

IRM PROCEDURAL UPDATE

DATE: 06/16/2023

NUMBER: wi-21-0623-0744

SUBJECT: Various Changes to Refund Research

AFFECTED IRM(s)/SUBSECTION(s): 21.4.1.5.10

CHANGE(s):

IRM 21.4.1.5.10 Updated exception for CC NOREF control closure when utilizing the IAT Manual Refund Suite tool. Change made to align with other IRMs.

(1) As of 2012, with the implementation of CADE 2 processing for all IMF accounts, CC NOREF, definer "P" can be used to stop a refund under the limited circumstances outlined below. See the charts below for CC NOREFP input time frames. Refunds on original returns can also be stopped by using CC NOREFP prior to the posting of the return on IDRS. See IRM 21.2.2-2, Accounts Management Mandated IAT Tools.

Note: CC NOREFP can be used to stop direct deposit refunds as well as paper refund checks.

Caution: If a TC 846 is showing on CC TXMOD or CC IMFOLT, the refund record has already been sent to BFS, and the refund cannot be stopped.

(2) CC NOREFP will resequence for 14 days for daily IMF accounts and, depending on the day of input, up to 20 days for weekly IMF accounts. Each day, CC NOREFP will look for a matching refund and, when a match is found, will stop the refund. If no match is found within these time frames, the CC NOREFP will be dropped from IMF processing.

(3) While an IDRS control base needs to be established for CC NOREFP, no systemic updates are received to indicate whether or not the input was successful at stopping the refund. Since the TC 846 will post on the module up to 5 business days before the TC 841, the account must be monitored for the TC 841 posting to determine if CC NOREFP was successful. See (10), (11) and (12) below for subsequent actions.

(4) The following chart is provided to clarify when CC NOREFP can be used to intercept a refund that will result from an adjustment input before 5:00 PM CT on an IMF **WEEKLY** account:

Note: Most accounts worked in AM will be designated as **WEEKLY** accounts. See Exhibit 2.3.51-13, Command Code IMFOL Output Display - Entity, Line 1, for more information about the position of the *Daily Eligible Indicator*. The literals "00" indicate an account is not eligible for daily processing; "01-99" indicates an account is eligible for daily processing. Any TC 29X input with a money amount will cause the account to become weekly; whereas a TC 290 .00 will not change the existing status.

Transaction Input	TERUP	Review CCs Available From 5:00 AM CT on the following:	NOREFP (until 9:00 PM CT) on the following:	Adjustment Posts to MF on the following:
Friday (Day 1)	Friday (Day 1)	Monday and until 5:00 PM CT Tuesday	Thursday, week 1 (4 days after input of adjustment)	Friday, week 1 (5 days after input)
Monday (Day 2)	Monday (Day 2)	Tuesday and until 5:00 PM CT Wednesday	Thursday, week 1 (3 days after input of adjustment)	Friday, week 1 (4 days after input)
Tuesday (Day 3)	Tuesday (Day 3)	Wednesday and until 5:00 PM CT Thursday	Thursday, week 2 (7 days after input of adjustment)	Friday, week 2 (8 days after input of adjustment)
Wednesday (Day 4)	Wednesday (Day 4)	Thursday and until 5:00 PM CT Friday	Thursday, week 2 (6 days after input of adjustment)	Friday, week 2 (7 days after input of adjustment)
Thursday (Day 5)	Thursday (Day 5)	Friday and until 5:00 PM CT Monday	Thursday, week 2 (5 days after input of adjustment)	Friday, week 2 (6 days after input of adjustment)

Example: If an adjustment is input on Friday, the adjustment can be deleted by CC TERUP until 5:00 PM CT. After that, REVIEW command codes can be used to review/delete the adjustment starting at 5:00 AM CT on Monday and ending at 5:00 PM CT on Tuesday. After 5:00 PM CT on Tuesday and until 9:00 PM CT on Thursday, CC NOREFP can be used to stop a refund. After 9:00 PM CT on Thursday the refund can no longer be stopped.

(5) The following chart is provided to clarify when CC NOREFP can be used to stop a refund resulting from a transaction (e.g., TC 290 .00, TC 571, etc.) input before 5:00 PM CT on an IMF **DAILY** account:

Transaction Input	TERUP	Review CCs Available From 5:00 AM CT on the following:	NOREFP (until 8 PM CT) on the following:	Transaction posts to IMF on the following:
Friday	Friday	Monday and until 5:00 PM CT Tuesday	Wednesday	Thursday
Monday	Monday	Tuesday and until 5:00 PM CT Wednesday	Thursday Exception: available until 9:00 PM CT	Friday
Tuesday	Tuesday	Wednesday and until 5:00 PM CT Thursday	Friday	Monday
Wednesday	Wednesday	Thursday and until 5:00 PM CT Friday	Monday	Tuesday
Thursday	Thursday	Friday and until 5:00 PM CT Monday	Tuesday	Wednesday

(6) CC NOREF is still available for use in stopping BMF refunds. For the cutoff days and time frames for BMF CC NOREF, see IRM 3.14.2.6.1 (2) and (6), Refund Intercept using (CC) NOREF.

(7) With Taxpayer Information File (TIF) centralization, it is no longer necessary to contact the issuing center or your local Notice Review to stop the refund. Input of CC NOREFP will stop a refund regardless of the Campus and will be evident when viewing the account. Use the CC "NOREFP" to intercept erroneous refunds and update the Refund Information File (RFIF). Refer to IRM 2.4.37, Command Code NOREF Overview, for a complete description and input requirements.

(8) CC "NOREF":

- Cannot be used to stop a refund during an accelerated cycle. See Exhibit 21.4.2-1 (11), Command Code (CC) "CHKCL" Input, for the BMF accelerated cycles.
- Can be used if there is a possibility a taxpayer may receive a second refund erroneously.
- Automatically establishes a control base.
- Must be input by 3:00 PM Central Time on Friday, the week prior to the TC 846 for Business Master File (BMF).

Note: To stop a direct deposit refund, use CC "NOREF" with definer "E". If CC "NOREF" with definer "E" is input on an account with a split refund, all portions of the split refund will be cancelled. A direct deposit refund must be stopped **no later than the Friday, one week before the scheduled date of the direct deposit**. If the TC 846 is posted on CC TXMOD, the direct deposit cannot be stopped. This type of stop is limited to internally identified

erroneous or potentially erroneous refunds. The actual scheduled date of the direct deposit is the date as shown 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**.

Example: The direct deposit is scheduled for Friday, August 16, 2019. The CC "NOREFE" must be input no later than Friday, August 9, 2019.

(9) Refunds can be issued to both spouses from the same module in the same cycle. TC 846 for primary and secondary SSN will carry the same DLN; therefore, both refunds will be stopped when intercepting.

(10) Complete all account actions, except credit transfers, when requesting to stop a refund. Transfer a credit after the TC 841 posts. If the account action you are taking will result in a balance due, input TC 470 to hold any balance-due notices that may generate. It takes 4-6 weeks for the TC 841 to post.

(11) Employees stopping the refund will maintain an open control on all cases where a CC "NOREF" is input. The employee places the open control in "B" or "M" status (monitoring). The case can be closed when confirmation is received that the refund has been stopped.

Exception: The RFDL control base may be closed immediately following CC NOREF input if a manual refund has been input using the IAT Manual Refund Suite tool.

(12) The controlling employee must monitor for the TC 841 and take appropriate action. If there is an adjustment on the module and the control is in background, the CSR should make the adjustment based on the information provided by the taxpayer.

(13) If the module contains a background control without an adjustment to the account, the controlling employee may be waiting for information from the taxpayer. If the information can be used to close the account, contact the controlling employee. Prepare a Form 4442/e-4442, Inquiry Referral, include all of the taxpayer information and forward the case to the controlling employee.

(14) When the TC 841 posts to the account, take the necessary action to release the "P" Freeze and close the control base.

(15) If the TC 841 does not post within 4-6 cycles:

- a. Research for other adjustments, or unpostable conditions,
- b. Refund Inquiry can research TCIS to determine if refund was cancelled,
- c. Review account to determine whether or not an erroneous refund occurred. If an erroneous refund occurred, refer to IRM 21.4.5, Erroneous Refunds, to start procedures for return of the funds.

