is present if CC CHKCL input with an **H** non-receipt code, returned check, or a refund delete. Take action to resolve freeze.
841P	RRyyyycyrc	14 days from action date.	Refund delete, TC 841 has posted. Take appropriate action on the case.

ACKN	01yyyymmdd and 65 or 7_	30 days from action date	Acknowledgement of refund trace. Should have updated to a final disposition: 11, 32, or 06. If the control shows a final disposition (11 or 32) posted before the acknowledgement, proceed with the taxpayer's instructions. If not, check TCIS for status.
DDPD	09yyyymmdd	90 days from action date.	Direct deposit. Check TCIS for the FS Form 150.1. If no FS Form 150.1 is located on TCIS, see Exhibit 21.4.2-2, Disposition Code Chart - Refund Inquiry Employee Actions. **Reminder:** An open control must be maintained on the case pending the trace process which can take up to 90 days (Control "B" status).
NLUN	Unpostable code	45 days from action date.	Nullified Unpostable, reject. Work immediately and never allow to overage. Check the unpostable code and CC TXMOD and/or CC ENMOD to determine if the transaction requires reinput.
OOPS	04yyyymmdd	14 days from action date.	Refund being traced is already cancelled. If the TC 841 or TC 740 has not posted to the account, check TCIS for a cancellation date. Research for an unpostable TC 841 or TC 740 under the old taxpayer identification number if the account has merged since the refund was issued. **Note:** If you are tracing the 2nd refund issued in the same month, you must use TCIS to trace the refund. Remember to update IDRS when tracing through TCIS.
OOPS	06yyyymmdd	14 days from action date	Duplicate CC CHKCL. A previous good CC CHKCL was input for the check and a Disposition 11 or 32 was received.
OOPS	07yyyymmdd	14 days from action date.	Work immediately, CC CHKCL was input incorrectly. Research the module to determine if CC CHKCL must be reinput. **Note:** Do not reinput trace for EIP pre-paid debit cards.
OOPS	08yyyymmdd	30 days from action date.	Second direct deposit trace. (Employees must allow 90 days from the initial trace prior to second trace input.) BFS will issue another FS Form 150.1 to the bank. Notify the taxpayer you are transferring the case to BFS for resolution and place a monitor control on the case for the next 30 days. See IRM

			21.4.2-1, Command Code (CC) CHKCL INPUT, for time frames. If an FS Form 150.1 is received, update the case control with Category Code "DDPD" and follow Disposition 09 instructions.
OOPS	27yyyymmdd	14 days from action date.	Refund being traced was already cancelled as limited payability. If the TC 740 has not posted to the account, check TCIS for a cancellation date. Research for an unpostable TC 740 under the old taxpayer identification number if the account has merged since the refund was issued.
PAID	11yyyymmdd	30 days from action date.	Cashed check. BFS to send claim form to taxpayer. Issue Letter 206C Refund Inquiry; Copy of Check Requested/Check Being Traced (FS Form 1133), and include the check information with appropriate paragraph. Close case.
PAID	14yyyymmdd	30 days from action date.	a. Cashed check, Limited Payability (LP) trace or photocopy requested. If no check copy received, print one from TCIS. If not available on TCIS, contact BFS. b. CC CHKCL input after the Limited Payability (LP) credit posted. Research for TC 740 and take necessary action.
PAID	18yyyymmdd	30 days from action date.	Cashed check, regular CC CHKCL with stop code N, L, D, S, H, E, or X input on an LP check. Do not continue to work UNLESS you have a signed Form 3911, or other written inquiry from the taxpayer.
RCTF	3911TORDCC	30 days from action date	CC CHKCL input. Research account for a TC 971 AC 011. If no TC 971 AC 011, the prior CC CHKCL request did not take. Determine if another CC CHKCL is required and take appropriate action. If CC CHKCL is reinput, advise the taxpayer of the delay, giving 45 days from the date of the letter for final resolution.
RFCK	PHOTOREQ	30 days from action date	Photocopy or Limited Payability trace CC CHKCL input. Look for a TC 971 AC 011. If not present, CC CHKCL did not take. Obtain a check copy from TCIS or reinput CC CHKCL.
RFDL	RRyyyycyrc	45 days from action date.	Look for refund intercept date. If TC 841 has NOT posted, check TCIS for the cancelled refund. The check may have been missed.

RFIQ	Various	45 days from received date.	Usually a raw unworked case or can also be a response to CP 564. Find case and take action. If no case, research IDRS for a previous action. May be an error control (i.e., wrong Taxpayer Identification Number, tax period).
ST32	32yyyymmdd	45 days from action date	Refund cancelled. TC 841 should have posted. If refund was reissued, close control. If the TC 841 has not posted, check TCIS to determine if refund is cancelled or research account for an unpostable. **Note:** A replacement check will not be issued for the first, second, or third round of Economic Impact Payments. Instead, advise the taxpayer they will need to claim the Recovery Rebate Credit on their 2020/2021 tax return as appropriate, if eligible. Follow IRM 21.6.3.4.2.13.3, Economic Impact Payments - Manual Adjustments, to reverse the EIP credit (if not done systemically). See IRM 21.6.3.4.2.14, Recovery Rebate Credit, for more information.
TOAD	Various	90 days from action date.	If this category is for an LP claim form received from taxpayer, take immediate action. If the case was sent to the National Forensics Laboratory (NFL), a follow-up request is required.
UDRF	Various	45 days from received date.	Replies to CP 231 and Letter 533C. Find case and take action. If no case, research IDRS for a previous action.

IRM 21.4.2.4.15.5.1 Clarified report usage and provided procedures for case referral when needed. Changes made for IRM clarity.

(1) The following reports will aid the Refund Inquiry Units in monitoring their Form 3911, Taxpayer Statement Regarding Refund, case inventory associated with case documentation and/or updating the IDRS history field.

- Aging Reclamation Report — Report Number CCTRR341
- SF 1081 Agency Listing (Credit Reversals) — CCTRR409
- Outstanding Accounts (Form 3911) — CCTRR680
- BFS Abandonment Notice — CCTRR359

(2) BFS also generates the IRS Daily Closure Report that includes a listing of completed FS Form 150.1 for direct deposit refund traces. The report is generated on a daily basis and issued to individual contact sites to assist with managing the direct deposit refund trace claim inventory. The report provides a direct link to the posted FS Form which has been scanned to the Treasury Check Information System (TCIS). This allows the Refund Inquiry team to manage which cases have received a response for the trace input more efficiently. The IRS Daily Closure Report should be utilized prior to researching TCIS for FS Forms 150.1 posting.

Note: BFS will suspend cases in their system if the FS Form 150.1 contains a message such as, "R06 sent", "send R06" or TCIS contains notes that an R06 letter was issued. Both the FS Form 150.1 **and** the bank's response to the R06 letter must be scanned to TCIS before the case can be closed by BFS **and** included on the IRS Daily Closure Report. If a case is included on the IRS Daily Closure Report without the bank's final response, contact your local Planning & Analysis liaison with the ACH Trace Number/TCIS Trace Number and request the information be forwarded to Headquarters for coordination with BFS for case investigation. Update the case activity to **R06toBFS** and continue with normal Status 09 processing. See Exhibit 21.4.2-2, Disposition Code Chart - Refund Inquiry Employee. Ensure case is not transferred to another site while awaiting resolution from BFS.

Exhibit 21.4.2-1(b) Clarified that for CC CHKCL, paper refund must be less than a year old, but Direct Deposit refund can be any age. Changes made for IRM clarity.

Exhibit 21.4.2-1(j) Clarified procedures to follow when TC 971 AC 011 is present. Changes made for IRM clarity.

(1) Accounts Management employees are required to use the Missing Refund (CHKCL) IAT tool, see IRM 21.2.2-2, Accounts Management Mandated IAT Tools. See IAT CHKCL Tool Job Aid for IAT input guidance and CC CHKCL for field descriptions.

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

    a. Check was scheduled for mail out **four weeks** prior to taxpayer's contact (**nine weeks** for a foreign address) or their direct deposit was issued at least five 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 (11) listed below.

b. **TC 846 paper refund date must be 12 months or less from current date, direct deposit refund can be any age.**
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 3.13.5.29, 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 www.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 www.irs.gov. See IRM 21.3.6.4.2, Other Methods of Obtaining Forms and Publications.

f. Not a TC 840, see (3) below for instruction.
g. Not a mixed entity account.
h. 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 21.4.6.5.1, Taxpayer Inquiries on TOP Offset, procedures.
i. No TC 740, TC 841 or TC 843 matching the TC 846 in question. If freeze codes are present, follow freeze release procedures.
j. No TC 971 AC 011 (indicates previous trace) posted after the TC 846 date.

   Note: If TC 971 AC 011 is present, see IRM 21.4.2.4.4, Responding to Taxpayers Subsequent Inquiries.