



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

3.0.230

NOVEMBER 27, 2024

## EFFECTIVE DATE

(01-01-2025)

## PURPOSE

- (1) This transmits revised IRM 3.0.230, General - Lockbox Processing Procedures.

## MATERIAL CHANGES

- (1) IRM 3.0.230 Changed references to Wage & Investment (W&I) to Taxpayer Services (TS) throughout IRM

## EFFECT ON OTHER DOCUMENTS

IRM 3.0.230 dated November 08, 2023 effective January 1, 2024 is superseded.

## AUDIENCE

All Submission Processing Campuses (SPC), Lockbox Policy and Oversight (LPO) Analysts, Government Accountability Office (GAO), and Treasury Inspector General for Tax Administration (TIGTA).

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3.0.230

Lockbox Processing Procedures

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3.0.230.1  
(01-01-2020)  
**Program Scope and Objectives**

- (1) **Overview:** The Internal Revenue Manual (IRM) provides Internal Revenue Service (IRS) guidance on processes and procedures for Lockbox receipts at the Submission Processing Campuses (SPC).
- (2) **Purpose:** The purpose of the Lockbox network is to effectively collect and process paper remittances on a 24-hour deposit standard to accelerate funds into the United States Treasury while maintaining the security and confidentiality of taxpayer information.
- (3) **Audience:** The intended audience is Lockbox Policy and Oversight (LPO) analysts and employees at the SPC in the following Operations:
  - Planning and Analysis (P and A); Quality Improvement Team (QIT)
  - Accounting Control/Services (ACO)
  - Receipt and Control (RCO)
  - Input Corrections (ICO)
- (4) **Policy Owner:** The Director of Taxpayer Services (TS), Submission Processing (SP) is the policy owner.
- (5) **Program Owner:** Accounting and Tax Payment Branch (ATPB), Lockbox Policy and Oversight (LPO) Section, an organization within SP, is the program owner.
- (6) **Primary Stakeholders:** LPO analysts and employees at the SPC.
- (7) **Program Goals:** The goal of a 24-hour deposit standard incorporates the dual responsibilities of meeting productivity requirements while ensuring processing quality standards, are simultaneously met. Both elements are of critical importance in ensuring internal controls exist to attain efficient, timely and accurate program achievement.

3.0.230.1.1  
(01-01-2020)  
**Background**

- (1) The Internal Revenue Service (IRS) Lockbox Network consists of Financial Agent(s) (FA) designated by the Bureau of the Fiscal Service (BFS), IRS Lockbox Branch, to process payments at Lockbox sites in support of IRS Submission Processing Campus (SPCs) located throughout the country.

3.0.230.1.2  
(01-01-2020)  
**Authority**

- (1) The Fiscal Service Internal Revenue Service (IRS) Lockbox Branch is delegated by the United States Treasury to enter into Financial Agent Agreement(s) (FAA) with Financial Agent(s) (FA) to process payments on behalf of government agencies. The FA designated by Fiscal Service IRS Lockbox Branch act as a fiduciary of IRS to process federal tax remittances and collections.
- (2) The FA officers, employees and contractors must comply with and assume responsibility for compliance by its employees and contractors of the provisions of IRC Section 6103 of the Internal Revenue Code.
- (3) The following provide authority for the instructions in this IRM to be performed in support of Lockbox activities:
  - a. Internal Revenue Code (IRC) Title 26 U.S.C. or the Privacy Act (5 U.S.C. Section 552).
  - b. All Policy Statements for Submission Processing are contained in IRM 1.2.1, Servicewide Policies and Authorities, Policy Statements for Submission Processing Activities.

- (4) The following Guidelines and IRMs are resources for the intended audience and primary stakeholders:

- a. Lockbox Processing Guidelines (LPG)
- b. Lockbox Security Guidelines (LSG)
- c. IRM 10.2.11 - Basic Security Concepts
- d. IRM 3.24.133 - Residual Remittance Processing System
- e. IRM 3.0.167 - Losses and Shortages
- f. IRM 3.8.44 - Campus Deposit Activity
- g. IRM 3.8.45 - Manual Deposit Process
- h. IRM 3.10.72 - Receiving, Extracting and Sorting
- i. IRM 3.10.73 - Batching and Numbering
- j. IRM 3.30.20 - OFP Codes Overview
- k. IRM 21.5 - Account Resolution

3.0.230.1.3  
(01-01-2020)  
**Responsibilities**

- (1) Fiscal Service, Internal Revenue Service (IRS) Lockbox Branch and IRS Lockbox Policy and Oversight (LPO) Section work closely together and share responsibility for the administration and program oversight of the IRS Lockbox Program. Each agency is primarily responsible for distinct duties.

3.0.230.1.3.1  
(01-01-2020)  
**Fiscal Service IRS  
Lockbox Branch and IRS  
Lockbox Policy and  
Oversight (LPO)**

- (1) Fiscal Service and Internal Revenue Service (IRS) are collectively responsible for the following administrative and oversight responsibilities:
- a. Establish IRS Lockbox Program goals and objectives.
  - b. Conduct strategic program planning and risk management activities.
  - c. Determine the Minimum Daily Processing Capacity (MDPC) and Program Completion Date (PCD) for each Lockbox site and workload requirements to ensure timely issuance of Minimum Daily Processing Capacity (MDPC) and Program Completion Date (PCD) letters.
  - d. Conduct analysis and assessment of each Lockbox site's peak workload performance.
  - e. Conduct pre-peak and post-peak analysis of each Lockbox site's operations and performance.
  - f. Make recommendations for process improvements and report and resolve significant issues of concern.
  - g. Review, evaluate and respond to recommendations for process and system improvements.
  - h. Plan, manage and coordinate activities to implement Lockbox program, process and system changes.
  - i. Support and assist in resolving issues regarding IRS Lockbox deposits.
  - j. Conduct monthly meetings with the Lockbox sites to review performance and discuss processing issues.
  - k. Provide oversight and guidance regarding Post Office (PO) Box addresses provided by the Financial Agent(s) (FA). Additionally, collaborate to instruct the FA on when to open and close PO Box addresses.
  - l. Conduct training sessions to provide guidance and ensure consistency in oversight of peak coverage.
  - m. Collaborate to review Lockbox Processing Guidelines (LPG) and Lockbox Security Guidelines (LSG) annually to ensure updates, comments and recommendations have been incorporated.
  - n. Ensure Lockbox sites receive updated LPG and LSG for peak processing periods.
  - o. Review and approve procedural/security waivers as documented.



- p. Respond to inquiries from internal and external stakeholders pertaining to the IRS Lockbox program.

3.0.230.1.3.2  
(01-01-2020)

## **Fiscal Service IRS Lockbox Branch**

- (1) Fiscal Service, Internal Revenue Service (IRS) Lockbox Branch primary responsibilities include but are not limited to the following elements:

- a) Perform Financial Agent(s) (FA) Oversight:

1. Implement a Financial Agent Selection Process (FASP) when designating FA.
2. Negotiate and execute Financial Agent Agreement (FAA) when designating FA.
3. Implement changes to the Treasury Financial Manual (TFM) as necessary.
4. Compensate each FA for IRS Lockbox operation expenses subject to reimbursement by the IRS.
5. Act as a liaison between the IRS and the Lockbox sites to ensure compliance with the requirements established by the IRS are incorporated into the FAA.
6. Assume a leadership role in annual Lockbox Forum with IRS and Lockbox sites as well as the designation of scheduling and organizing post-peak reviews.
7. Plan, manage and coordinate activities to support IRS Lockbox Network structural and/or organizational changes (e.g., Lockbox site openings and closures).
8. Collaborate with Fiscal Service Asset Protection Division and IRS to conduct Physical Security reviews and approve IRS Lockbox site certification(s).

- b) Collaborate with Lockbox Policy and Oversight (LPO) to ensure effective Internal Controls exist in the Lockbox Network:

1. Participate with IRS to develop specific quality improvement and internal control programs.
2. Provide on-site support during April Peak processing period.
3. Assist IRS Lockbox analysts on an as-needed basis with on-site performance review during April Peak.
4. Evaluate the Lockbox sites including reviewing and analyzing production, daily status and incident reports.
5. Collaborate with IRS to conduct an analysis of April peak performance to include the following: dollars deposited, items processed, incident reports, staffing trends, operating status (e.g., Operating as Expected (OAE), Minimum Daily Processing Capacity (MDPC) and Program Completion Date (PCD)).
6. Collaborate with IRS to conduct post-peak lessons learned sessions with each Lockbox site to review performance.
7. Support the Statistics of Income (SOI) analyst(s) with reviewing production reports for inconsistencies.
8. Ensure the Fiscal Service Branch Manager is available 24-hours a day to receive Situation Awareness Management Center (SAMC) calls, provide guidance and a headquarters reporting mechanism to the analyst on site.
9. Collaborate with IRS to distribute and complete analysis of quarterly performance scorecards for each Lockbox site.

10. Collaborate with the IRS to develop and timely implement corrective action plans that respond to all audits and ensure implemented actions are appropriately validated.

c) Provide Lockbox Sites Continuity of Operations (COOP) Services:

1. Coordinate with the IRS to ensure the Lockbox sites have the appropriate COOP plans.
2. Review each Lockbox site's contingency and Occupational Emergency Plan (OEP) to ensure the safeguarding and proper transition of work in the event of an emergency as well as in support of daily operations.

d) Provide integration between the Lockbox sites and Electronic Check Processing (ECP):

1. Ensure ECP has the appropriate updates and documentation to support ECP failover to Image Cash Letter (ICL).
2. Ensure the Lockbox sites perform annual contingency failover testing.

**Note:** Fiscal Service IRS Lockbox Branch develops and prepares all correspondence and documentation and ensures all information is distributed to the Lockbox sites as required.

3.0.230.1.3.3  
(01-01-2020)

**Accounting and Tax  
Payment (ATP) Branch,  
Lockbox Policy and  
Oversight (LPO) Section**

- (1) The LPO Section of the ATP Branch has primary responsibility for management and oversight of the Lockbox Network.
- (2) LPO is responsible for the development of system, security, internal control, processing and reporting requirements in accordance with tax legislation and Internal Revenue Service (IRS) policy. In addition, the LPO team has primary responsibility for ensuring the accurate processing of remittances to taxpayers' accounts. To effectively administrate the IRS Lockbox Program; the IRS LPO Section maintains the necessary liaisons with IRS support organizations and Subject Matter Expert(s) (SME).
- (3) The LPO team performs the following activities to achieve this mission:
  - a. Develop and maintain IRS Lockbox Network requirements in accordance with tax legislation and IRS policy. Provide a process to collect feedback on requirement documents and conduct discussion sessions with Fiscal Service and IRS SME as needed or requested.
  - b. LPO maintains the following governing documents:
    - 1) Lockbox Processing Guidelines (LPG) processing and administrative requirements.
    - 2) Lockbox Security Guidelines (LSG) physical, personnel, courier, remittance and Information Technology (IT) security requirements:
      - a. Develop and revise the Lockbox sites processing procedures and security procedures with appropriate SME.
      - b. Coordinate revisions with all stakeholders.

- c. Organize a forum for IRS Lockbox analysts, Fiscal Service and Lockbox sites to participate in annual review of the LPG. Document review and comments.
- d. Organize a forum for IRS Lockbox analysts to participate in an annual review of the LSG with Fiscal Service IRS Lockbox Branch, Fiscal Service's Asset Protection Division, IRS Facilities Management Shared Services (FMSS), Human Capital Office (HCO) and IT. Document review and comments.
- e. Track and address issues, suggestions and comments reported during previous filing seasons.
- f. Track, coordinate and ensure accurate and timely responses to waiver and change requests associated with the LPG and LSG.
- g. Issue Alert(s) and Lockbox Electronic Bulletin(s) (LEB) to provide updates as necessary throughout the year.
- h. Provide annual revision drafts of the LPG and the LSG with Nature of Changes (NOC).
- i. Provide final documents via LEB to all stakeholders.
- j. Provide a quarterly LPG and LSG to stakeholders that incorporates revisions through the quarter.

## 3) IRM 3.0.230, Lockbox Processing Procedures:

- a. Provide an annual update with necessary changes to ensure procedures are consistent with LPG and LSG guidance.
- b. Issue IRM Procedural Update (IPU) as necessary.

## 4) Manage the Lockbox Sites Functional Specification Package (FSP) and Lockbox Electronic Network (LEN) file transmission requirements:

- a. Coordinate with IRS IT to develop the Lockbox FSP software requirements and ensure consistency between Lockbox and IRS internal software specifications.
- b. In collaboration with Fiscal Service, coordinate with each Lockbox site to ensure adequate understanding of the software requirements. Ensure the FSP and new programs are implemented within the required timeframes.
- c. Coordinate with IRS Enterprise Systems Testing (EST) Division to ensure the Lockbox sites software is tested and acceptable for production prior to issuing the annual software certification.
- d. Coordinate with IRS IT and the Lockbox sites to resolve software production problems.
- e. Monitor and coordinate the LEN transmissions of Remittance Processing System (RPS), Remittance Transaction Research (RTR) and Redesign Revenue Accounting Control System (RRACS) taxpayer data files from the Lockbox sites to the Electronic File Transfer Utility (EFTU) drop box for accuracy and timeliness.
- f. Coordinate re-transmission of files with IT EOPS (Enterprise Operations), Enterprise Computing Center (ECC) and the Lockbox site(s) upon non-receipt or corrupt RPS, RTR or RRACS files.
- g. Issue information Alerts to ECC scheduling, Chief Financial Office (CFO) and SPC Accounting when the Lockbox sites are working and transmitting image/data files on non-business days (weekends or holidays). Also issue Alerts when the sites are not working during regular scheduled business days.

- h. Coordinate with EOPS EFTU to request new Axway accounts or close accounts that are no longer required for secure data file transfers.
- i. Coordinate with IT on end-of-year (EOY) procedures and issue a LEB with detailed instructions for each day, including the date the new code will be implemented.

5) Annual Lockbox Filing Season Readiness (FSR) Plan Activities:

- a. Provide voucher specifications to software developers, preparers, software vendors and internal IRS and ensure adequate testing of vouchers.
- b. Collaborate with Fiscal Service and the Lockbox sites to ensure the PO Box addresses by form type are correct.

a) Manage and update Lockbox PO Box addresses to ensure IRS.gov website is accurate.

b) Coordinate address changes with IRS IT and Media and Publications to ensure correct Lockbox addresses are incorporated in the mail-out tax packages and documents.

- c. Based on IRS research projections and/or prior year data calculate the PCD for each Lockbox site, based on expected volume of work.
- d. Provide Fiscal Service each Lockbox sites April peak workload requirements and associated PCD for formal issuance to each FA in the PCD letter.
- e. Update Data Collection Instrument (DCI) to accurately reflect new requirements and/or changes in the LPG and LSG.
- f. Develop, coordinate and submit a Unified Work Request (UWR) with annual FSP updates and requirement changes.
- g. Coordinate with the Primary Local Security Administrators (PLSA) and each Lockbox site to ensure access to OTCnet.

6) Ensure each Lockbox site's readiness for filing season by preparation and coordination of the following:

- a. Conduct FSR meetings with the Lockbox sites and SPCs.
- b. Revise the Lockbox sites FSR review plan requirements to reflect needed changes on an annual basis.
- c. Distribute the FSR review plan requirements via official Alert to each Lockbox site with established timeframes for completion.
- d. Conduct an analysis of the FSR plans to ensure all processing requirements are addressed.
- e. Coordinate with each Lockbox site any required changes, concerns, or issues for resolution prior to the start of the new calendar year.
- f. Conduct pre-peak and post-peak meetings with each Lockbox site and the respective SPC.

7) Provide Lockbox SME support to respond to inquiries and facilitate the resolution of all Lockbox site issues:

- a. Provide dedicated SME support to each SPC and each Lockbox site to ensure timely and appropriate resolution of all production, processing and internal control issues.

- b. Communicate information regarding Lockbox deliverables and services to appropriate SPC personnel.
- c. Provide SPC review feedback to Lockbox site management.
- d. As needed, coordinate resolution of identified issues with Fiscal Service, IRS internal functions and each Lockbox site.
- e. Respond to Congressional, General Accounting Office (GAO) and TIGTA memorandums and reports.
- f. Respond to IRS inquiries from internal and external stakeholders as needed.

3.0.230.1.4  
(01-01-2021)  
**Program Management  
and Review**

- (1) **Program Reports:** The Lockbox Policy and Oversight (LPO) Section continuously monitors and reviews Lockbox Network reports and deliverables to ensure accurate reporting, compliance and to identify/address emerging risks and areas for improvement.

a) Develop and maintain management reporting tools:

- a. Revise the Daily Deposit Production Report (DDPR) to incorporate new work in the Lockbox Program.
- b. Prepare a weekly production report.
- c. Prepare the monthly Financial Facts (FIN-FACTS) report.
- d. Prepare various workload management reports during the IMF and BMF peak processing periods.

b) Monitor daily productivity and inventories using the DDPR submitted by each Lockbox site and Lockbox Daily Deposit Cycle Report.

c) Monitor daily Lockbox Electronic Network (LEN) transmission of files from the Lockbox sites to the ECC-MTB drop box to ensure accuracy and timeliness.

d) Monitor daily all critical and non-critical incident reports.

e) Monitor and manage all security issues to ensure adequately and timely Lockbox site resolution.

f) Monitor and manage all security Plan of Action and Milestones (POAM) issues/findings to ensure adequate and timely Lockbox site response and necessary corrective action(s).

g) Monitor and manage all Internal Control Opportunities for Improvement (OFIs) to ensure adequate and timely Lockbox response and necessary corrective actions(s).

h) Monitor and manage all Government Accountability Office (GAO) Matter for Further Consideration (MFC) and recommendations to ensure adequate and timely Lockbox site response and necessary corrective actions.

i) Collaborate with Treasury Inspector General for Tax Administration (TIGTA), Office of Investigation, the SPC Remittance Security Coordinator (RSC) and Fiscal Service to monitor receipt losses and ensure taxpayer's accounts receive timely reimbursement due to theft or loss.

(2) **Program Effectiveness:** The Lockbox Program effectiveness is monitored by daily Performance Measure reviews performed at the aligned SPC and on-site reviews performed by LPO analysts.

3.0.230.1.5  
(01-01-2024)

#### Program Controls

- (1) The Lockbox Policy and Oversight (LPO) Section effectively administers the Lockbox Performance Measure program, to assist in meeting the program objectives LPO Section maintains the necessary liaisons with IRS support organizations and Subject Matter Expert(s) (SME) to manage and maintain each Lockbox sites performance.
  - a. Collaborate with Internal Revenue Service (IRS) Research Division Statistics of Income (SOI), Fiscal Service and IRS Cybersecurity, and IRS FMSS physical security staff to develop and perform Performance Measure reviews for Cybersecurity, Courier, Personnel and Physical Security.
  - b. With the assistance of applicable SME, develop new Data Collection Instrument (DCI) for on-site reviews and SPC reviews as new work is issued into the Lockbox Program.
  - c. Provide timely review feedback to Lockbox site management and monitor needed corrective actions as applicable.
  - d. Ensure timely receipt and analyze SPC DCI data and supporting documentation to ensure accuracy of review results before submission to SOI. Identify revisions for SPC review improvement and as needed provide SPC feedback and training.
  - e. Compile and analyze data from Performance Measure on-site DCI reviews and SPC DCI reviews to monitor and assess the quality of Lockbox processing.
  - f. Prepare and submit the Lockbox SPC DCI to SOI by the 15th of every month.
  - g. Prepare and submit the Processing Internal Control (PIC) and Procedural DCI by the 15th of the month following all peak and non-peak on-site reviews.
  - h. Provide SPC Performance Measure review oversight, guidance and training, as necessary, to ensure quality of SPC reviews.
- (2) Conduct reviews of each Lockbox site to ensure quality of services, compliance with Lockbox requirements, internal control effectiveness and to identify and address areas of emerging risks:
  - a. Submission Processing Campus (SPC) Performance Measures Reviews: Review and analyze results collected from daily SPC reviews of Lockbox work. Ensure review results are accurate for use in the calculation of each Lockbox sites Quarterly Performance Measure Scorecard.
  - b. Lockbox Performance Measure on site reviews: During major Individual Master File (IMF) peak, conduct on-site Internal Control, Processing, Procedural, Administrative and Processing Internal Control (PIC) performance measure reviews of each Lockbox site. The review encom-



passes all operating shifts. Ensure review results are accurate for use in the calculation of each Lockbox sites quarterly Performance Measure Scorecard.

- c. Physical/Courier and Personnel Security On-Site Reviews: Conducted with IRS, Facilities Management and Security Services (FMSS) and Fiscal Service, Asset Protection Division. Physical Security Specialists conduct annual on-site physical, personnel and courier security reviews of each Lockbox site to ensure compliance with requirements and identify/report areas of potential risk. Assist with physical and courier review if needed, primarily responsible for personnel security review. Prepare and provide written review results to Fiscal Service review lead for incorporation into each Lockbox sites security review report.
- d. Cybersecurity On-site Reviews: Conducted with IRS Cybersecurity Specialists. Conduct annual on-site review of each Lockbox site to ensure site compliance to Lockbox Security Guidelines (LSG) Cybersecurity requirements and identify and report areas of potential risk. Once Cybersecurity provides the finalized report to LPO, LPO will submit finalized review report to Fiscal Service IRS Branch for issuance to the Financial Agent(s) (FA).
- e. Unannounced Internal Control (IC) On-site Reviews: Conduct annual on-site internal control reviews to evaluate the efficiency and effectiveness of each Lockbox site's internal control structure, compliance to procedures and assess internal control over financial reporting. Prepare Opportunity for Improvement (OFI) reports of non-compliance, areas of needed improvement and risk. Provide report to Fiscal Service IRS Branch for issuance to the FA.

**Note:** If the IC review is not performed prior to IMF peak, the review will be performed during IMF peak. If performed prior to IMF peak, OFIs identified will be reviewed during IMF peak.

(3) Support Lockbox Continuity of Operations:

- a. Collaborate with Fiscal Service to develop and implement a Continuity of Operation Plan (COOP).
- b. Collaborate with Fiscal Service, Lockbox sites and SPC to coordinate testing of COOP.
- c. Provide 24/7 primary contacts to the Computer Security Incident Response Center/Situation Awareness and Management Center (CSIRC/SAMC) process. Update CSIRC/SAMC when contacts change.
- d. Provide field support to the contingency sites when a COOP is implemented.

(4) Support Fiscal Service in the FA selection process:

- a. Support Fiscal Service by providing IRS policy and workload requirements.
- b. Participate in planning sessions with Fiscal Service.
- c. Assist in preparing a timeline of activities that will meet the schedule of all parties involved.
- d. Provide concurrence with all documents prior to issuance.

3.0.230.1.6  
(01-01-2021)

**Terms/Definitions/  
Acronyms**

- (1) Refer to IRM 3.0.230.2.9.14, Definitions of Terminology and Exhibit 3.0.230-5, Glossary of Acronyms and Descriptions.

3.0.230.1.7  
(01-01-2021)

**Related Resources**

- (1) Refer to IRM 3.0.230.2.9.14, Definitions of Terminology, Exhibit 3.0.230-1, IMF Submission Processing Campus / Lockbox State Realignment, Exhibit 3.0.230-2, BMF Submission Processing Campus / Lockbox State Realignment, Exhibit 3.0.230-3, File Location Code (FLC) Table, Exhibit 3.0.230-5, Glossary of Acronyms and Descriptions.

3.0.230.1.8  
(01-01-2024)

**Mandatory Lockbox  
Review Travel**

- (1) The Lockbox Policy and Oversight (LPO) Section conducts on-site reviews of each Lockbox site to ensure quality of services, compliance with Lockbox requirements, internal control effectiveness and to identify and address areas of emerging risks.
- (2) The following is a chart that outlines Mandatory review travel by Lockbox Analyst:

<b>Mandatory Travel - Individual Master File (IMF)/Business Master File (BMF)</b>	
<b>IMF Peak</b>	IMF - April 17th or 18th - 1040, 1040ES, 4868 processing
<b>Unannounced Internal Control Review</b>	Review dates determined by LPO Management
<b>Cybersecurity Reviews</b>	Review dates determined by Cybersecurity
<b>Physical Security Reviews</b>	Review dates determined by Fiscal Service Asset Protection Division

3.0.230.2  
(01-01-2022)

**General Overview**

- (1) The primary goal of the Lockbox Network is to effectively collect and process paper remittances on a 24-hour deposit standard to accelerate funds into the United States Treasury while maintaining the security and confidentiality of taxpayer information. The Lockbox Network achieves this goal by:
- Processing the vouchers and payments and crediting the amount to the United States Treasury's Deposit Demand Account (DDA).
  - Electronically providing data associated with these payments to the Internal Revenue Service (IRS) for posting to the taxpayers' accounts.
  - Forwarding unprocessable items and returns in the daily mail out package to the IRS Submission Processing Campus (SPC) aligned to the Lockbox site, via the Lockbox Document Transmittal (LDT). The LDT must list the contents of each deposit date work is being shipped to the aligned SPC.
- (2) Taxpayers are instructed to send their Individual Master File (IMF) or Business Master File (BMF) tax payments for various forms to Post Office Box addresses assigned to a Lockbox Site.



- (3) States are realigned based on the SPC Consolidation plans. The approved realignment for the 2023 filing season is provided in Exhibit 3.0.230–1, IMF Submission Processing Campus / Lockbox State Realignment.
- (4) Changes and recommendations to be incorporated into the January revision of this IRM must be received at Headquarters no later than the preceding June 30th for consideration.
- (5) IRM deviations must be submitted in writing following instructions from IRM 1.11.2.2, Internal Management Document System - Internal Revenue Manual (IRM) Process, IRM Standards and elevated through appropriate channels for executive approval.

3.0.230.2.1  
(01-01-2024)

## **Lockbox Site Processable IRS Forms**

- (1) All Lockbox Sites will process payments received with designated Internal Revenue Service (IRS) forms. Specific procedures and policies are provided to the Lockbox Sites via the Lockbox Processing Guidelines (LPG). Lockbox Sites must provide the necessary services (personnel, facilities, equipment, and materials) to process the payments received with these forms and follow the instructions for returns to be forwarded to the SPC they service. The processable IRS forms are as follows:
  - Form CT-1, Employer's Annual Railroad Retirement Tax Return
  - Form 11-C, Occupational Tax and Registration Return for Wagering
  - Form 433–D, Installment Agreement
  - Form 706/GS(D)/GS(T)/NA, United States Estate (and Generation Skipping Transfer) Tax/Return/Tax Return for Distribution/Tax Return for Terminations/ Nonresident Alien Estate Tax Return
  - Form 709, United States Gift (and Generation Skipping Transfer) Tax Return
  - Form 720-V, Quarterly Federal Excise Tax Payment Voucher
  - Form 730, Monthly Tax Return for Wagers
  - Form 940, Employer's Annual Federal Unemployment (FUTA)Tax Return / Payment Voucher
  - Form 940-PR, Employer's Annual Federal Unemployment Tax Return, Puerto Rico
  - Form 940, Amended, Amended Employer's Annual Federal Unemployment Tax Return
  - Form 941, Employer's Quarterly Federal Tax Return / Payment Voucher
  - Form 941-PR, Employer's Quarterly Federal Tax Return, Puerto Rico
  - Form 941-SS, Employer's Quarterly Federal Tax Return, American Samoa, Guam, the Commonwealth of the Northern Marianas Islands, and the U.S. Virgin Islands
  - Form 941-X, Adjusted Employer's Quarterly Federal Tax Return or Claim for Refund
  - Form 943, Employer's Annual Tax Return for Agricultural Employees / Payment Voucher
  - Form 943-PR, Employer's Annual Tax Return for Agricultural Employees, Puerto Rico
  - Form 943-X, Adjusted Employer's Annual Tax Return for Agricultural Employees or claim for refund
  - Form 944, Employer's Annual Tax Return / Payment Voucher
  - Form 944-X, Adjusted Employer's Annual Tax Return or claim for refund
  - Form 945, Annual Return of Withheld Federal Income Tax / Payment Voucher

- Form 945-X, Adjusted Annual Return of Withheld Federal Income Tax or claim for refund
- Form 990EZ/PF/T, Return of Organization Exempt from Income Tax
- Form 1040, U.S. Individual Income Tax Return / Payment Voucher
- Form 1040-ES, Estimated Tax Payment Voucher
- Form 1040-NR, U.S. Nonresident Alien Income Tax Return
- Form 1040-PR, U.S. Self-employment Tax Return for Puerto Rico
- Form 1040-SS, U.S. Self-employment Tax Return for the Virgin Islands / American Samoa, Puerto Rico / Guam / Commonwealth of the Northern Marianas Islands
- Form 1040-SR, U.S. Tax Return for Seniors
- Form 1040-X, Amended U.S. Individual Income Tax Return
- Form 1041, U.S. Income Tax Return/Payment Voucher (for Estates and Trusts)
- Form 1041-A, U.S. Information Return-Trust Accumulation of Charitable Amounts
- Form 1041-ES, Estimated Tax Payment Voucher
- Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons
- Form 1065, U.S. Return of Partnership Income (Publicly Traded Partnerships)
- Form 1066, U.S. Real Estate Mortgage Investment Conduit (REMIC)
- Form 1120F/FSC/L/ND/PC/POL/REIT/RIC/S/SF, U.S. Corporation Income Tax Return, Short Form/Foreign Corporations/Foreign Sales Corporation (AUSC)/Life Insurance Company/Nuclear Decommissioning Trusts and Certain Related Persons/Property and Insurance Casualty Company/Political Companies/Small Business/Designated Settlement Funds
- Form 2159, Payroll Deduction Installment Agreement
- Form 2290, Heavy Highway Vehicle Use Tax Return / Payment Voucher
- Form 4720, Return of Certain Excise Taxes on Charities and Other Persons under Chap. 41 and 42 of the IRC
- Form 4868, Application for Automatic Extension of Time to file U.S. Individual Income Tax Return / Payment Voucher
- Form 5227, Split-Interest Trust Information Return
- Form 5330, Return of Initial Excise Taxes Related to Employee Benefit Plans
- Form 7004 (1120 Series), Application for Automatic Extension of Time to File Certain Business Income Tax, Information, and Other Returns
- Form 8038-T, Arbitrage Rebate Yield Reduction in Penalty in Lieu of Arbitrage Rebate
- Form 8453, U.S. Individual Income Tax Declaration for Electronic Filing
- Form 8752, Required Payment or Refund under Section 7519
- Form 8849, Claim for Refund of Excise Taxes
- Form 8872, Political Organization Report of Contributions and Expenditures
- Form 8879, IRS e-file Signature Authorization
- Form 8892, Payment of Gift / GST Tax and / or Application for Extension of Time to File Form 709
- Form 9465, Installment Agreement Request
- Letter 2850, Installment Agreement Confirmation Letter (ICS)
- Letter 3640, Taxpayer Lien Payoff
- Letter 3641, Third Party Lien Payoff (Escrow or Financial Institutions)

- Letter 3856, and Letter 3856A, Manually Monitored Installment Agreement (MMIA) Letter / Payment Voucher
- Notice CP 14H, Notice CP 22H, Notice CP 71H, Notice CP 501H, Notice CP 503H, and Notice CP 523H, Affordable Care Act (ACA)
- Notice CP 521, Notice CP 523, Notice CP 621, and Notice CP 623, Installment Agreement/Payment Notices
- Notice CP 11, Notice CP 14, Notice CP 14I, Notice CP 22A, Notice CP 22E, Notice CP 22I, Notice CP 23, Notice CP 60, Notice CP 71, Notice CP 71A, Notice CP 71C, Notice CP 71D, Notice CP 134B, Notice CP 160, Notice CP 161, Notice CP 162, Notice CP 501, Notice CP 503, Notice CP 504, Notice CP 504B, Notice CP 604, Notice CP 604B, Notice CP 834B, and Notice CP 861, Balance Due Notices
- Notice CP 2000, Request for Verification of Unreported Income, Payments, and/or Credits
- Residual Payments (Refer to LPG 4.4 for specific instructions)

**Note:** Payments received with Spanish (SP) versions of forms, CPs, and letters in the list above will be processed by lockbox.

3.0.230.2.2  
(01-01-2024)  
**Security Standards for  
Data Protection  
(Physical/Unauthorized  
Disclosure)**

- (1) The Lockbox Site will provide adequate security, equipment, and facilities to safeguard all remittances received, processed, stored, transmitted, and shipped to the Submission Processing Campus (SPC) as follows:
  - a. All Lockbox security requirements related to the physical premises, personnel, courier, vendor, and information technology will be followed as specified in the Lockbox Security Guidelines (LSG).
  - b. An IRS Official Disclosure Statement and a Fiscal Service Non-Disclosure Agreement Sensitive but Unclassified (SBU) information form must be signed for all Lockbox positions, to ensure protection of sensitive tax data (SBU) and to prevent disclosure of taxpayer personally identifiable Information (PII) to unauthorized individuals or entities, even if such disclosure is unintentional. Courier employees must sign an Official Courier's Additional Non-Disclosure Statement (IRS).
  - c. All new Lockbox employees must complete a Security Awareness training and all returning or permanent Lockbox employees must attend annual Privacy Awareness refresher training. Documentation of the completion and attendance of the Security Awareness initial and refresher training will be maintained in the Lockbox employee personnel file.
  - d. The Lockbox Site is liable for any Financial Agent(s) (FA) settled loss or shortage of funds received and not properly credited to the IRS.
  - e. All Lockbox Sites are subject to reviews, including unannounced, to ensure all procedures outlined in the Lockbox Processing Guidelines (LPG) and LSG are followed.
- (2) Prompt reporting of incidents involving unauthorized disclosure of SBU or PII data, whether willful/intentional or inadvertent/unintentional, and missing taxpayer remittance or sensitive data is critical. The Lockbox sites will follow all Incident Reporting procedures and provide full cooperation with TIGTA, IRS, and Fiscal Service in the investigation and resolution of all incidents. The Lockbox Field Coordinator (LFC) will ensure the Lockbox Site has followed all reporting procedures.
  - a. Inadvertent (unintentional) unauthorized disclosures: report immediately upon discovery to the Computer Security Incident Response Center

(CSIRC), the Situational Awareness Management Center (SAMC), the Office of Privacy, Governmental Liaison and Disclosure (PGLD), via email at \*PII@irs.gov, Fiscal Service IRS Lockbox Branch, Lockbox Program Office, Director and Deputy Director of Submission Processing, and LFC.

- b. Willful (intentional) unauthorized disclosures and Unauthorized Access (UNAX): upon discovery, report immediately to TIGTA, Lockbox Program Office, Fiscal Service IRS Lockbox Branch, Director and Deputy Director of Submission Processing and LFC.
- c. Missing remittances: Upon discovery, report immediately to TIGTA, Lockbox Program Office, Fiscal Service Program Office, Director and Deputy Director of Submission Processing and LFC. The LFC will notify the campus Remittance Security Coordinator (RSC). Missing remittances with PII: also report immediately to Privacy, Governmental Liaison and Disclosure (PGLD) via email at \*PII@irs.gov.

3.0.230.2.3  
(01-01-2022)  
**Declaring Individual  
Master File (IMF)  
Program Completion  
Date (PCD), and Peak  
Sweep**

- (1) Individual Master File (IMF) Lockbox Sites receive a PCD from Internal Revenue Service (IRS) in which to complete receipts received during IMF peak.
- (2) IRS in conjunction with Fiscal Service (if available) must complete a sweep of the facility before PCD / PC is declared. Refer to Lockbox Processing Guidelines (LPG) for specifics.

**Note:** If the LFC is not onsite to perform a comprehensive sweep, the Lockbox site must perform a sweep and notify LPO Management, Bureau of the Fiscal Service Management and their assigned LFC when sweep is complete and if remittances were discovered.

- (3) The Lockbox Field Coordinator (LFC) will declare when PCD/PC has been met utilizing LPG requirements. If LFC is not present, an on-site IRS representative will declare PCD /PC.

3.0.230.2.4  
(01-01-2014)  
**Fraudulent, Bogus or  
Questionable  
Remittances**

- (1) Lockbox Sites may receive bogus remittances that resemble checks and money orders. Lockbox sites must follow the procedures outlined in the Lockbox Processing Guidelines (LPG).
- (2) Lockbox Sites will place the bogus remittance in envelope and annotate "Potential Fraudulent or Bogus Remittance" and place envelope in the Unprocessable with Remittance package to be sent to the Submission Processing Campus (SPC).

3.0.230.2.5  
(01-01-2023)  
**Areas of Impact**

- (1) Submission Processing functional areas impacted by Lockbox Sites are Receipt and Control, Error Resolution, Unpostables, Accounting, Quality Improvement Team and Notice Review; Information Technology (IT), Accounts Management, and Field Compliance may also be impacted by Lockbox processing.

3.0.230.2.5.1  
(01-01-2020)  
**Accounts Management  
Operations**

- (1) Customer service representatives must alert management of unusual taxpayer complaints regarding Lockbox processing.
- (2) Report any potential theft/embezzlement to the TIGTA Office of Investigations and the Remittance Security Coordinator (RSC) on the Submission Processing website under Campus Security.

- (3) Follow all procedures outlined in IRM 21.3.4.7.16.1, Altered and/or Stolen Taxpayer Payments.
- 
- |   |   |
|---|---|
| <p>3.0.230.2.5.1.1<br/>(01-01-2009)<br/><b>Encoding Errors</b></p>                            | <ol style="list-style-type: none"><li>(1) Accounting Operations corrects Lockbox encoding errors and reports the errors monthly to the Lockbox Field Coordinator (LFC). Refer to IRM 3.17.10, Dishonored Check File (DCF) and Unidentified Remittance File (URF).</li><li>(2) The LFC provides Statistics of Income (SOI) a consolidated monthly report of Lockbox encoding errors and Lockbox reviews performed by the Submission Processing Campus (SPC).</li></ol>   |
| <p>3.0.230.2.5.1.2<br/>(01-01-2016)<br/><b>Payment Tracers</b></p>                            | <ol style="list-style-type: none"><li>(1) A payment tracer case is generated when taxpayer inquiries are received about a payment which has not been credited to their account. The taxpayer usually has received an erroneous notice.</li><li>(2) Accounts Management and Field Compliance are responsible for the preliminary processing of payment tracer requests. Instructions for processing these requests are contained in IRM 21.5.7, Payment Tracers.</li><li>(3) If preliminary research does not result in locating the payment, the case will be forwarded to the Hard-core Payment Tracer Unit.</li></ol>                               |
| <p>3.0.230.2.5.1.3<br/>(01-01-2009)<br/><b>Balancing and Control Function</b></p>             | <ol style="list-style-type: none"><li>(1) The Balancing Unit will receive a copy of the journal package prepared by the Revenue Accounting Control System (RACS) Unit.</li><li>(2) The deposit amount from the Lockbox Deposit Ticket is added to the deposit amount from the regular RPS Deposit Recap RPS 03-42.<ul style="list-style-type: none"><li>• This amount should agree with the totals on Service Center Control File (SCCF) 11-43, RPS IMF Control Date Recap / Master Control Records</li></ul></li><li>(3) Contact the Lockbox Field Coordinator (LFC) if there is a discrepancy between the totals attributable to Lockbox.</li></ol> |
| <p>3.0.230.2.5.2<br/>(01-01-2009)<br/><b>Correspondence (General)</b></p>                     | <ol style="list-style-type: none"><li>(1) Written correspondence received at a Lockbox site from taxpayers or representatives is forwarded daily to Receipt and Control. Receipt and Control follows IRM 3.10.72, Receiving, Extracting, and Sorting, to deliver this work to be processed through the normal pipeline. Refer to IRM 21.3.3, Incoming and Outgoing Correspondence/Letters, for additional information.</li></ol>  |
| <p>3.0.230.2.5.3<br/>(01-01-2011)<br/><b>Remittance Transaction Research (RTR) System</b></p> | <ol style="list-style-type: none"><li>(1) The RTR system is a researchable database containing remittance processing data and images from Lockbox sites, Integrated Submission Remittance Processing (ISRP), and Remittance Strategy for Paper Check Conversion (RS-PCC). All Operations in Submission Processing and Accounts Management should refer to IRM 3.5.10, Remittance Transaction Research (RTR) System, for specific instructions on using this system.</li></ol>   |
| <p>3.0.230.2.5.4<br/>(01-01-2013)<br/><b>Error Resolution System (ERS)</b></p>                | <ol style="list-style-type: none"><li>(1) Images of processed documents will be available for research on the Remittance Transaction Research (RTR) system. Documents are identifiable as scannable and non-scannable by the File Location Code (FLC).</li><li>(2) Transactions that fail the generalized mainframe (GMF) math error, consistency and validity checks are generated for correction to ERS.</li></ol>  |

- (3) Instructions for resolving these errors are contained in IRM 3.12.10, Revenue Receipts.
- (4) Notify the Lockbox Field Coordinator (LFC) if there is a significant increase in ERS volume relating to Lockbox processing.
- (5) Remittances that are received at the Lockbox site and do not contain all processing information, Taxpayer Identification Number (TIN), Name Control, Tax Year or Tax Type (MFT), are forced to Error Resolution for correction and research. Instructions for handling and processing are contained in Error Resolution IRM 3.12.10, Revenue Receipts.

3.0.230.2.5.5  
(01-01-2014)  
**Unpostables**

- (1) Lockbox transactions are processed and matched against Individual Master File (IMF) and Business Master File (BMF) data on the Master File.
- (2) Transactions that fail to match master file validity and consistency checks will generate a list to the Unpostable Unit for corrective action.
- (3) Instructions to correct unpostable conditions are in IRM 3.12.179, IMF Unpostable Resolution, IRM 3.12.279, BMF/CAWR/PMF Unpostable Resolution, IRM 3.13.122, Individual Master File (IMF) Entity Control Unpostables, and IRM 3.13.222, BMF Entity Control Unpostable Correction Procedures.
- (4) Unusually large volumes of errors in certain unpostable category codes may indicate a need for additional training and / or revisions to Lockbox Processing Guidelines (LPG) and/or IRMs. The Unpostable Unit must notify the Lockbox Field Coordinator (LFC) when volumes are above average.

3.0.230.2.5.6  
(01-01-2014)  
**Notice Review**

- (1) Notices are generated to taxpayers when adjustments have been made to their account(s).
- (2) Instructions for researching Lockbox payments are included in IRM 3.14.1, IMF Notice Review and IRM 3.14.2, Business Master File (BMF) Notice Review.
- (3) Unusually large volumes of errors resulting in notices may indicate a need for additional training and / or revisions to Lockbox Processing Guidelines (LPG). Notify the Lockbox Field Coordinator (LFC) when the volumes are above average.
- (4) The File Location Code (FLC) in the Document Location Number (DLN) of the audit trail will be the indicator of Lockbox processing. Refer to Exhibit 3.0.230-3, File Location Code (FLC) Table.

3.0.230.2.5.7  
(01-01-2010)  
**Information Technology  
(IT)**

- (1) This section contains instruction for Lockbox Electronic Network (LEN) RPS File Transmission.

3.0.230.2.5.7.1  
(01-01-2011)  
**Lockbox Electronic  
Network (LEN)  
Remittance Processing  
Systems (RPS) File  
Transmission**

- (1) Lockbox RPS0103, RPS0505, RPS0523, and RPS9701 files will be transmitted daily via the LEN.
- (2) These files will be received at a EFTU drop box where they will be picked up at the top of every hour and sent to either ECC-MTB (Austin and Ogden) or ECC-MEM (Kansas City).



- (3) Each Submission Processing Campus (SPC) may establish print requirements for any of the RPS files.
- (4) In the event the LEN will be unavailable for an extended period and the Lockbox site cannot transmit its RPS files electronically, the Lockbox Electronic Network (LEN) coordinator will open a ticket with IRSWorks and coordinate re-transmissions.

3.0.230.2.5.8  
(01-01-2010)  
**Quality Review/  
Improvement Team**

- (1) The Improvement Team assists the Lockbox Field Coordinator (LFC) in ensuring the quality standards listed in the Lockbox Processing Guidelines (LPG) are maintained. This is accomplished by providing completed monthly Data Collection Instrument (DCI). When errors are identified the Quality/Improvement analyst will take the necessary corrective actions to the taxpayer's accounts.
- (2) Instructions on the use of DCI and the review process are included in IRM 3.0.230.2.9, Submission Processing Campus Quality Review of Lockbox. Contact the assigned LFC with questions regarding the reviews and use of DCI.
- (3) The Improvement Team analyst ensures the work processed by the Lockbox sites is within IRS standards. The reviewers examine critical processing elements which could cause a work stoppage and make recommendations for improvement if processing guidelines are not accurate. Refer to IRM 3.0.230.2.9, Submission Processing Campus Quality Review of Lockbox Work, IRM 3.0.275, Business Results Measures for Submission Processing Functions.

3.0.230.2.6  
(01-01-2010)  
**Reporting Requirements**

- (1) Lockbox Sites are required to report total dollars and items deposited via the Daily Deposit Production Report (DDPR)/OFAS Report to Headquarters.

**Note:** The word daily means any day the Lockbox site is working including Saturday, Sunday and holidays.

- (2) Deposits made on Monday, Tuesday, Wednesday and Thursday must be reported to Headquarters by the following day.

**Example:** Tuesday's deposit will be reported Wednesday morning; Wednesday's deposit reported Thursday morning, etc.

**Note:** Remittances for Friday, Saturday, Sunday and holidays must be deposited the next business day.

3.0.230.2.7  
(01-01-2021)  
**Embezzlement/Theft**

- (1) The Submission Processing Directors will not be held accountable for any theft / loss that occurs at the Lockbox Site. (Credit cannot be issued from Accounts 7610, 7620, or 7650.) The Lockbox Processing Guidelines (LPG) states the Lockbox is liable for funds received and not properly credited to the Internal Revenue Service (IRS).
- (2) When an IRS employee or manager identifies or suspects a revenue receipt shortage, they should immediately contact TIGTA and follow the instructions in IRM 3.0.167, Losses and Shortages.

- (3) The Lockbox Site is required to ensure adequate controls exist to minimize or prevent instances of theft or loss due to embezzlement or employee negligence.
- (4) The Lockbox Site will immediately notify, TIGTA, Fiscal Service IRS Lockbox Branch, IRS Lockbox Program Office, and LFC, within one hour of the discovery of a missing remittance or taxpayer PII.
- (5) Lockbox Site management will obtain a statement from the employee who discovers the theft / loss. The report will contain the following:
  - a. Date the loss / shortage occurred or discovered.
  - b. The amount of the loss / shortage.
  - c. The type of tax or fund in which loss / shortage occurred.
  - d. The circumstances involved with the loss / shortage.
  - e. The employee's signature, position, title, and the date the statement is prepared.

3.0.230.2.7.1  
(01-01-2022)  
**Remittance Security  
Coordinator (RSC)**

- (1) Each Submission Processing Campus (SPC) selects a member of the Planning and Analysis (P&A) Operation as the RSC.
- (2) The Lockbox Field Coordinator (LFC) must notify the RSC of potential Lockbox Network thefts. The RSC is the individual responsible for centralized control, coordination and protection of taxpayers for potential embezzlement / theft cases. Refer to IRM 3.0.167, Losses and Shortages.
- (3) The RSC will coordinate the theft / shortages with TIGTA, Submission Processing Director, Headquarters Losses and Shortages Analyst, Receipt Loss Coordinator, LFC, and Hard-core Payment Tracer Unit.

**Note:** Report potential embezzlement/theft(s) to the TIGTA Office of Investigations at 1-800-366-4484 (TIGTA Hotline Information) and the local RSC listed on the IRS Source/CAS/Submission Processing web page under Security Information & Internal Control.

- (4) Report potential embezzlements / thefts immediately to the RSC to ensure taxpayers are protected from adverse action while the case is investigated.

3.0.230.2.7.2  
(01-01-2021)  
**Lockbox Tax Remittance  
Losses**

- (1) Any remittance stolen, altered or embezzled during Lockbox payment processing may occur under the following conditions:
  - Deposit in transit loss
  - Embezzlement, misappropriation or other criminal acts
  - Lockbox employee negligence
  - Unexplained loss
- (2) The assigned Lockbox Field Coordinator (LFC) will receive available information and documentation regarding the theft / shortage from TIGTA and / or the Remittance Security Coordinator (RSC).
- (3) The LFC will complete the Lockbox Remittance Theft Report, See Exhibit 3.0.230-4, Lockbox Remittance Theft Report, to request reimbursement from the Lockbox site.



- (4) E-mail the Lockbox Remittance Theft Report and supporting documentation (e.g., copy of altered remittance) to the LPO Theft and Reimbursement Analyst(s)
- (5) When notified, the Lockbox Policy and Oversight (LPO) Theft and Reimbursement analyst is required to:
  - a. Notify Fiscal Service IRS Lockbox Branch.
  - b. Prepare a request-for-reimbursement letter to include taxpayer's name, TIN, dollar amount, taxpayer's SPC location, telephone number, a copy of the front and back of the remittance and a copy of the TIGTA preliminary report to Fiscal Service IRS Lockbox Branch within 30 days.

3.0.230.2.7.3  
(01-01-2021)

## **Lockbox Reimbursement Policy**

- (1) Internal Revenue Service (IRS) will initiate a reimbursement process when there is a significant impact to taxpayers or the government resulting from:
  - Internal control deficiency
  - Embezzlement, misappropriation or other criminal acts
  - Processing error(s)
- (2) The Submission Processing Campus (SPC) will notify the Lockbox Field Coordinator (LFC) of the incident.
- (3) The LFC will notify the Lockbox Policy and Oversight (LPO) Section Chief and provide information of its potential impact.
- (4) The Lockbox Policy Oversight (LPO) Section Chief will approve recovery / rework program code 85380 for SPC use.
- (5) The LFC will monitor the use of program code 85380.
- (6) The LFC will advise the Lockbox Site of the situation and request an Incident Report be prepared to document the situation. In addition, the Lockbox Site will research the cause of the problem and develop a method to avoid the situation in the future.
- (7) The LFC will notify the LPO Section Chief in a report outlining program code 85380 volume and hours, on an ad hoc basis.
- (8) LPO and Fiscal Service IRS Lockbox Branch will determine disposition of reimbursement. If the recommendation is reimbursement, Fiscal Service IRS Lockbox Branch will initiate recovery of funds from the Lockbox site.

3.0.230.2.8  
(01-01-2021)

## **Lockbox Daily Mail-Out Package**

- (1) The Lockbox Site forwards daily, via courier or Private Delivery Service (PDS), all work processed for the previous day's activities. The Lockbox Document Transmittal (LDT) lists the contents of the mail-out package and is addressed to specific functional areas. The mail out package includes:
  - a. All unprocessed with remittance and non-remittance work. (remittances must be packaged separately, in a tamper proof bag).
  - b. Returns separated and sorted.
  - c. Lockbox Field Coordinator (LFC) Package (if shown on LDT).
  - d. Change of address forms (e.g., Forms 8822) and/or any taxpayer notes indicating an address change (e.g., photocopies of Computer Paragraph (CP) 521 and CP 523 vouchers with address changes).

- e. Incompletes Envelope (route to Error Resolution) following local procedures at Submission Processing Campus (SPC).
- f. Form 14039, Identity Theft Affidavit (if shown on LDT).
- g. Deposit Error Rate (DER) package (if shown on LDT).
- h. Acknowledgements and Correspondence.
- i. Form 4868 Sampling Review Package (if shown on LDT).

(2) Maintain the LDT for one year, then destroy.

3.0.230.2.8.1  
(01-01-2021)  
**Receipt and Control  
Operations (RCO)**

- (1) RCO is the central point for receipt of the mail-out package from the Lockbox. An employee from RCO or other designated personnel is responsible for ensuring the shipment is received and all Lockbox work is distributed to the SPC functional areas.
- (2) Mail received will be opened daily. A review of the mail-out package is performed daily, upon receipt, by an employee in Shipping and Receiving or RCO.
- (3) The mail-out package must be received no later than 12:00 p.m. daily in shipping containers. Contact the Lockbox Field Coordinator (LFC) if any items are missing from the containers, a mismatch of volumes given, or if the shipment is received after 12:00 p.m.
- (4) The Lockbox Processing Guidelines (LPG) specifies packaging / distribution / reporting instructions. Contact the LFC for specific instructions if necessary.
- (5) Maintain the daily LDT in a file, refer to IRM 3.8.44.5.3, Lockbox Mail.

3.0.230.2.8.1.1  
(01-01-2021)  
**Unprocessable Items  
and Fax Research**

- (1) The aligned Submission Processing Campus (SPC) will provide additional research on unprocessable remittances of \$5,000 or greater for the Lockbox Sites.  
**Note:** At the written request of the SPC, FAX tolerance may be lowered by the Lockbox Field Coordinator (LFC).
- (2) Lockbox Sites will fax their requests for research to the contacts agreed upon by the SPC and LFC.
- (3) Within four hours of receipt of the request, the SPC will research IDRS for the missing information and provide a response to the Lockbox Site.
- (4) If the missing information cannot be supplied to the Site, the Lockbox Site will forward the remittance to the SPC along with the fax as instructed in the Lockbox Processing Guidelines (LPG).

3.0.230.2.8.2  
(01-01-2013)  
**Lockbox Field  
Coordinator's (LFC)  
Package**

- (1) The LFC package shall contain the following:
  - Daily Deposit Production / OFAS report\*
  - Any Logs (Candling, Shred, Cash, etc.)\*
  - Lockbox Daily Deposit Cycle Report\*

**Reminder:** \*If requested by the LFC.

- (2) The Lockbox Daily Deposit Cycle Report is available on the Control D Website after the reports have been run daily by the computing centers.

3.0.230.2.9  
(01-01-2001)  
**Submission Processing  
Campus Quality Review  
of Lockbox Work**

- (1) Reviews were established to ensure Lockbox Site's work meets the standards in the Lockbox Processing Guidelines (LPG). Each review examines a critical element that could cause a work stoppage if processing is not accurate. It is imperative the reviews are completed daily. They will be used to assess the overall performance of each Lockbox Site.

**Note:** SPCs with multiple Lockbox sites are required to perform daily reviews of work received from each Lockbox site.

- (2) Each review is associated with a Data Collection Instrument (DCI). Collective data from all reviews will be combined with the Processing Internal Control (PIC) and procedural DCI to produce a monthly report.

3.0.230.2.9.1  
(01-01-2017)  
**General Guidelines**

- (1) The Data Collection Instrument (DCI) reflect the work to be sampled, sample size, error descriptions, and other review information. Read both the instruction and the DCI carefully before beginning.
- (2) Document all pertinent comments relating to charged errors in the "Other" columns. Write them in the comments area on the DCI or on the main comment sheet.

**Note:** Ensure corrective action is taken on the taxpayer's account when an error is identified during the Service Center Review.

- (3) Forward completed DCI to the Lockbox Field Coordinator (LFC) no later than the fifth working day of the following month. The LFC will maintain these reports for the length of the contract. The contract period is for three years with up to two one-year extensions.

3.0.230.2.9.2  
(01-01-2023)  
**Mail-Out Package  
Review**

- (1) A review of the mail out package must be performed daily upon receipt of the package by an employee in the Shipping and Receiving or (Receipt and Control Operation (RCO)). The mail out package must contain the items listed in 3.0.230.2.8, Lockbox Daily Mail Out Package.
- (2) On the monthly Submission Processing Campus (SPC) Data Collection Instrument (DCI), Mail out Package tab, in the column labeled "Package Contents" answer if they were complete or incomplete.

**Note:** If no delivery (Package) is received on any workday, Columns "Package Contents", "LDT Acknowledgement Page Correct", and "With-Remit - Tamper Proof Bag serial numbers reconciled?" must be blank. In "Comments", write "no delivery" or "no shipment".

- (3) On the monthly SPC DCI, Mail out Package tab, in the column labeled "LDT Acknowledgement Page Correct? (items other than with remit)", answer yes or no accordingly.
- (4) On the monthly SPC DCI, Mail out Package tab, in the column labeled "With-Remit - Tamper Proof Bag serial numbers reconciled? Answer yes or no confirming the Tamper Proof Bag serial numbers were correct.
- (5) A Managerial review, in accordance with IRM 3.8.44.5.3, Lockbox Mail, must be performed monthly to ensure appropriate procedures are followed for the daily Lockbox mail-out package.

3.0.230.2.9.2.1  
(01-01-2021)

**Receipt and Control  
Operations  
(RCO)/Lockbox Daily  
Transmission (LDT)  
Instructions**

- (6) Forward the DCI to the Lockbox Field Coordinator (LFC) no later than fifth working day of the following month.
- (1) Verify LDT Date. The LDT should list the contents of the Lockbox mail out package(s). Instructions for acknowledgement of the LDT are contained in the IRM 3.10.72.2.4.7, Lockbox Mail and IRM 3.10.73.3.1, Lockbox Receipts.
- (2) Non-Remit Packages – Verify receipt of the following:
  - a. Lockbox Field Coordinator (LFC) package, if listed verify the package or number of packages listed is received.
  - b. Form 14039, Identity Theft Affidavit, if listed verify that the Form 14039 package is received.
  - c. Deposit Error Review (DER) package, if listed verify that the DER package is received.
  - d. Form 4868 Review Package, if listed verify that the Form 4868 Review package is received.
  - e. Incompletes Envelope, if listed verify that the incomplete envelope is received and route to Error Resolution following local procedures.
- (3) With Remit Unprocessable - These items will be boxed separately and received in tamper proof bags. Verify receipt of the following in the secure/restricted area. Ensure that all items are performed:
  - a. Bag is sealed and not opened, sliced, torn or any other manipulation that would question the integrity of the bag(s).
  - b. Alpha/numeric digits printed on the bag(s) matches the alpha/numeric digits annotated in "Remarks" box of the LDT. Caution: The alpha/numeric must match and cannot be transposed.
  - c. Initial in the "Received Column" on Page 1 of the LDT beside the category of "Tamper Proof Bag".

**Note:** It is not necessary to manually count the enclosed remittances contained in each labeled bundle. However, contact the assigned LFC immediately if the bag is not sealed, alpha/numeric entries don't match, or there appears to be an obvious error in the volume of remittances (e.g., header/cover sheets state the volume to be 20 remittances and there are 5).
- (4) Verify the number of boxes received agrees with the "Total Box Count" on Page 1, initial if correct or notate discrepancy and contact the assigned LFC immediately.
- (5) Initial the Acknowledgement page in the appropriate fields, whether all is correct, or you had to notify the LFC of any discrepancy.
- (6) Sign and Date at the bottom of the page. If multiple areas are responsible for verifying the package contents, both signatures must be at the bottom of the LDT.
- (7) Fax/Email/E-Fax a copy of the signed Acknowledgement (Page 1) back to the Lockbox site daily, no later than (NTL) 2:00 p.m. local campus time. Refer to IRM 10.8.1.3.18.6.2.2, Facsimile and Facsimile Devices, for additional information.

**Note:** If multiple areas receive and verify the work (e.g., Extraction, Batching, and Cashiers), establish a system to ensure all acknowledgement pages are faxed to the Lockbox site daily.

- (8) If any discrepancies are discovered on the LDT notify your LFC immediately via telephone and e-mail.
- (9) SPC receiving area(s) are to maintain copies of all LDTs for a 1-year period. These documents are to be maintained in chronological order and available for review upon request. Refer to IRM 3.8.44.5.3, Lockbox Mail. LDTs may be destroyed after 1 year.

## 3.0.230.2.9.3 (01-01-2011) Daily Deposit Reports Review

- (1) Lockbox Sites are required to validate and reconcile reports which show the volume of items processed and dollars deposited daily to IRS, Fiscal Service, and Office of the Assistant Secretary (OFAS).
- (2) The reports are as follows:
  - Remittance Transaction Research (RTR) Report(s)
  - Lockbox Daily Deposit Cycle Report
  - Daily Deposit Production / OFAS Report
- (3) A 100 percent review of the RTR report data, Lockbox Daily Deposit Cycle Report, Daily Deposit Production / OFAS report to ensure all reports balance to each other, reporting the same volume and amount deposited. Additionally, RTR and the Lockbox Daily Deposit Cycle Report volumes and amounts should balance for each received date reflected on the report. This review will be performed by the Lockbox Field Coordinator (LFC).
- (4) Each column requires a "Yes" or "No" and will be recorded in the appropriate column when a report does not balance with the other reports. There should be an entry for each day files are created, and reports prepared. In the event more than one report does not balance, research will need to be performed to determine which report(s) are correct.
- (5) The Daily Deposit Production / OFAS Report will be received daily via e-mail from the Lockbox site. RTR data can be accessed in the RTR system reports function. The Daily Cycle Reports are located on the RPS9720 run and can be accessed on Control-D.

## 3.0.230.2.9.4 (01-01-2023) Processed Twice Review

- (1) This review is a 100 percent review of all processed twice remittance debit adjustments received from the Federal Reserve Bank-Cleveland (FRB-C).
- (2) This review will be performed by the Lockbox Field Coordinator (LFC) for each month.
- (3) The LFC will record the **Date** (date of the last item which was processed twice) and the **Amount**. The **Comments** will include the two (2) DLNs of the processed twice payments.

3.0.230.2.9.5  
(01-01-2011)  
**Encoding Errors Report**

- (1) An encoding error report will be compiled each month in the Accounting Operation in order to keep a record of all errors and their associated causes. For each encoding error, several items will be recorded each month, including the following:

- Date the error was discovered.
- Date the error occurred.
- Whether the error was a debit or a credit.
- Dollar amounts associated with each error.

**Note:** Differing Amounts - No error will be charged if the Lockbox Sites process the payment per the LPG requirements listed below:

- If the numeric amount on remittance differs from the amount on the source document, use the handwritten legal line amount.
- If either the numeric amount on the remittance or the amount on the source document is illegible, use the handwritten legal line amount.
- If the handwritten legal line amount and numeric amounts are illegible, send to the SPC as an unprocessable.
- If no amount is written on the remittance, send to the SPC as an unprocessable.

**Note:** Encoding errors over a year old should not be captured on the DCI.

- (2) Forward the Data Collection Instrument (DCI) to the Lockbox Field Coordinator (LFC) no later than the fifth working day of the following month.

3.0.230.2.9.6  
(01-01-2024)  
**Electronic Files  
Transmission (EFT)**

- (1) A 100 percent review of the files electronically transmitted and received by the computing centers daily will be performed by the Lockbox Electronic Network (LEN) coordinator.
- (2) Record the number of transmission requirement errors on the Data Collection Instrument (DCI). Keep track of the specific errors. Record the number of files missing and the number deemed unusable for any other reasons by the Enterprise Computing Center. Use the comments column to explain any errors.

**Note:** The Lockbox sites are required to send 7 files each day. The RPS files are RPS0103, RPS0505, RPS0523, and RPS9701. The RTR files are LB0516 (data file) and LB0515 (image files) and LBX0501 (RRACS) file.

- (3) The LPG provides errors conditions for file transmission requirements which can result in the assignment of one of more errors on the LEN DCI. Examples include duplicate files, missing files, files sent too early or past daily cut-off, corrupt or erroneous file.

3.0.230.2.9.7  
(01-01-2009)  
**Unprocessable Items  
Review - With and  
Without Remittance**

- (1) A daily sample review will be performed in Receipt and Control Operation (RCO) by an analyst from the Improvement Team on unprocessable work (with remittance and non-remittance) sent to the SPC.
- (2) To sample, randomly select 15 with remittance documents and 15 non-remittance documents to review.
- (3) Record the number of processable items discovered. In addition to recording the number of processable items discovered, it is also necessary to keep track of the common processing requirements not met among the unprocessable



items (note these are not errors). A list of the codes and corresponding processing requirements is provided on the Data Collection Instrument (DCI).

- (4) If the "Other" category is selected, explain the error in the comment's column.
- (5) Forward the DCI to the Lockbox Field Coordinator (LFC) no later than the fifth working day of the following month.

3.0.230.2.9.8  
(01-01-2010)

## **Return Sort Review - Individual Master File (IMF)/Business Master File (BMF)**

- (1) IMF and BMF returns will be reviewed year around at both IMF and BMF Lockbox Sites.
- (2) A daily sample review will be performed by an analyst from the Improvement Team.
- (3) To sample, randomly select six batches from each category. Randomly select three returns from each sampled batch. If six batches are not available, randomly select three returns from each available batch. If sampled batches have less than three returns available, review all returns available. Do not sample another batch.
- (4) Record the number of returns discovered in error on the Data Collection Instrument (DCI). Use the error codes on the DCI to identify the types of errors discovered among the sampled returns. If the "Other" category is selected, explain the error using the comments column.
- (5) Review the cover sheets associated with each sampled batch. Record the number of cover sheets reviewed and the number of cover sheets in error. Each cover sheet can only be charged one error, even if it contains multiple errors. Use the additional columns to identify number of each error type discovered. Results will filter to the cover sheets summary tab in the workbook.
- (6) Forward the DCI to the Lockbox Field Coordinator (LFC) no later than the fifth working day of the following month.

3.0.230.2.9.9  
(01-01-2017)

## **Return Sort Review - Form 1040X**

- (1) A daily sample will be performed in March and April only by an analyst from the Improvement Team.
- (2) To sample, randomly select six batches of Form 1040X work. Randomly select three returns from each sampled batch. If six batches are not available, randomly select three returns from each available batch. If sampled batches have less than three returns available, review all returns available. Do not sample another batch. Returns will only be pulled for review in March and April.
- (3) Record the number of returns discovered in error on the Data Collection Instrument (DCI). Use the error codes on the DCI to identify the types of errors discovered among the sampled returns. If the "Other" category is selected, explain the error using the comments column.

**Note:** The number of errors cannot exceed the number of sampled returns. One return can have multiple errors but only count one error. Detail the multiple errors in the "Types of errors" section.

- (4) Review the cover sheets associated with each sampled batch. Record the number of cover sheets reviewed and the number of cover sheets in error. Each cover sheet can only be charged one error, even it if contains multiple

errors. Use the additional columns to identify number of each error type. Results will filter to the cover sheet summary tab in the workbook.

- (5) Forward the DCI to the Lockbox Field Coordinator (LFC) no later than the fifth working day of the following month.

3.0.230.2.9.10  
(01-01-2017)  
**Return Sort Reviews -  
Prior Year and  
Delinquent**

- (1) A daily sample will be performed by an analyst from the Improvement Team.
- (2) To sample, randomly select a total of six batches of prior year returns and a total of six batches of delinquent returns. The sample should randomly include a mixture of both non-remit and part-paid batches. Randomly select three returns from each sampled batch. If six batches are not available in each category, randomly select three returns from each available batch. If sampled batches have less than three returns available, review all returns available. Do not sample another batch.
- (3) Record the number of returns discovered in error on the Data Collection Instrument (DCI). Use the error codes on the DCI to identify the types of errors discovered among the sampled returns. If the "Other" category is selected, explain the error using the comments column.
- (4) Review the cover sheets associated with each sampled batch. Record the number of cover sheets reviewed and the number of cover sheets in error. Each cover sheet can only be charged one error, even if it contains multiple errors. Use the additional columns to identify number of each error type discovered. Results will filter to the cover sheet summary tab in the workbook.
- (5) Forward the DCI to the Lockbox Field Coordinator (LFC) no later than the fifth working day of the following month.

3.0.230.2.9.11  
(01-01-2015)  
**Deposit Error Review  
(DER)**

- (1) Each Lockbox Site will pull a random sample of twelve envelopes for each day mail is received, utilizing a schedule provided by Lockbox Policy and Oversight (LPO).
- (2) All copies will be placed in a larger envelope labeled "Deposit Error Copy or Deposit Accuracy Copy, Improvement Team", along with the appropriate Mail Stop number. This package will be put in Box 1 along with the reports.
- (3) An analyst from the Improvement Team will review the selected samples provided by the Lockbox Site. The sample could include either IMF or BMF items.

**Note:** This review must be performed throughout the year for each day the Lockbox Site receives mail.

- (4) If necessary, adapt the procedures below to fit the needs of a reviewer or SPC. The Lockbox Field Coordinator (LFC) must approve the methodology of review. The following procedures provide basic instructions for performing the SPC DCI Lockbox DER utilizing the RTR system:
  - a. Access Remittance Transaction Research (RTR).
  - b. Click on "Research" in tool bar at top of screen.
  - c. Screen will come up: Enter criteria.
  - d. Query by entering a deposit date range which is the received date plus five calendar days.



- e. Enter the TIN, name control and payment amount.
- f. Click on "Lockbox Only" at the bottom of the screen.
- g. Click on "Submit."
- h. Screen will display "*Filter results: 1 Transaction found.*"
- i. Click on the date in the Deposit Date cell.
- j. The screen will display "*ISR1340 Document Remittance Register Details.*"
- k. Print screen display (landscape).
- l. Using the information in the print, verify the payment was processed accurately (correct MFT, TIN, name control, money amount, transaction date, tax period and transaction code).

**Note:** If a payment was not processed correctly, notate the correct information on the RTR ISR1340 screen print below the data in error. Attach the screen print to each case file.

Special Instructions for split payments or multiple payments:

- Verify all data available
- Charge only one error per case

- (5) Place the number of items in error in the appropriate worksheet cell of the Data Collection Instrument (DCI). Provide copies of the RTR ISR1340 and copies of the sampled case to the Lockbox Field Coordinator (LFC).

## 3.0.230.2.9.11.1 (01-01-2012) Deposit Error Review (DER) Data Collection Instrument (DCI) Instructions

- (1) Record the number of cases received on the DCI, using the received date from the sample.

**Note:** You do not have to enter zeros for days when the review is not performed.

- (2) Record the number of cases discovered in error on the DCI. Use the "Lockbox Error" column to document these errors. An error will result when a case was not processed accurately.
- (3) Use the error codes on the DCI to identify the types of errors discovered among the selected items.
- (4) If the "Other" category is used, record an error and use the "Comment" column to explain the error.

**Note:** A case may have more than one error code identified, but only one error per case may be charged.

- (5) Provide a copy of the case in error and the associated RTR data screen print to the Lockbox Field Coordinator (LFC).
- (6) Forward the DCI to the LFC no later than the fifth working day of the following month.
- (7) Retain all DER sample cases for a consecutive six-month period.

## 3.0.230.2.9.11.2 (01-01-2009) Data Collection Instrument (DCI) Column Explanations

- (1) Taxpayer Error - Used when an error occurred due to information provided by the taxpayer. This may include illegible or unclear information. For taxpayer errors, no errors will be notated in the categories under "Types of Errors".

- (2) Unprocessable - Used when a case is a true with / remittance unprocessable and was processed correctly by the Lockbox site. If the Lockbox site incorrectly sent the case to the center as an unprocessable, the case should not be entered in this column. It should instead be marked as a "Lockbox Error".
- (3) Residual - Used when the sample case does not involve a remittance. No errors will be notated on residual cases.
- (4) Taxpayer Impact - Used when a Lockbox error case results in a notice, letter, penalty, and/or interest charge to the taxpayer. The number of cases in error that result in one of these should be entered under this column. If there is a case that causes taxpayer impact, the type of impact must be described in the comment's column.

3.0.230.2.9.12  
(01-01-2023)

**Automatic Extension of  
Time to File Review -  
Form 4868 (April 20 -  
April 30 Individual  
Master File (IMF) Only)**

- (1) Each IMF Lockbox Site will pull a daily random sample of twelve envelopes from the Form 4868 PO Box if available.
- (2) The Lockbox site will place all photocopied items in a larger envelope labeled with: Improvement Team, appropriate Mail Stop, and "Lockbox Form 4868 Review". This package will be in the daily Mail-out package.
- (3) An analyst from the "Improvement Team" will review the selected samples provided by the Lockbox Site.

**Note:** Sampling will only be completed at the IMF Lockbox sites.

3.0.230.2.9.12.1  
(01-01-2012)

**Form 4868 Review Data  
Collection Instrument  
(DCI) instructions**

- (1) Errors will be charged when an extension has been processed incorrectly as approved or incorrectly as unapproved or if an extension has been processed as approved with a RTR transaction date later than 4/22(or 4/15 for items received 4/23 through 5/7 subject to the postmark review) or processed with an incorrect transaction date.
- (2) All other errors identified (SSN, name control, etc.) may be recorded in the comment's column, but will not be recorded in the "Lockbox Error" column.
- (3) Daily, whenever an error is identified or suspected notify the Lockbox Field Coordinator (LFC) immediately via their cell phone. It will be necessary to contact your LFC on their cell phone as they will be at the Lockbox site during the review period.

3.0.230.2.9.12.2  
(01-01-2012)

**Data Collection  
Instrument (DCI)  
Explanations**

- (1) Sample Date - The "Sample Date" is the received date of the sample case received.
- (2) Lockbox Document Location Number (DLN) - For each case, enter the Lockbox DLN (xxxxx-xxx-xxxxx). The Lockbox DLN can be determined via Remittance Transaction Research (RTR) research and will have a valid Lockbox File Location Code (FLC), refer to Exhibit 3.0.230-3. If the case is a 'residual' enter the taxpayer's name control in place of the DLN.

**Note:** Consider the following as residual: a non-remit Form 4868 or any form other than a Form 4868. However, if a form other than a Form 4868 was processed as a Form 4868, this is not a residual and the information should be captured on the DCI (e.g., a Form 1040ES that was processed as a Form 4868). A "check only" annotated by the taxpayer anywhere on the remittance as payment for an extension should be processed as unapproved.

- (3) Lockbox Error - Place an "X" in the "Lockbox Error" column for the following error conditions:
- Processed incorrectly as approved.
  - Processed incorrectly as unapproved.
  - Processed as approved with a transaction date of 4/23 or later (For samples with received dates 4/20 through 4/22).
  - Processed as approved with a transaction date later than 4/15 (This is for samples with received dates 4/23 through 5/7 that have a timely postmark of 4/15 or earlier).
  - Processed with an incorrect transaction date.
- (4) Postmark Date - Enter the earliest date (if "missing" or "illegible") from the envelope.
- (5) RTR Transaction Date - Input the transaction date from RTR. Use the RTR instructions below to locate the transaction on RTR.
1. Access RTR.
  2. Click on 'Research' in tool bar at top of screen.
  3. RTR Research: enter criteria, screen will come up. Query by entering a Deposit Date 'range' (note: the range should be the 'received date' plus 5 calendar days), enter the TIN, name control, and payment amount. Near the bottom of the screen click 'Lockbox Only'. After entering this information press enter or click 'Submit'.
  4. When the payment is discovered, the following screen will come up:  
*"Filter results: 1 Transaction found."*
  5. Click on the date in the "Deposit Date" cell (e.g., 04/15/2013). The following screen will come up: ISR1340 Document Remittance Register Details - print this screen (landscape). Using the information on the print, verify that the payment was processed accurately with the correct MFT, TIN, name control, money amount, transaction date, (should be the date notated by the Lockbox site on the case file) tax period and transaction code(s).
- Note:** If a payment was not processed accurately notate the correct information on the RTR ISR1340 screen print below the incorrect data. Attach the screen print to each case file.
- Special instructions for split payments or multiple payments.
- Verify all data available.
- (6) Transaction Date Correct - Select "yes" or "no" from the drop-down menu. Items received April 23 through May 7 are subject to a postmark review and should have a 4/15 transaction date if the earliest postmark is timely. Items with missing, illegible, and untimely postmarks should carry the transaction date annotated on the sample.
- (7) IDRS Date - Enter the IDRS date of the Lockbox transaction. Use the IDRS instructions below to determine how the extension was processed.
1. Access IDRS.
  2. Research payment via Command Code IMFOLT (other command codes may be used if necessary). Use the SSN from the RTR report to research the payment. Be sure the payment you review is the posted Lockbox Payment which will have a Lockbox FLC.

- (8) Processed as approval/not approved - Place an "X" in the appropriate column indicating how the extension was processed. If the payment was processed as approved, there will be a transaction code 460 and transaction code 670 with the Lockbox DLN present on the module.
- (9) Comments - Any pertinent comments, including transactions processed with an incorrect TIN, name control, etc.

a) Special Instructions.

- 1. If processing errors are identified or suspected contact your Lockbox Field Coordinator (LFC) immediately. It will be necessary to contact your LFC on their cell phone as they will be at the Lockbox site during the review period.
- 2. Please take appropriate steps to ensure that any errors identified are corrected. If Service Center errors are identified during the review, the Planning and Analysis Staff should be notified.
- 3. At the end of the review period, provide all copies to your LFC, this includes: all photocopied envelope and contents, IDRS prints, and RTR prints. Each sample case should be stapled together including backup research data (RTR and IDRS prints).

3.0.230.2.9.12.3  
(01-01-2009)  
**After Completing the Review**

- (1) Daily, whenever an error is identified or suspected notify the Lockbox Field Coordinator (LFC) immediately via their cell phone/e-mail. At the end of the review period, provide all copies to your LFC, this includes: all photocopied envelopes and contents, IDRS prints, and RTR prints even if no error was charged. Each sample case should be stapled together including backup research data (RTR and IDRS prints).

3.0.230.2.9.13  
(01-01-2009)  
**Lockbox Field Coordinator (LFC)  
On-site Reviews**

- (1) The Lockbox Field Coordinator (LFC) will perform on-site reviews during mandatory trips as outlined in IRM 3.0.230.1.4.1. Using the most current Processing Internal Controls (PIC) and Procedural Data Collection Instrument (DCI) and instructions.
- (2) The reviews ensure the Lockbox Sites' work meet the standards in the Lockbox Processing Guidelines (LPG). Each review examines the critical elements of the Lockbox Sites processing procedures that could cause a work stoppage if not executed accurately.
- (3) Any errors discovered during on-site reviews should be photocopied as documentation to the DCI report.
- (4) Maintain these reports for the length of the contract. The contract period is for five years with up to two one-year extensions.

3.0.230.2.9.13.1  
(01-01-2022)  
**Performance Standards**

- (1) Results from certain procedural reviews (high priority reviews) will be factored into the Lockbox performance standards, which assess the overall performance of each Lockbox site.
- (2) The high priority reviews must be performed daily during each visit the Lockbox Field Coordinator (LFC) is on-site and the review instructions,

including sample sizes must be followed. The following have been designated as priority reviews. Each Data Collection Instrument (DCI) has been marked as high priority:

- Return Sort Review (Individual Master File (IMF), Business Master File (BMF))
- Form 1040X Sort Review (April Only)
- Prior Year Return Review
- Candling
- Unprocessables Items (with remittances and non-remittance)
- Voucher Check Review
- Form 4868 Review in Extraction (April only)

3.0.230.2.9.13.2  
(01-01-2009)

## Procedural Review General Guidelines

- (1) Lockbox Field Coordinator (LFC) will conduct all high priority reviews daily during all site visits. The other reviews should be reviewed as time permits.
- (2) Enter the following information on each Data Collection Instrument (DCI) review sheet:
  - Month
  - Lockbox Site
  - Date
  - Actual number sampled
  - Number of errors discovered
  - Comments (document all pertinent comments regarding 'Other' errors not identified on the appropriate DCI or on the comments sheet provided).
- (3) The DCI indicates the type of work to be sampled, sample size, error descriptions, and other information needed to complete the review. Read both the instructions and the DCI carefully before beginning each review.
- (4) The LFC must take the following items into consideration when performing the review:
  - a. Take sample from the correct universe (i.e., blocks, transactions, returns, vouchers, checks, etc.).
  - b. Sampled items are counted differently for some reviews.
  - c. Errors are tracked differently depending on work being reviewed.
  - d. "Randomly Select" means to select cases without conforming to a specific pattern.

3.0.230.2.9.13.3  
(01-01-2023)

## Return Sort Review Individual Master File (IMF) - High Priority

- (1) After all Lockbox Site quality reviews are completed, review sorted returns in the batching / return preparation area.
 

**Note:** Perform this review during April visits at IMF Lockbox Sites only.
- (2) Randomly select six batches of returns for each category. Randomly select three returns from each sampled batch. If less than six batches in a category, randomly select three returns from each available batch.
- (3) Record the number of returns discovered in error on the Data Collection Instrument (DCI). Use the error codes on the DCI to identify the types of errors discovered among the sampled returns. If the "other" category is selected, explain the error using the comments column.

**Note:** The number of errors cannot exceed the number of sampled returns. One return can have multiple errors but only count one error. Detail the multiple errors in the “types of errors” section.

- (4) Review the cover sheet associated with each sampled batch. On the DCI, record the number of cover sheets reviewed and the number of cover sheets in error. Each cover sheet can only be charged one error, even if it contains multiple errors. Use the additional columns to show the number of each error type discovered. Results will filter to the cover sheets summary tab in the workbook.

3.0.230.2.9.13.4  
(01-01-2017)

**Return Sort Review  
Form 1040X - High  
Priority (January  
through April Only)**

- (1) After all Lockbox Site quality reviews are completed, review sorted returns in the batching / return preparation area.

**Note:** Perform this review during the April visit at the Individual Master File (IMF) Lockbox Sites only.

- (2) Randomly select six batches of Form 1040X returns. Randomly select three returns from each sampled batch. If six batches are not available within a category, randomly select three returns from each available batch.
- (3) Record the number of returns discovered in error on the Data Collection Instrument (DCI). Use the error codes on the DCI to identify the types of errors discovered among the sampled returns. If the “other” category is selected, explain the error using the comments column.

**Note:** The number of errors cannot exceed the number of sampled returns. One return can have multiple errors but only count one error. Detail the multiple errors in the “types of errors” section.

- (4) Review the cover sheet associated with each sampled batch. On the DCI record the number of cover sheets reviewed and the number of cover sheets in error. Each cover sheet can only be charged one error, even if it contains multiple errors. Use the additional columns to show the number of each error type discovered. Results will filter to the cover sheets summary tab in the workbook.

3.0.230.2.9.13.5  
(01-01-2023)

**Return Sort Review  
Business Master File  
(BMF) - High Priority**

- (1) After all Lockbox Site quality reviews are completed, review sorted returns in the batching / return preparation area.

**Note:** Perform this review at Business Master File (BMF) Lockbox sites during January or February visits.

- (2) Randomly select six different batches of returns for each category. Randomly select three returns from each sampled batch. If six batches are not available within a category, randomly select three returns from each available batch.
- (3) Record the number of returns discovered in error on the Data Collection Instrument (DCI). Use the error codes on the DCI to identify the types of errors discovered among the sampled returns. If the “Other” category is selected, explain the error using the comments column.



**Note:** The number of errors cannot exceed the number of sampled returns. One return can have multiple errors but only count one error. Detail the multiple errors in the “Types of errors” section.

- (4) Review the cover sheet associated with each sampled batch. On the DCI record the number of cover sheets reviewed and the number of cover sheets in error. Each cover sheet can only be charged one error, even if it contains multiple errors. Use the additional columns to show the number of each error type discovered. Results will filter to the cover sheets summary tab in the workbook.

3.0.230.2.9.13.6  
(01-01-2017)

**Return Sort Review Prior  
Year - High Priority**

- (1) After all Lockbox Site quality reviews are completed, review sorted returns in the batching / return preparation area.
- (2) Randomly select six batches of returns from different form types for each category. Randomly select three returns from each sample batch. If six batches are not available within a category, randomly select three returns from each available batch.
- (3) Record the number of returns discovered in error on the Data Collection Instrument (DCI). Use the error codes on the DCI to identify the types of errors discovered among the sampled returns. If the “Other” category is selected, explain the error using the comments column.

**Note:** The number of errors cannot exceed the number of sampled returns. One return can have multiple errors but only count one error. Detail the multiple errors in the “types of errors” section.

- (4) Review the cover sheet associated with each sampled batch. On the DCI record the number of cover sheets reviewed and the number of cover sheets in error. Each cover sheet can only be charged one error, even if it contains multiple errors. Use the additional columns to show the number of each error type discovered. Results will filter to the cover sheets summary tab in the workbook.

3.0.230.2.9.13.7  
(01-01-2017)

**Candling Review - High  
Priority**

- (1) Review a sample of candled envelopes to ensure no checks or pertinent taxpayer information are destroyed. Randomly select a sample of 200 items following the final pass of the envelopes through candling. The sample should be from various bins and / or shifts.
- (2) An error will result if anything other than an empty envelope is discovered.

3.0.230.2.9.13.8  
(01-01-2017)

**Unprocessable Items  
Review - High Priority**

- (1) Review a sample of unprocessable items to ensure processable items are not mixed in with unprocessable work. Select the sample after the Lockbox Site completes its review.
- (2) Randomly select 25 “with remit” and 25 “non-remit” items in the exceptions / unprocessable / manual area. Do not select every item from the same bundle / box of work. Collect items from separate locations to obtain a more extensive sample.
- (3) Record the number of processable items discovered. In addition, using the “Processing Requirements” codes provided on the Data Collection Instrument

(DCI), review the sample of unprocessable items to determine whether the site is processing the work accurately before deeming it unprocessable.

- (4) If the error code “other” is selected, use the comments column to explain the error. The number of errors discovered cannot exceed the number of items sampled.

3.0.230.2.9.13.9  
(01-01-2009)

**Form 4868 Review -  
High Priority (April Only)**

- (1) Sample review Forms 4868 from the Electronic Check Processing (ECP) storage retention area.

**Note:** Perform this review during the IMF April peak at the IMF Lockbox Sites only.

- (2) Randomly select five blocks and select five items from each block.
- (3) Review to ensure the “approved” 4868’s are processed with the secondary TC460. Record the number of Forms 4868 reviewed and the number in error on the Data Collection Instrument (DCI).
- (4) If the error code “other” is selected, use the comments column to explain the error. The number of errors discovered cannot exceed the number of items sampled.

3.0.230.2.9.13.10  
(01-01-2017)

**Voucher and Check  
Review - High Priority**

- (1) Review a sample of vouchers and remittances in Extraction from captured/ keyed (processed) work, to determine whether the Lockbox is correctly processing / batching vouchers and remittances.
- (2) Randomly select five scannable and five non-scannable batches for review from various extractors. Then randomly select five vouchers and remittances combinations from each sampled batch.

- (3) Request Pocket Listers for the original/physical batches.

- (4) An error will result when:

- Incorrect Form/Tax Type
- MFT Incorrect
- Remittances not over stamped
- Money Amount incorrect
- Tax Period incorrect
- Incorrect Taxpayer

- (5) If the error code “Other” is selected, use the comments column to explain the error. The number of errors discovered cannot exceed the number of items sampled.

**Note:** Count a voucher and remittance combination as one item.

3.0.230.2.9.13.11  
(01-01-2017)

**Items to be Shred  
Review**

- (1) Review a sample of items that are designated to be shred, to ensure no pertinent taxpayer information or requests are destroyed. Randomly select 200 after the Lockbox sites quality review by a manager or management official has been complete.
- (2) An error will result when information is discovered which should be sent to the Submission Processing Campus (SPC) or a payment that should be processed.



3.0.230.2.9.13.12  
(01-01-2017)  
**Multiple Payments  
Review**

- (1) Review a sample of multiple payments and corresponding voucher to ensure they are processed correctly. The Lockbox Field Coordinator (LFC) will contact Lockbox Site personnel to locate processed multiple payments.
- (2) After the Lockbox sites quality review randomly select 25 multiple payments vouchers for review. If 25 multiple payments are not available, review all available multiple payments.
- (3) An error will result when a payment is not processed correctly.
- (4) Ensure multiple payments are correctly annotated with "M-2", "M-3", etc.

3.0.230.2.9.13.13  
(01-01-2017)  
**Split Payments Review**

- (1) Review a sample of split payments and corresponding voucher to ensure they were processed correctly. The Lockbox Field Coordinator (LFC) should contact Lockbox site personnel to locate processed split payments.
- (2) After the Lockbox sites quality review randomly select 25 split payments for review. If 25 split payments are not available, review all available split payments.
- (3) An error will result when a payment is not processed correctly.
- (4) Ensure split payments are correctly annotated with "S-2", "S-3", etc.

3.0.230.2.9.13.14  
(01-01-2009)  
**Certified/Registered Mail  
Review**

- (1) Review a sample of certified / registered mail cards to ensure they are properly stamped using an Internal Revenue Service (IRS) Certified Date Stamp.
- (2) Randomly select five bundles of stamped cards and select five cards from each sampled bundle. If there are not five bundles available, randomly select five cards from each available bundle.
- (3) An error will result if the IRS Certified Date Stamp is missing, illegible or the date is incorrect. Report using the error codes provided on the Data Collection Instrument (DCI).
- (4) If the error code "Other" is selected, use the comments column to explain the error.

3.0.230.2.9.13.15  
(01-01-2009)  
**Processing Internal  
Control (PIC) Review**

- (1) Results from this review will be used to assess the overall performance of each Lockbox Site. Reviewing as described on the Data Collection Instrument (DCI) and below is very important.
- Note:** Detail all "Partially Met" and "Not Met" observations on the comments sheet.

3.0.230.2.9.13.16  
(01-01-2023)  
**Checkpoint Frequencies**

- (1) Checkpoint 1 should be reviewed once (IMF Peak only).
- (2) Checkpoints 2, 3, 4 and 6d should be reviewed only one per Lockbox peak visit.
- (3) Checkpoints 5-8 (excluding 6d) should be reviewed twice during the April (IMF) peak visit and only once for all the other on-site visits.
- (4) Checkpoint 6 except 6d and 7-10: review three times during the April (IMF) peak visit and only once for all the other on-site visits.

**Note:** Checkpoints will be reviewed a maximum of one (1) time if the on-site visit is one (1) week or less.

- 3.0.230.2.9.13.17  
(01-01-2010)  
**Checkpoint Instructions**
- (1) Each checkpoint has a list of requirements which need to be reviewed. Lockbox Processing Guidelines (LPG) references is stated on the Data Collection Instrument (DCI). All listed requirements must be reviewed. Checkpoints will be assessed as follows:
- Fully Met (FM) - All requirements must be met for the checkpoint to receive a FM.
  - Partially Met (PM) - At least half of the requirements must be met for the checkpoint to receive a PM. Guidelines for this are included on the DCI.
  - Not Met (NM) - If less than half of the requirements listed are met, the checkpoint will receive NM.
- 3.0.230.2.9.13.18  
(01-01-2010)  
**Repeat Finding**
- (1) Each checkpoint has a “Repeat Finding” entry. Lockbox Field Coordinator (LFC) will complete this on the Data Collection Instrument (DCI) after returning from the on-site visit.
- (2) The LFC must review the previous Processing Internal Control (PIC) review. For the checkpoints that received a PM or NM for the current review, check the prior review for the same checkpoints on the previous DCI.
- (3) If the Lockbox Site received the same rating, the DCI should be marked “Yes” as a “Repeat Finding”. Otherwise, it should be marked “No”.
- 3.0.230.2.9.13.19  
(01-01-2017)  
**Checkpoint 1 - Form 4868 Sampling Review**
- (1) Checkpoint 1: Form 4868 sampling review.
- (2) Review to ensure the following:
- Is the Lockbox site selecting 12 samples daily?
  - Does the sampling method vary in mail delivery times?
  - Are envelopes and their contents returned to the precise location from where they are pulled?
  - Is the site maintaining a Sample Tracking Sheet?
- 3.0.230.2.9.13.20  
(01-01-2017)  
**Checkpoint 2 - Lockbox Document Transmittal Review (LDT)**
- (1) Checkpoint 2: LDT requirements
- (2) Review to ensure the following:
- Is the Lockbox site completing the LDT acknowledgement page correctly?
  - Is there an internal control in place to ensure a signed and dated acknowledgement is received back from the service center daily?
  - Is the Lockbox site retaining the original LDTs and acknowledgements in chronological order?
  - Are the documents (LDTs and Acknowledgements) being retained for 1 year?
  - Is the site maintaining documentation to substantiate late shipments?

- 3.0.230.2.9.13.21  
(01-01-2010)  
**Checkpoint 3 – Deposit Error Rate Sampling (DER)**
- (1) Checkpoint 3: DER requirements.
  - (2) Review to ensure the following:
    - Does the Lockbox site maintain a Sampling Tracking Sheet?
    - Are envelopes and their contents returned to the precise location from where they are pulled?
    - Does the sampling method incorporate multiple P.O. Boxes?
    - Does the sampling method vary from day to day?
- 3.0.230.2.9.13.22  
(01-01-2010)  
**Checkpoint 4 – Managerial Quality Reviews**
- (1) Checkpoint 4: Lockbox Managerial quality reviews.
  - (2) Review to ensure the following:
    - Is the site management performing quality reviews on candling?
    - Is the site management performing quality reviews on shreds?
    - Does site management maintain logs of the desk and work area reviews? Review the previous months log.
- 3.0.230.2.9.13.23  
(01-01-2010)  
**Checkpoint 5 – IRS Date Stamps**
- (1) Checkpoint 5: Internal Revenue Service (IRS) date stamp safeguard against unauthorized usage requirements.
  - (2) Review to ensure the following:
    - Do the date stamps have a date stamp number and / or unique serial number?
    - Is there is a record of the date stamp number and / or unique serial number?
    - Are the date stamps issued to a specific individual and signed out legibly?
    - Are the date stamps stored in a locked container when not in use?
- 3.0.230.2.9.13.24  
(01-01-2020)  
**Checkpoints 6a thru 6e – Log Reviews**
- (1) Checkpoints 6a thru 6e: cover the five log reviews (Date Stamp, Candling, Cash, Mail, and Shred).
  - (2) Review to ensure the following:
    - 6a - Does the stamp log includes current date, stamp number and / or unique serial numbers, name of employee, shift, time issued and return time?
    - 6b - Is all available information entered on the log including N/A for missing information?
    - 6b - Does the candling log include discovering employee initials?
    - 6b - Has site management or designee initialed to validate complete?
    - 6c - Does the receiving manager initial beside the discoverers name?
    - 6c - Are remittances secured in a locked container?
    - 6c - Is the Cash Log reconciled everyday by site management?
    - 6c - Are there two separate cash logs for cash dollar or more and items of cash value?
    - 6d - Is the site maintaining a mail log?
    - 6d - Is the mail log being completed after each mail drop?
    - 6d - Does the mail log list P.O. Box, form type/tax type?
    - 6d - Does the mail log reconcile with the Daily Deposit Production Report (DDPR) within 10 percent?

- 6e - All items found in shred are handled correctly and documented on the Shred log?
- 6e - Does the manager or designee initial to validate the log?

**Note:** Review the daily logs beginning with the first day of the month. For example, if you are performing the review on April 17, review the daily log sheets from April 1 to the day prior to your review. For April (IMF) peaks, perform these reviews three times. If your second review is on April 22, review daily logs from April 17-21.

- 3.0.230.2.9.13.25  
(01-01-2010)  
**Checkpoint 7 – Candling Envelopes**
- (1) Checkpoint 7: Envelopes candled requirements.
- (2) Review to ensure the following:
- Are envelopes opened (either manually or by OPEX) on three or more sides and candled once on the candling tables?
  - Are all other envelopes candled twice on the candling tables?
- 3.0.230.2.9.13.26  
(01-01-2010)  
**Checkpoint 8 - Electronically Processed Remittances and Payment Posting Documents**
- (1) Checkpoint 8 covers Electronic Processed Remittances and Payment Posting Document retention and destruction requirements.
- (2) Review to ensure the following:
- Are Lockbox sites retaining electronically processed remittances for a period of five (5) business days after the ECP settlement date?
  - Prior to destruction, is Lockbox site personnel verifying by fanning through each ECP batch to ensure no unprocessed checks are present?
- 3.0.230.2.9.13.27  
(01-01-2021)  
**Checkpoint 9 - Candling Bags/Tubs**
- (1) Checkpoint 9 covers candling bag/tub requirements.
- (2) Review to ensure the following:
- Do all candling bags/tubs have tags?
  - Is the Extractor or Equipment identified on all tags?
  - Is the received date present on all tags?
- 3.0.230.2.9.13.28  
(01-01-2021)  
**Checkpoint 10 - Mail Trays/Tubs**
- (1) Checkpoint 10 covers mail tray/tub requirements.
- (2) Review to ensure the following:
- Are the mail trays/tubs tagged per the Lockbox Processing Guidelines (LPG)?
  - Are the mail trays/tubs grouped with the correct mail drop?
  - Are the mixed mail types in the mail trays/tubs?
  - Are the mail trays/tubs separated timely and delinquent appropriately?
- 3.0.230.2.9.13.29  
(01-01-2010)  
**Checkpoint Descriptions and Lockbox Program Guide (LPG) References**
- (1) Following is a listing of the Processing Internal Controls (PIC) Reviews and their respective LPG references.
- a. Checkpoint 1 - Form 4868 Sampling Review LPG 9.4.
  - b. Checkpoint 2 - Lockbox Document Transmittal (LDT) LPG 7.4.5.
  - c. Checkpoint 3 - Deposit Error Rate Sampling (DER) - LPG 9.3.

- d. Checkpoint 4 - Managerial Quality Reviews - LPG 9.1.
- e. Checkpoint 5 - IRS Date Stamping Safeguards - LPG 3.5.2.
- f. Checkpoints 6a - 6e Log Review (Date Stamp, Candling, Cash, Mail, and Shred) - LPG 3.3.1, LPG 3.5.2, LPG 3.9.1, LPG 3.10 and LPG 3.10.1.
- g. Checkpoint 7 - Candling Requirements - LPG 3.10.
- h. Checkpoint 8 - Electronically Processed Remittances and Payment Posting Documents - LPG 7.1.9.
- i. Checkpoint 9 - Candling Bags/Tubs tags - LPG 9(3).
- j. Checkpoint 10 - Mail Tubs/Trays - LPG 3.3.2.

3.0.230.2.9.13.30  
(01-01-2010)

**Business Master File  
(BMF)/Individual Master  
File (IMF) Peak  
Readiness Review**

- (1) The purpose of the BMF / IMF Readiness Review is to determine if the Lockbox Site is prepared for peak processing. Before the start of the peak processing season, each Lockbox Site prepares a readiness package.
- (2) The Readiness package addresses:
  - Annual Changes
  - Site Overview
  - Pre-peak Planning
  - Workload Management
  - Data Management
  - Staffing
  - Training
  - Security
  - Vendor Support
  - Communication
  - Internal Controls/Quality
  - Site-Specific/GAO issues
- (3) The Lockbox Field Coordinator (LFC) will review the individual readiness packages with the Lockbox, either on-site or by conference call prior to January.

3.0.230.2.9.14  
(01-01-2021)

**Definitions of  
Terminology**

- (1) The following terminology has been used in the text of this document.

Term	Definition
Acceptable payments	Payments made in cash, check, or money order that can be processed by the Lockbox Network.
April Peak (IMF)	April 15 through a pre-determined Program Completion Date (PCD).
Audit trail	Contains both taxpayer and deposit information that is on the back of all processed remittances.
Block	A group of documents sequentially numbered from 00 and up.
Business Master File (BMF)	Income tax forms related to business filers.
Candling	The process of using an illuminated table to scan envelopes prior to destroying them to ensure all of the contents have been removed.
Check Lister	A document which identifies all items within a block.
Correspondence	Communications received from taxpayers on separate letters or notes, or written on vouchers / documents (excluding name / address or tax period ending changes).
Data Collection Instrument (DCI)	A form used for collecting data for reporting quality review results.
Depository	The Lockbox Site contracted by Fiscal Service to process IRS deposits and establish credit for the Treasury's general account.
Deposit Ticket (SF-215A)	The standard government accounting document used to constitute a deposit to the IRS' Lockbox account.
Deposit Ticket (SF-215) (Credit Voucher)	The standard government accounting document used to increase the amount of the deposit previously made to the IRS Lockbox account.
Document Locator Number (DLN)	A 14-digit control number assigned to every document and remittance input through the remittance processing system for identification purposes.
Due Date	The date a tax payment or tax return is legally due and payable. It is formally defined by a combination of Internal Revenue Code (IRC) Sec. 6654 and IRC Sec. 7503.
Electronic Check Processing	Federal Reserve Bank-Cleveland (FRB-C) will be bank of first deposit.
Employer Identification Number (EIN)	A nine-digit number used to identify a taxpayer's business account.
Encoding Errors	An error that occurs when the dollar amount on the remittance is keyed incorrectly from the actual amount written on the remittance.
Entity	The area on a document where the name, address, SSN / EIN, and tax period appear.

Term	Definition
File Location Code (FLC)	First two digits of the DLN assigned to indicate the Submission Processing Campus and to designate whether the voucher was scannable or non-scannable.
Fiscal Service / Bureau of the Fiscal Service	Agency of the Department of the Treasury responsible for outside contracting and cash management.
Holdover	Remittances that have not been deposited within the timeframes specified in LPG 3.2.4.
Individual Master File (IMF)	Income tax forms related to individual filers.
Installment Agreement	An arrangement between IRS and taxpayers to make partial payments until the balance of a tax debt is paid in full.
Integrated Data Retrieval System (IDRS)	A computerized system used by IRS for adjusting, re-searching, and monitoring tax accounts.
January Peak (BMF)	January 31st until site is back on a 24-hour deposit schedule.
Lockbox	Commercial Financial Agent designated by Fiscal Service to process federal tax payments.
Lockbox Electronic Network (LEN)	The system used to electronically transmit all RPS and RTR files directly from the Lockbox Sites to a Computing Center drop box (ECC-MTB / ECC-MEM).
Lockbox Field Coordinator(s) (LFC)	Designated Headquarters representatives responsible for ensuring the processing and deposit requirements stated in the LPG are followed by performing on-site reviews.
Lockbox Policy and Oversight (LPO) Analyst	Designated Headquarters representatives responsible for the development of system, security and processing requirements for the Lockbox program.
Lockbox Processing Guidelines (LPG)	Manual providing instructions detailing remittance processing requirements for the commercial Lockbox Depositories.
Multiple Checks	Two (2) or more remittances submitted with one document.
Multiple documents	Two (2) or more vouchers or documents submitted with one remittance.
OTCnet	Over the Counter Network is Treasury's system of inputting and confirming deposits.
Prior Year	A tax year with a due date prior to the current processing year.
Quality Review	The appraisal of processed remittances to ensure the quality standards stated in the LPG are maintained.
Remittances	Any cash, check, draft or money order drawn on and payable through financial institutions in the US.
Residual Payments	Certain forms, letters, and notices that are not directly related to the Lockbox site, are received with a remittance.



Term	Definition
Unpostables	Transactions that fail the consistency and validity checks at master file.
Unprocessables	Any document, item, or correspondence that cannot be processed by the Lockbox and must be sent to the SPC.
Voucher	The document the taxpayer submits with his or her remittance for a federal tax obligation.

**Exhibit 3.0.230-1 (01-01-2024)****IMF Submission Processing Campus / Lockbox State Realignment**

**Description:** The table below shows IMF SPCs with a corresponding Lockbox Sites and the applicable payment processing states.

<b>2022 IMF SPC and Lockbox State Realignment</b>			
<b>Austin (73) and JP Morgan Chase - Charlotte</b>			
Alabama	Georgia	Mississippi	South Carolina
Florida	Louisiana	North Carolina	Tennessee
Texas			
<b>Kansas City (36) and JP Morgan Chase - Louisville</b>			
Arkansas	Kentucky	New Hampshire	Virginia
Connecticut	Maine	New Jersey	West Virginia
Delaware	Maryland	New York	Wisconsin
District of Columbia	Massachusetts	Oklahoma	
Illinois	Minnesota	Rhode Island	
Iowa	Missouri	Vermont	
<b>Ogden (85) and US Bank</b>			
Alaska	Idaho	Nevada	Pennsylvania
Arizona	Kansas	New Mexico	South Dakota
California	Michigan	North Dakota	Utah
Colorado	Montana	Ohio	Washington
Hawaii	Nebraska	Oregon	Wyoming

**Exhibit 3.0.230-2 (01-01-2021)****BMF Submission Processing Campus / Lockbox State Realignment**

**Description:** The table below shows the BMF table SPCs with corresponding Lockbox Sites and the applicable payment processing states.

<b>2021 BMF SPC and Lockbox State Realignment</b>			
<b>Kansas City (40) and US Bank - Cincinnati</b>		<b>Ogden (91) and JP Morgan Chase - Louisville</b>	
Connecticut	Ohio	Alabama	Missouri
Delaware	Pennsylvania	Alaska	Montana
District of Columbia	Rhode Island	Arkansas	Nebraska
Georgia	South Carolina	Arizona	Nevada
Illinois	Tennessee	California	New Mexico
Indiana	Vermont	Colorado	North Dakota
Kentucky	Virginia	District of Columbia	Oklahoma
Maine	West Virginia	Florida	Oregon
Maryland	Wisconsin	Hawaii	South Dakota
Massachusetts		Idaho	Texas
Michigan		Iowa	Utah
New Hampshire		Kansas	Washington
New Jersey		Louisiana	Wyoming
New York		Minnesota	International
North Carolina		Mississippi	

**Exhibit 3.0.230-3 (01-01-2024)**  
**File Location Code (FLC) Table**

**Description:** A table used to specify the Submission Processing Campus or Lockbox Site that processes the documents. File Location Code is a unique two position numeric code found in the first two positions of the DLN.

<b>Campus</b>	<b>Lockbox Site</b>	<b>Campus FLC</b>	<b>Lockbox FLC</b>
Austin SPC	JP Morgan Chase - Charlotte	18	73 = Scan; 75 = Non-Scan;
Kansas City SPC	JP Morgan Chase-Louisville	09	36 = Scan; 39 = Non-Scan
Kansas City SPC	US Bank - Cincinnati	09	40 = Scan; 42 = Non-Scan
Ogden SPC	JP Morgan Chase-Louisville	29	91 = Scan; 92 = Non-Scan
Ogden SPC	US Bank - Cincinnati	29	85 = Scan; 86 = Non-Scan

**Exhibit 3.0.230-4 (01-01-2009)****Lockbox Remittance Theft Report**

Description: This form is used by the Lockbox Field Coordinator (LFC) to report a theft of a payment that went through the Lockbox Site processing. It includes the injured taxpayer's name, the taxpayer's EIN, money amount lost, date of remittance, and name of Lockbox Site. It also lists the name of the Remittance Security Coordinator and the name of the TIGTA agent as well as actions taken to recover the funds from the perpetrator and Lockbox Site.

**Exhibit 3.0.230-4 (Cont. 1) (01-01-2009)****Lockbox Remittance Theft Report****LOCKBOX THEFT REPORT**

Name of Taxpayer	Taxpayer Identification Number (TIN)	Remittance Type	Tax Year
Name of Lockbox Bank		Loss Amount	Date of Remittance
RSC Name of Person Theft Reported to:			Date:
TIGTA Name of Person Theft Reported to:			Date:
Headquarters Name of Person Theft Reported to:			Date:
STAUP			Date:
Evidence Linking Theft to Bank: (Attach Copy of Remittance – Front & Back)			
Briefly Describe Action Taken:			
Name of Lockbox Coordinator:		Phone Number:	
Name of TIGTA Agent:		Phone Number:	

RSC – Remittance Security Coordinator

TIGTA – Treasury Inspector General for Tax Administration

IRS Form 33181012

**Exhibit 3.0.230-4**

**Exhibit 3.0.230-5 (01-01-2015)****Glossary of Acronyms and Descriptions**

<b>Acronyms</b>	<b>Descriptions</b>
ACA	Affordable Care Act
BMF	Business Master File
COOP	Continuity of Operation Plan
CSIRC	Computer Security Incident Response Center
DER	Deposit Error Rate
DCF	Dishonored Check File
DCI	Data Collection Instrument
DCVR	Debit / Credit Voucher Review
DDCR	Daily Deposit Cycle Report
ECC-MEM	Enterprise Computing Center - Memphis
ECC-MTB	Enterprise Computing Center - Martinsburg
ECP	Electronic Check Presentment
EOY	End of Year
FAA	Financial Agent Agreement
EFTU	Electronic File Transfer Utility
ERS	Error Resolution System
FIN-FACTS	Financial Facts
FLC	File Location Code
FSP	Functional Specification Packages (Lockbox)
FRB-C	Federal Reserve Bank-Cleveland
FSR	Filing Season Readiness
GMF	Generalized Mainframe
IMF	Individual Master File
ISRP	Integrated Submission Remittance Processing
ITAMS	Information Technology Asset Management System
LEBS	Lockbox Electronic Bulletins
LEN	Lockbox Electronic Network
LDT	Lockbox Document Transmittal
LFC	Lockbox Field Coordinator



**Exhibit 3.0.230-5 (Cont. 1) (01-01-2015)**  
**Glossary of Acronyms and Descriptions**

<b>Acronyms</b>	<b>Descriptions</b>
LPG	Lockbox Processing Guideline
LPO	Lockbox Policy and Oversight Section
LSG	Lockbox Security Guidelines
MDPC	Minimum Daily Processing Capacity
IT	Information Technology
MOU	Memorandum of Understanding
OFAS	Office of the Assistant Secretary
OTCnet	Over the Counter Network
PC	Peak Completion (BMF)
PCD	Program Completion Date (IMF)
PIC	Processing Internal Control
POAM	Plan of Action and Milestones
RACS	Revenue Accounting Control System
RPS	Remittance Processing System
RSC	Remittance Security Coordinator
RS-PCC	Remittance Strategy for Paper Check Conversion
RTR	Remittance Transaction Research
SAMC	Situation Awareness Management Center
SAT	Systems Acceptability Testing
SCCF	Service Center Control File
SERP	Servicewide Electronic Research Portal
SOI	Statistics of Income
SPC	Submission Processing Campuses
TIGTA	Treasury Inspector General for Tax Administration
URF	Unidentified Remittance File

