IRM PROCEDURAL UPDATE

DATE: 01/17/2024

NUMBER: wi-21-0124-0088

SUBJECT: Refund Trace and Limited Payability Updates

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

CHANGE(s):

Exhibit 21.4.2-1 - Updated to provide direction for Puerto Rico and Jacksonville refund inquiry cases.

(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:

Note: If the taxpayer does not meet oral statement criteria, advise the taxpayer that Form 3911, Taxpayer Statement Regarding Refund, is available through the internet on irs.gov. See IRM 21.3.6.4.2, Other Methods of Obtaining Forms and Publications. If the taxpayer cannot obtain the form online, advise the taxpayer you can mail them a form. Use of the IAT Missing Refund (CHKCL) tool is mandatory when sending the Form 3911 to the taxpayer. Be sure to verify the taxpayer's mailing address. If taxpayer has moved since filing their return and their current address is not on record (CC ENMOD), DO NOT UPDATE ADDRESS ON CC ENMOD. Advise the taxpayer to file Form 3911. See IRM 21.4.2.4 (5), Refund Trace Actions, for fax options.

    a. The IMF paper 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 IMF paper 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. **The systemic refund (TC 846) paper refund date must be 12 months or less from current date, direct deposit refund must be 6 years or less from current date.**

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 Publications. 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 manual refund (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 Taxpayer's Subsequent Inquiries.

(3) If the refund was issued as a manual refund (TC 840), OSA can't be accepted. **DO NOT** input **CC CHKCL**. Advise the taxpayer they may obtain a copy of the Form 3911 at www.irs.gov under Forms and Instructions, or you can mail the form with issuing campus return envelope. Tell them they can either mail or fax their request. Provide the fax number and address of the issuing campus 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.

(4) 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.

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

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

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

(7) 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) = YYYYJJJSCTLLLL. 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 or TC 840 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 or TC 840, 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.

(8) Using the Missing Refund (CHKCL) IAT tool will automatically reassign the control base to the Refund Inquiry (RI) Team serving your site. If CC CHKCL must be input manually, 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 120 days for direct deposits and 6 weeks for paper checks. Use the control numbers listed below for processing the case:

Note: 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. Puerto Rico cases should be reassigned to Brookhaven, and Jacksonville to Atlanta until further notice.

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 2.4.23.2 (5), General Overview for Command Code CHKCL/CHKCLR, CC TERUPC can only be done on the same day of input.

(9) Advise taxpayer:

If	Then
Their check was not cashed	They will receive a replacement check in approximately 6 weeks (9 weeks if the TP has a foreign address).

Their refund was a direct deposit	After the trace is input, the Bureau of the Fiscal Service (BFS) will contact the banking institution to inquire about their refund status. It can take up to 120 days for a response to be received.
Their check was cashed	They will receive a claim package within 6 weeks (9 weeks if the TP has a foreign address) 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.

Exception: A replacement check will not be issued for the first, second, or third round of Economic Impact Payments. Instead, advise the taxpayer will need to claim the Recovery Rebate Credit on their 2020/2021 tax return as appropriate, if eligible. See IRM 21.6.3.4.2.14, Recovery Rebate Credit, for more information.

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

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

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

Note: No refund intercepts (i.e., CC NOREF) are allowed during accelerated refund cycles.

Exhibit 21.4.2-2 - Updated to add note applying information for External Bank Lead cases to all Disposition Status Codes.

The disposition code can be located in the Activity Field of the IDRS Control History. The disposition code is displayed as the first 2 digits of the Activity Code followed by the date the Bureau of the Fiscal Service (BFS) provided the Disposition in YYYYMMDD format (i.e., 0120190325 = Disposition 01 provided by BFS on March 25, 2019.

Note: Additional category code information can be found in, Exhibit 21.4.2-6, Category Codes.

Note: Additional Disposition Code 11 information can be found in IRM 21.4.2.4.4.1, Subsequent Inquiries, With Status Codes, Without Prior Forgery Determination (CSR's and Refund Inquiry Unit), and Exhibit 21.4.2-5, Disposition and Status Codes - Additional Action Time Frames.

Reminder: In the follow up actions outlined below for IMF cases, except where noted, close cases with a TC 290 .00, use Blocking Series **05** and a source document. A source document is defined as a paper Form 3911, Taxpayer Statement Regarding Refund, and/or taxpayer correspondence. A source document is not required for refund trace cases initiated via phone calls, or online through the Where's My Refund application.

Note: If External Lead indicators are present, close your control with an activity code of **BKLD-PRES**. See IRM 25.25.8-2, External Lead Involvement Indicators, for more information.

Disposition Status Code ☆ (Asterisk equals blank)	Category Code	Definition	Follow Up Action
01	**ACKN**	Claim processed by RFC to Treasury Check Information System (TCIS).	1. **Wait 30 days** for second status. 2. No reply, resubmit CC CHKCL.
03	**OOPS**	Rejected (Failed preliminary validity checks.)	1. Pull case. 2. Resubmit CC CHKCL.
04	**OOPS**	1. Previously processed as Available Check Cancellation (ACC), 2. Refund credit returned by RFC, through the Electronic Funds Transfer (EFT) from the bank, 3. Refund check intercepted, 4. Undeliverable TC 740. See IRM 21.4.3.5.3,	(1 - 4) Take action to release credit, if necessary. Place any case documentation in classified waste when actions are complete. 5) Initiate the refund trace through the Treasury Check Information System (TCIS).

		Undeliverable Refund Checks. 5. If the refund credit has already generated a subsequent TC 846 in the same month. don't input CC CHKCL as the refund trace will default to the first TC 846. See IRM 21.4.1.4.3, Multiple Refunds Issued From the Same Module in the Same Cycle.	
05	**OOPS**	Check previously mailed (within 5 days).	Close case and place any case documentation in classified waste when actions are complete.
06	**OOPS**	Previous CC CHKCL.	Check TCIS for previous claim. Send Letter 129C, Refund Inquiry; Form 3911 Required **or** Letter 206C, Refund Inquiry; Copy of Check Requested, Check Being Traced (FS Form 1133), as appropriate, to the taxpayer. Include check number and date along with the toll-free telephone number for the Bureau of the Fiscal Service (BFS). Place any case documentation in classified waste when actions are complete.
07	**OOPS**	No payment issued or unprocessable claim.	1. Pull Case. 2. Conduct additional research (i.e., different TIN.) 3. Resubmit CC CHKCL. **Note:** If input of additional CC CHKCL does not yield results, initiate the refund trace through the Treasury Check Information System (TCIS).

			Note: Do not reinput trace for EIP pre-paid debit cards.

08	**OOPS**	Second trace input on DD.	Monitor case for 30 days.
			
			• BFS will automatically follow up with the financial institution until the issue is resolved. BFS will load an electronic copy of the FS Form 150.1 to TCIS when it is received from the financial institution.
			• If after 30 days, there is no FS Form 150.1 posted on TCIS, send the taxpayer a Letter 86C, Referring Taxpayer Inquiry/Forms to Another Office, to notify them you are transferring the case to BFS for resolution.
			• In your letter, advise the taxpayer:
			  a. The BFS toll-free assistance center phone number is 855-868-0151.
			  b. They should select option 1, then option 1.
			  c. The call center can be reached between the hours of 6:00 a.m. and 6:00 p.m. ET Monday - Friday.
			  d. English and Spanish speaking assistance is available.
			• Close case. See reminder above.
			• If the FS Form 150.1 is loaded to TCIS, update the case control to "DDPD" and follow status 09 instructions.

			• If a Form 4442/e-4442, Inquiry Referral, is received, research case and take appropriate action.
09	**DDPD**	1. RFC has contacted bank via FS Form 150.1 to trace refund. 2. Bank to send a copy to RFC. 3. RFC will load an electronic copy of the FS Form 150.1 to TCIS.	1. Research TCIS. If FS Form 150.1 is located, verify routing transit number, account code (either C for checking or S for savings), bank account number on CC IMFOBT. 2. If the information doesn't match, follow IRM 21.4.1.5.7.5, Non-Receipt of Direct Deposited Refunds-"Refund Inquiry Employees". 3. If the information does match, send appropriate letter to the taxpayer. 4. Close case. See reminder above. 5. If it has been at least 90 days, and no FS Form 150.1 copy is available on TCIS, reinput CC CHKCL. Refer to Status 08 above. 6. If FS Form 150.1 does not resolve taxpayer's issue, continue processing, if necessary. **Exception:** If account contains history item of **DEPFOUND**, then case control may be closed without further action.
10	**OOPS**	Invalid Stop Reason Code	1. Pull Case. 2. Resubmit CC CHKCL.
2☆	**OOPS**	Amount difference	1. Pull Case. 2. Resubmit CC CHKCL.
3☆	**OOPS**	Claim submitted too early for RFC to process	1. Pull Case. 2. Resubmit CC CHKCL.

4☆	**OOPS**	Duplicate tape claims submitted.	1. Wait for update. 2. **No reply in 30 days**, resubmit CC CHKCL.
5☆	**OOPS**	Invalid Direct Deposit information submitted.	1. Pull Case. 2. Resubmit CC CHKCL.
7☆	**ACKN**	Photocopy request processed by RFC to TCIS.	1. Wait for 2nd status. 2. No reply in **30 days**, research TCIS for copy. If not on TCIS, resubmit CC CHKCL.
9☆	**PAID**	Direct Deposit trace input with Non-Receipt Code "P" no FS Form 150.1 will generate.	Reinput trace with Non-Receipt Code "N" no limited payability on Direct Deposit. (Electronic File Transfer processed).
11	**PAID or 3858**	Paid -Photocopy and claim mailed to taxpayer.	BFS has sent claim package (FS Form 1133) to the taxpayer. Refund Inquiry Unit will send Letter 206C to taxpayer, including check information and using appropriate paragraph. Close case. See reminder above.

14	**PAID**	1. Paid - Photocopy to follow, or
		2. CC CHKCL input after an uncashed check has expired and the credit returned to the IRS.
			1. Monitor for receipt.
			  a. Upon receipt continue processing. See IRM 21.4.2.4, Refund Trace Actions.
			  b. If copy not received in 30 days, research TCIS for a copy or reinput CC CHKCL.
			2. Research for TC 740 and release freeze if necessary.
			3. Close case. See reminder above.

14	**PAID**	1. Paid - Photocopy to follow, or 2. CC CHKCL input after an uncashed check has expired	If no photocopy within **30 days**: a. IDRS shows certified photocopy previously received, update Activity

		and the credit returned to the IRS.	Code to reflect proper status of case, or b. IDRS shows no indication that certified photocopy received, contact BFS.
15	**PAID**	Paid - Certified photocopy to follow.	Monitor for receipt of certified photocopy. a. Upon receipt continue processing. See IRM 21.4.2.4.15.2, Request for Administrative Photocopy. b. If no photocopy within **30 days** and IDRS shows photocopy previously received, update activity code to reflect proper status of case. c. If IDRS shows no indication that certified photocopy received, contact BFS.
17	**PAID**	Paid - Endorsed, photo/claim to follow.	Monitor. If no photocopy in **30 days**, contact BFS.
18	**PAID**	Paid - Claim submitted after the Limited Payability cutoff date.	If Form 3911 is available, research TCIS for a check copy. • If check is available on the TCIS system, provide the taxpayer with a copy and close case. See reminder above. • Input a TC 971 AC 011 on CC TXMOD using the date you secure the check. You must also include the money amount of the check in the FREEZE-RELEASE-AMT field. • If not found, process as a Limited Payability (LP) Trace, reinputting the CC CHKCL with Non-Receipt Code **P**.

			If no Form 3911 is present, correspond with the taxpayer.
20	**OOPS**	Payment declined due to alteration of check. Photocopy and claim to follow.	Monitor if no photocopy in **30 days**, follow up, contact BFS.
22	**OOPS**	Insufficient agency information.	1. Pull case. 2. Resubmit CC CHKCL. 3. Use appropriate Stop Reason Code.
27	**OOPS**	Previously processed as Limited Payability Check Cancellation and refund credit (TC 740) was returned by the RFC.	Take action to release credit, if necessary. Place case documents in classified waste when case is closed.
31		Check Outstanding. RFC will issue recertified check.	Monitor for TC 841.
32	**ST32**	Outstanding check cancelled credit will be returned to the IRS.	Monitor for TC 841.
33	**OOPS**	Outstanding - No Photocopy.	Send Letter 1219C, Refund Inquiry; (Joint F3911) Requires Certification: Form 1040.
53	**OOPS**	Reject - Duplicate Stop	Contact BFS Check Information Section at 855-868-0151, Option 1.
65	**ACKN**	Refund associated with TOP Offset.	1. Wait for subsequent disposition code. 2. **No reply within 30 days**, contact BFS Birmingham at 888-826-3127.
71	**OOPS**	TOP Offset refund in full.	See IRM 21.4.6.5.1, Taxpayer Inquiries on TOP Offset
72	**OOPS**	TOP Offset partial refund.	See IRM 21.4.6.5.1, Taxpayer Inquiries on TOP Offset
90	**OOPS**	TCIS/PACER disconnect error.	Contact BFS to reset the interface indicator.