



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

3.17.5

DECEMBER 3, 2024

EFFECTIVE DATE

(01-01-2025)

PURPOSE

- (1) This transmits revised IRM 3.17.5, *Accounting and Data Control - Hardcore Payment Tracers*.

BACKGROUND

- (1) This IRM provides guidance for resolving taxpayers' missing or misapplied payments. It will be used by employees in the Hardcore Payment Tracer functions in the Accounting Operation areas at each of the 3 Submission Processing (SP) campuses: Austin, Kansas City, and Ogden.

SCOPE

- (1) IRM 3.17.5, **Accounting and Data Control - Hardcore Payment Tracers** provides instructions to be followed by the Submission Processing Hardcore Payment Tracer Functions (HPTF) for the resolution of taxpayers' missing or misapplied payments.

MATERIAL CHANGES

- (1) IRM 3.17.5.5 added new subsection of Annual Clearance of IRM.
- (2) IRM 3.17.5.6 added new subsection Program Reviews instructions.
- (3) IRM 3.17.5.23.1 added forms to Electronic Funds Withdrawal form listing
- (4) Editorial changes (i.e. grammar, web links and changes Wage and Investment (W&I) to Taxpayer Services) made throughout IRM.

EFFECT ON OTHER DOCUMENTS

IRM 3.17.5, Hard Core Payment Tracers dated 12-01-2023 (effective January 1, 2024) is superseded.

AUDIENCE

All employees in the Submission Processing Accounting Control/Services Operations who work Hardcore Payment Tracer cases.

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Taxpayer Services Division

3.17.5

Hardcore Payment Tracers

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3.17.5.1
(12-08-2020)
Program Scope and Objectives

- (1) **Purpose of Program:** This IRM provides instructions to be followed by the Submission Processing Hardcore Payment Tracer Functions (HPTF) for the resolution of taxpayers' missing or misapplied payments.
- (2) **Audience:** All employees within the Accounting Operation areas at each of the 3 Submission Processing campuses who work Hardcore Payment Tracer cases.
- (3) **Policy Owner:** The Accounting Services Section is part of the Accounting and Tax Payment Branch in Submission Processing under the Taxpayer Services Business Operating Division Customer Account Services.
- (4) **Program Owner:** Taxpayer Services(TS) division, Submission Processing (SP) is responsible for policy for researching hardcore payment tracers.
- (5) **Primary Stakeholders:** The primary stakeholders are Management Officials who rely on accurate data, reports and quality information to ensure there are no gaps in efficiencies.
- (6) **Program Goals:** To identify missing or misapplied payments using specialized Hardcore payment tracer techniques. Preliminary Payment Tracer guidance can be found in IRM 21.5.7, Account Resolution - Payment Tracers.

3.17.5.2
(12-08-2020)
Hardcore Payment Tracer Overview

- (1) This section provides procedures for resolving Hardcore Payment Tracer (HCPT) cases. All functions within IRS are required to work the initial phases of a payment tracer case. Cases should be referred to the Hardcore Payment Tracer Function (HPTF) for additional research *only after all* initial research efforts have been exhausted - See IRM 21.5.7, Payment Tracers for initial research procedures.

Exception: Procedures have been slightly revised regarding Accounts Management's initial research and Accounting's research for Federal Tax Deposit (FTD) payment tracer referrals. See IRM 3.17.5.22.1, *FTD Referrals to HPTF* for additional information about this one exception. This change was made by mutual agreement between Accounting and Accounts Management in December 2008.
- (2) It is important to resolve missing payment cases as expeditiously as possible because payments not applied to the proper tax module may result in erroneous notices or erroneous refunds and undue burden for taxpayers.
- (3) Taxpayers may initiate steps to resolve missing/misapplied payment issues through the Integrated Customer Communications Environment (ICCE) formerly referred to as Telephone Routing Interactive System (TRIS), written correspondence, telephone contact with a Customer Service Representative (CSR), Taxpayer Resolution Representative (TRR), Taxpayer Advocate Service (TAS), or a Taxpayer Assistance Center (TAC) visit.
- (4) All customer service representatives, including Automated Collection System (ACS), Campus Collection Operations, and TAC are responsible for researching and, if possible, resolving payment tracer inquiries. If resolution is still not possible following initial research procedures, the cases will be referred to HPTF.

3.17.5.2.1
(12-08-2020)
IRM Deviations

- (1) IRM deviations must be submitted in writing following instructions from IRM 1.11.2.2.4, **When Procedures Deviate from the IRM**, and elevated through appropriate channels for executive approval.

3.17.5.3
(12-08-2020)
Protection of Taxpayer Accounts

- (1) Always exercise special precautions to protect taxpayers' accounts. Per the Taxpayer Bill of Rights (TBOR), taxpayers have the right to expect that any information they provide to the IRS will not be disclosed unless authorized by the taxpayer or by law. Taxpayers have the right to expect appropriate action will be taken against employees, return preparers, and others who wrongfully use or disclose taxpayer return information and; Taxpayers have the right to expect that any IRS inquiry, examination, or enforcement action will comply with the law and be no more intrusive than necessary, and will respect all due process rights, including search and seizure protections and will provide, where applicable, a collection due process hearing. See *Taxpayer Bill of Rights* (sharepoint.com) for more information.
- (2) Before disclosing any tax information:
 - a. Be sure you are speaking with the taxpayer or authorized representative (See IRM 21.1.3.2, General Disclosure Guidelines for more information).
 - b. Review procedures in IRM 11.3.2.7.1, Leaving Information on Answering Machines/Voice Mail before leaving a message on the taxpayer's answering machine or voice mail.
 - c. Review procedures in IRM 11.3.1.14, Facsimile (FAX), Electronic Facsimile (E-FAX), and IRS Internal Enterprise Electronic Facsimile (EEFAX) Transmission of Tax Information before faxing confidential information to the taxpayer.
- (3) If the caller is unable to furnish enough information for you to establish that they are actually the taxpayer, request the caller to find out the information and call back. If the caller states they didn't have the information and cannot obtain it, advise the caller to provide written documentation.
- (4) Do not provide information concerning the taxpayer to third parties without **written** authorization from the taxpayer, even though the third party requesting the information has possession of a copy of the bill or notice in question.

3.17.5.4
(12-03-2021)
Customer Account Data Engine (CADE) 2

- (1) The CADE 2 program deployed the first transition state towards the goal to implement a single modernized environment to process individual taxpayer accounts.
- (2) The components of CADE 2 Transition State 1 include:
 - a. **Daily Processing:** Individual Master File (IMF) processing with the new cycle definition outlined below but processing daily (daily transactions to daily accounts) with weekly processing occurring on Thursday.
- i. New Cycles:
 1. SP site(s) Cycle: Thursday - Wednesday
 2. Master File Processing: Friday - Thursday

Note: New Cycles are applicable to all SP site(s) and master files. The CADE Master File, as it existed from 2004 - 2011, will be retired.

ii. Refunds for IMF accounts will be accelerated to provide refunds to taxpayers faster.

1. Direct deposit refunds will be issued 4 business days from posting.
2. Paper check refunds will be issued 6 business days from posting.

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- b. **CADE 2 database:** To establish a taxpayer account database that will house all individual taxpayer accounts. IMF will process all transactions, settle accounts, and provide data to the CADE 2 database. IMF will remain the system of record for Transition State 1. The CADE 2 database will provide data to the Integrated Data Retrieval System (IDRS) and the Integration Production Model (IPM) programs.
- c. **Accelerated IDRS/Taxpayer Information File (TIF) Updates:** The weekend IDRS/TIF analysis and updates will occur the immediate Saturday after Master File processing completes on Thursday. This will result in a faster posting of transactions on IDRS.

- (3) Individual taxpayer accounts will be analyzed three times a year to determine whether the account at that point in time meets criteria to be marked as a Daily account.
- (4) Command Codes IMFOL and TXMOD will contain an indicator on the screen to identify whether the account is a Daily account or a Weekly account.
- (5) Incoming weekly transactions directed to an account that is marked as Daily will result in the account changing from Daily to Weekly when the transaction posts.

Note: Subsequent transactions directed to an account that has changed from Daily to Weekly will be processed with the weekly processing run on Thursday.

- (6) Individual Master File (IMF) transaction posting time frames are outlined as follows
 - a. **Daily transactions directed to a daily account:** are expected to post daily with daily processing. Transactions will be viewable using CFOL Command Codes the second day after SP site(s) input. Transactions will be viewable on IDRS Command Codes the third day after SP site(s) input.
 - b. **Weekly transactions directed to a daily account:** are expected to post with the weekly processing run on Thursday and may result in the account type changing to Weekly.
 - c. **Daily and Weekly transactions directed to a Weekly account:** are expected to post with the weekly processing on Thursday.

Note: For items b) and c) above, with the acceleration of the IDRS weekly analysis being performed the weekend directly after the Master File processing on Thursday, transactions will be posted instead of in pending status on Monday.

- d. **Use of the Posting Delay Code on transactions:** will result in the transaction being held until the weekly processing on Thursday. When the transaction is processed on Thursday and the Posting Delay Code contains a value other than zero, the transaction will continue to re-

sequence for the number of cycles equal to the value. **Example:** A transaction input with a Posting Delay Code of 1 will be processed on Thursday and will re-sequence until the following weekly processing day (the following Thursday).

Note: Use of the Posting Delay Code on a daily account with daily transactions may result in delaying the posting of the transactions that would resolve the account.

- (7) Business Master File (BMF) transaction posting time frames are outlined as follows:
- Transactions will be viewable using CFOL Command Codes on Saturday following the weekly Master File processing run on Thursday.
 - Transactions will be viewable as posted transactions using IDRS Command Codes on Monday following the weekly Master File processing run on Thursday.

Note: With the acceleration of the IDRS weekly analysis being performed the weekend directly after the Master File processing on Thursday, transactions will be posted instead of in pending status on Monday.

3.17.5.5
(12-03-2024)

Annual Clearance of IRM

- (1) This IRM is updated and published annually after review and concurrence by impacted stakeholders according to the clearance process established in IRM 1.11.9, Internal Management Documents, Clearing and Approving Internal Management Documents (IMDs).
- (2) Functional areas are responsible for reviewing the information in this IRM annually to ensure accuracy, consistency, and to promote effective program administration.

3.17.5.6
(12-03-2024)

Program Reviews

- (1) Program Reviews are mission critical to the health of accounting and deposit programs to ensure integrity of the general ledger accounts and accuracy of the financial statements. It is essential that each function conducts its operations with an emphasis on mitigating risks, identifying best practices, and adhering to IRM requirements. An objective assessment of program compliance, including all applicable procedures and guidelines, is necessary to ensure that adequate internal controls are in place.
- (2) **Program Effectiveness:** The program effectiveness includes conducting reviews and analysis to detect and identify material or significant deficiencies that could adversely impact IRS audits and/or financial statements. These reviews are necessary to ensure Submission Processing is conducting business as prescribed in the governing IRM's and are designed to identify potential internal control deficiencies that may impair the integrity of the general ledger accounts and/or financial reporting.
- (3) **Program Reviews:** A program review ensures actions are in accordance with IRM procedures. SP HQ Accounting and Deposit Section conducts program reviews to verify compliance with IRM requirements, address TIGTA/GAO findings, identify risks to internal controls, address error trends, and training needs, as needed. In addition, the reviews ensure IRM procedures are applicable, adequate, and adhere to Department of the Treasury and/or IRS guidelines.

- a. Program reviews will be planned and conducted based on business needs and priorities.
 - b. Notification will be provided to the SP campus leadership in advance.
 - c. Reviews will be conducted to evaluate program delivery and conformance to administrative and/or IRM compliance requirements.
 - d. The program review summary report will outline observations and recommendations for program guidance, corrective actions, and/or mitigation strategies, as appropriate.
 - e. A memorandum signed by the Director, SP will be forwarded to the Field Director, SP with a high-level overview of the areas of improvement.
 - f. Functional areas will retain a copy of the report and all applicable supporting documentation in a centralized location.
- (4) **Corrective Action Plan:** The Corrective Action Plan is a plan of action that is developed to resolve the condition that resulted in noncompliance with IRM requirements. In addition, an effective Corrective Action Plan identifies the root cause of problems to minimize or eliminate their recurrence. Corrective actions are developed, implemented, managed and monitored to promote program improvement.
- a. As part of the Program Review process, functional areas are required to provide a written Corrective Action Plan response to the review recommendations 30 days of receiving the program review summary report.
 - b. The Corrective Action Plan must include:

Date of Review

Program Reviewed

Recommendation/Risk Identified

Corrective Action

Completion Date

- (5) A copy of the program review and Corrective Action Plan must be retained as substantive documentation and evidence of mitigation and/or remediation of the noncompliance.
- (6) SP HQ Accounting and Deposit will follow-up to ensure corrective actions have been taken and to provide any additional and/or ongoing support, as needed.
- (7) **Vulnerability Assessments:** A vulnerability assessment identifies, quantifies, and prioritizes the vulnerabilities of government programs and assets including systems/technology, property, funds, and employees. Vulnerability assessments may be conducted on any business process to assess the risks of business failure and/or weakness caused by internal or external factors.

Note: Local leadership is encouraged to perform operational reviews to evaluate program delivery and encourage conformance with IRM requirements.

3.17.5.7
(12-03-2021)

**Hardcore Payment
Tracer Research**

- (1) Hardcore payment tracer research is the process used to locate taxpayers' missing or misapplied payments. A payment tracer case is not resolved until either the missing or misapplied payment is correctly applied to the taxpayer's account or the issue has been resolved (satisfied, e.g., "made whole") following internal guidelines.
- (2) All functions work the initial phases of a payment tracer case (See IRM 21.5.7, Payment Tracers for initial research procedures).
- (3) To avoid rejects/delays, all areas must follow procedures in IRM 3.17.5.8, Referrals to Hardcore Payment Tracer Function (HCPT) for the correct way to prepare and submit referrals to the HPTF.
- (4) Before conducting research to locate the payment, determine if it has been at least 3 days (if payment sent electronically) or 2 weeks, since the taxpayer mailed their payment. If not, ask the taxpayer to call back at that time. If it has been at least 3 days (if payment sent electronically) or 2 weeks, obtain the following information as applicable:
 - Evidence of payment (e.g., copy of canceled check, front and back)
 - Date the payment cleared
 - Taxpayer's name and address
 - Taxpayer Identification Number (TIN)
 - Date of the payment
 - Amount of the payment
 - Tax period the payment was intended for
 - How was payment made/Mean of payment submission (e.g., was it submitted by check, money order, electronic/bank submission, etc.)
 - Where the payment was sent
 - Type of payment
 - Encoding information (e.g., check or money order)
 - Electronic Federal Tax Payment System (EFTPS) 15-digit EFT number, if applicable
 - Routing number for the financial institution that the payment was made from (e.g., bank the check drawn on or electronic payment made out of)
 - Credit Card Payment, confirmation number

Note: A "substitute check" is the legal equivalent of the original check and must be processed as if it were the original pursuant to the Check Clearing for the 21st Century Act ("Check 21") Pub. L. No. 108-100 (10-28-2003) effective October 28, 2004, codified at 12 USCA Chapter 50 (Check Truncation) §§ 5001-5018. **Background:** Not all banks have the equipment needed to accept electronic payment files and "Check 21" overcomes this obstacle. The truncating bank (which may be any bank in the check collection process) electronically transmits an image of the front and back (including endorsements) of the original check and the recipient bank converts the information into a new form of paper instrument, known as a "substitute check." A substitute check is the same size as the original and is designed to be processed in a bank's sorting equipment just as though it were the original check and may be returned to the payor with the monthly bank statements. The check's legend states "This is a legal copy of your check. Use it the same way you would use the original check."

- (5) Phone or fax the taxpayer for information needed to resolve the case. If unable to reach the taxpayer via telephone or fax (at least two attempts), use the appropriate **"C" letter**.

Note: To alleviate taxpayer burden, every attempt should be made to resolve the missing payment through internal research before requesting any documentation. If the taxpayer cannot provide a copy of the documentation (in person or by fax), advise the taxpayer to send a copy of the documentation to the appropriate Submission Processing (SP) site(s) that processed his/her payments.

- (6) Information and research will vary depending on the type of payment being researched.

3.17.5.7.1 (12-08-2020) Reject Register Research

- (1) A reject sequence number on IDRS indicates if there is a reject transaction on the taxpayer's account. The reject transaction has no effect on the IDRS balance.
- (2) An alpha reject sequence code appears on IDRS:
 - C - Resolved transaction no longer on the ERS Suspense Files - Closed Case
 - O - Transaction is still on the Generalized Mainframe Framework (GMF) Reject or ERS Inventory Files - Open Case
 - S - Transaction is open on the ERS Suspense Files - Open Case
- (3) The reject sequence number should be notated on Form 4446, Payment Tracer Research Record before the case is sent to the HPTF.
- (4) HPTF will research the Reject Inventory Lists available in the Reject Unit by DLN or TIN. Use this list to locate the Reject Disposition List.
- (5) The Reject Disposition List shows either the disposition of the document or the new DLN:

Good	Valid correction sent the document to good tape
Loop	Invalid correction
Re-input DLN	Designated for re-input using the original DLN
Re-reject	Still in reject inventory
Void	Non-remittance item only
Renumbered Documents	New DLN or URF for Unidentified Remittance File is displayed

- (6) Use the Reject Disposition List to locate the corrected reject registers retained in the Reject area.
- (7) Items processed through (ISRP) may be researched for historical data through the Notes feature on the ISRP Archive System.

3.17.5.7.2
(10-04-2019)

**Treasury Check
Information System
(TCIS) and Payments,
Claims, & Enhanced
Reconciliation (PACER)
Research**

- (1) The TCIS was developed by the Bureau of Fiscal Services (BFS) to record and reconcile issuance and payment of U.S. Treasury checks.
- (2) TCIS allows users to:
 - Query the PACER system for claims status of National Automated Clearing House Association (NACHA) payments which now display the payment type
 - View digital images of paid U.S. Treasury checks via a standard web browser on your desktop
 - View check payments which now display stop codes and payment types
 - View a payment history screen
 - View the settlement check number for checks issued after April 2007 and the settlement check details
 - View Claims Disposition Notice (CDN) messages
- (3) TCIS was fully implemented in 2006. All users must enroll in TCIS to gain access to the application. To enroll in TCIS you must secure and fill out the TCIS enrollment form at *Treasury Check Information System*, follow the directions on the form. All users must agree to the Rules of Behavior.

Note: For TCIS access, enrollment support or assistance: (855) 838-0743, (314) 444-6151, or send an e-mail to: TCIS_TSC@STLS.FRB.ORG.

3.17.5.8
(12-08-2020)

**Referrals to Hardcore
Payment Tracer
Function (HPTF)**

- (1) If other functions within IRS cannot locate the missing payment after researching online IDRS or reviewing information from the taxpayer/bank per IRM 21.5.7, Payment Tracers, they will prepare Form 4446, Payment Tracer Research Record documenting all research efforts and **refer the case to the HPTF at the SP site that processed the payment or to the SP site that processed the most recent payments (if unable to determine for sure which SP site(s) processed the missing payment).**
- (2) HPTF may also transfer cases to other SP site HPTF, if applicable.
- (3) Due to the various service center consolidations, the following exceptions to (1) above apply.

If Payment Processed At:	Route To:
Brookhaven, Memphis, Cincinnati Philadelphia	Ogden
Atlanta, Fresno, Andover	Kansas City

- (4) HPTF is usually located in the Accounting Services/Control Operation and is responsible for working complex payment tracer cases **after all preliminary research has been exhausted** per IRM 21.5.7, Payment Tracers.

Exception: See revised FTD preliminary research procedures in IRM 3.17.5.22.1, FTD Referrals to HPTF.

- (5) Preliminary research will expedite the resolution process. Preliminary research prior to referral to HPTF includes:

- Corresponding with the taxpayer and/or obtaining source documents internally/externally
 - Researching IDRS, CFOL, Non-Master File, Unidentified & Excess Collection files, Unpostables, and EFTPS
 - Using the telephone to contact the taxpayer and fax machine to obtain additional information needed to resolve the case
 - Sending the appropriate “C letter” if unable to reach the taxpayer via telephone (at least two attempts)
- (6) Other functions referring a case to HPTF should indicate on Form 4446, Payment Tracer Research Record:
- Use of the Integrated Automation Technologies (IAT) Payment Tracer tool.
 - Documentation of IDRS and CFOL research, including Command Codes IMFOL, BMFOL, URINQ, XSINQ, UPTIN, SCFTR, and ANMF research.
 - RTR, EFTPS, and Unpostable research, if applicable.
 - Documentation of telephone or fax machine usage to obtain additional information needed to try and resolve the case.
- (7) HPTF will review Form 4446 to ensure that necessary research and documentation was adhered to before accepting the payment tracer case. See revised FTD preliminary research procedures in IRM 3.17.5.22, *Federal Tax Deposits (FTD)*.
- (8) HPTF will return any incomplete case through the HPTF unit manager with a detailed explanation of the corrective action required. HPTF will also notate on the reject sheet the stop number and/or team number (if available) of the person they are sending the case back to ensure that it gets back to the right person.

Reminder: Not every type of payment requires the same amount of documentation to be accepted by HPTF. EEFax should be the only method of delivery, unless the documentation is not legible; if so, send it by mail to the SP site(s)’ address as shown in IRM 3.17.5.8.1, *Hardcore Payment Tracer Addresses and Telephone/EEFax Numbers*.

- (9) HPTF cases usually involve complex conditions such as:
- Piggyback checks, encoding errors, and deposit discrepancies that cannot be resolved during preliminary research
 - Non-Master File (NMF) cases (tax class 6 in DLN)
 - Treasury Bonds after IDRS research
 - Unpostable codes 140 or 399
 - Field office payments without a field office or Residual Remittance Processing System (RRPS) endorsement
 - Closed unpostable cases
 - Slipped/Mixed entity or block conditions involving **more than three (3)** taxpayers’ accounts
 - Payments over seven (7) years old not located in the Excess Collection Files
 - Reject transactions
 - Electronic payments not located through specified research
 - Department of Justice (DOJ) endorsed payments

Note: Refer DOJ missing payment cases to the Kansas City HPTF:

- Form 809, Receipt for Payment of Taxes or cash register receipt payments-after preliminary research
- “Free” Items

Note: Dishonored checks should only be sent to the HPTF if there is proof that the check was cashed.

- (10) If a refund should be issued, HPTF will apply the tentative substantiated credit, including received date and amount indicated on the proof of payment, within 10 workdays of receipt in HPTF.
- (11) HPTF is responsible for all subsequent communication with the taxpayer after accepting the case.

Note: Retain the case file in the HPTF closed file, in alphabetical order, **and retire it to the Federal Records Center (FRC) 1 year after closure.**

3.17.5.8.1
(10-04-2019)
**Hardcore Payment
Tracer Addresses and
Telephone/EEFax
Numbers**

- (1) Hardcore Payment Tracer mailing addresses , telephone numbers, and EEFax numbers can be found on the intranet within the SERP WHO/WHERE page: *Hardcore Payment Tracer Addresses - Who/Where - SERP*. BFS, the agency that processes IRS’ refunds, uses the ALC to identify the various IRS SP site(s).

3.17.5.8.2
(10-01-2014)
Payment Types

- (1) Payments are identified by SP site(s), Lockbox, Field Processing methods, or Bank Endorsements. The different types of payments and systems used to record payments are:
 - Alaska Permanent Fund Dividend (AKPFD)
 - Cashier’s Checks
 - Cash Payments
 - Criminal Restitution Payments made to the Clerk of Court Office, also known as, Court-Ordered Restitution Payments
 - Direct Debit Installment Agreements
 - Electronic Federal Tax Payment System (EFTPS)
 - Electronic Funds Withdrawal
 - Federal Tax Deposits (FTD)
 - Field Office Remittances
 - Foreign Remittances
 - Free Items
 - Installment Agreement User Fee Lockbox Payments
 - Integrated Submission and Remittance Processing System (ISRP)
 - Justice Department Lockbox Receipts
 - Manual Deposits
 - Money Orders
 - Municipal Tax Levy Payment (MTLP)
 - Non-Master File Payments
 - Payments for Lloyds of London Taxpayers
 - Payments made by Credit Cards
 - Remittance Transaction Research (RTR) System
 - Residual Remittance Processing System (RRPS)
 - Service Center Recognition Image Processing System (SCRIPS)
 - State Income Tax Levy Program Payments (SITLP)
 - Treasury Bonds

- Truncated Checks

3.17.5.8.3
(12-03-2021)
**Trace Identification
Number (TID) Number**

- (1) The TID is mandatory and is used to identify each Deposit Ticket (DT)/Deposit Voucher (DV) and their corresponding payments. It will be utilized as a tracking mechanism. As of January 2008, all input payments will automatically assign a 20-digit TID to each DT/DV:
 - 14 digits for the DT
 - 20 digits if multiple individual payments are associated with the DT
- (2) Manual deposits such as insolvency payments that require a Form 813, Document Register, will be assigned a TID using the Batch Blocking Tracking System (BBTS). The Custodial Detail Database (CDDDB) will track all payments that include a DT/DV and balance the transactions against the DT/DV totals which have been entered in the Redesign Revenue Accounting Control System (RRACS) General Ledger. The TID Reconciliation will become part of the Treasury scorecard.
- (3) The Service Center Revenue Accounting Control System (RACS) Unit will reconcile the SP site(s) DT/DV Reconciliation Report (J55C01). This report will list all TIDs received on the RRACS DT/DV file for an accounting period, listing CDDDB pre-posted information along with RRACS information (like the RRACS 017 report). This report will be sorted by the month of the preparation date and the absolute value of the RRACS amount.
 - The SP site(s) DT/DV Reconciliation Report (J55C01) will be e-mailed monthly to the SP sites' Database Administrator (DBA) by the **13th workday of each month**.
Note: This does not mean the 13th of each month.
 - The following parties will be copied on the e-mail: **1.** Accounting Operations Manager, **2.** Department Manager, **3.** RACS Manager, **4.** Reports Analyst, and **5.** Planning and Analysis Analyst.
 - The SP site(s) will receive a reconciliation report that only identifies transactions that need to be researched. **FTD transactions (System ID 30) do not need to be reconciled and will not be included in the reports.**
 - The Manager/Supervisor at each SP site is responsible for assigning an analyst the responsibility for reconciling the monthly TID reports. The assigned analyst must pull the accounting package and any additional reports to identify the cause of the TID error on the spreadsheet using the following TID Error Type listing key:

ERROR TYPE	DESCRIPTION	ACCEPTABLE COMMENTS
A	Type error in TID input	"Input As" or "S/B "XX-XX-XXXX-XXX-XXX, Area
B	Two days of deposit activity was entered into RRACS under one journal	Explain Why
C	TID is in RRACS twice, typo error on one of the DTs/DVs	No Comment Necessary

ERROR TYPE	DESCRIPTION	ACCEPTABLE COMMENTS
D	Transaction was added/deleted after deposit was submitted at end of day	Added/Deleted, Why
H	Foreign check issues with Banks (cash conversion issues)	Explain Why
I	Holding Accounts/Open Items (i.e., DCF, URF)	No Comment Necessary
J	Transactions that will not hit CDDDB (i.e., NMF, DOJ Restitution, EP/EO, OIC, Photocopy Fees)	Explain Why
L	Other error not classified above, including External Leads for Ogden Accounting Only	Explain why Note: Ogden Only - External Leads explanation should read: "External Lead Process - Questionable returned refund from bank being sent back to IRS by the financial institution currently being researched by the Integrity and Verification Operation (IVO) - External Leads formerly Accounts Management Taxpayer Assurance Program (AMTAP) group."
M	Void, Washed, or D-Applied Checks	Date xx-xx-xxxx / For Washed, What DT/DV #
N	Closed Cases (i.e. DCF and URF)	URF/DCF, Date xx-xx-xxxx
P	Duplicate Payment Created by the TAC Office	Explain Why
Z	Unresolved Mismatch Still Researching (this error code will result in a non-green score)	Explain Why

- The spreadsheet along with ALL supporting documents will be due back to the Chief Financial Officer (CFO) on the **20th workday of each month**.

Note: This does not mean the 20th of each month.

- Each SP site should follow established record retention guidelines for storing supporting documents.

(4) The format of the TID number is:

Field	Format	Definition
Site ID	nn	SP site(s) file location code (FLC), Bank ID, or other Site ID
System ID	nn	Defined Below
Deposit Date	YYYYDDD	Julian Date
Seq. Number	nnn	For each deposit date, begin with 001 and increment each additional Deposit by 1
Transaction Seq. Number	nnnnnn	This field is relevant only for the Payment Transaction Record. For each payment summarized in a DT, beginning with 000001, sequentially increment the Transaction Seq Number for each transaction in the CDDDB Detail Payment Record File

- (5) The Site ID contains the first two (2) positions of the TID number. The Site ID must be a valid SP site Code, a valid Area Office Code, or a valid Lockbox Bank ID Code.

Note: Valid codes change periodically with the reorganization of SP site(s) accountability, SP site(s) consolidation, or the restructuring of Lockbox Bank contracts.

- (6) These Site IDs are valid for the following SP site Location Codes:

Site IDs for SP Site Location Codes	
07 Atlanta Accounts Management SP site (ATAMC)	19 Brookhaven Accounts Management SP site (BAMC)
08 Andover Accounts Management SP site (ANAMC)	28 Philadelphia Accounts Management SP site (PAMC)
09 Kansas City Submission Processing SP site (KCSPC)	29 Ogden Submission Processing SP site (OSPC)
[Left Blank intentionally]	49 Memphis Accounts Management SP site (MAMC)
18 Austin Submission Processing SP site (AUSPC)	89 Fresno Submission Processing SP site (FSPC)

- (7) These Site IDs were valid until December 31, 2012 for the following Lockbox Bank Location Codes and identifies the Lockbox Bank that originated the transmission:

Site IDs for Lockbox Bank Location Codes
33 - U.S. Bank - Cincinnati (FSPC)
35 - U.S. Bank - Cincinnati (CSPC)

Site IDs for Lockbox Bank Location Codes
36 - U.S. Bank - St. Louis (KCSPC)
40 - Bank of America - College Park (KCSPC)
47 - Bank of America - Windsor (CSPC)
59 - Bank of America - College Park (KCSPC) (formerly serviced by ATSPC)
68 - Bank of America - Union City (FSPC)
73 - JP Morgan Chase - Charlotte (AUSPC)
91 - Bank of America - Tucker (OSPC)

- (8) These Site IDs are currently valid for the following Lockbox Bank Location Codes and identifies the Lockbox Bank that originated the transmission:

Site ID	Bank	Location
33	US Bank - Cincinnati	(FSPC)
35	US Bank - Cincinnati	(CSPC) June 28, 2019, last day for processing for Cincinnati Service Center.
36	J P Morgan Chase - Charlotte	(KCSPC)
40	US Bank - Cincinnati	(KCSPC)
47	Bank of America - Windsor	(KCSPC)
68	Bank of America - Union City	(FSPC)
73	J P Morgan Chase - Charlotte	(AUSPC)
85	US Bank - Cincinnati	(OSPC)
91	J P Morgan Chase	(OSPC)

- (9) In addition, some systems, such as an Installment Agreement (IA) User Fee Sweep utilize an Area Office Code rather than an SP site Code. Those values are quite varied, so CDDDB allows for any unique numeric value to be valid.
- (10) The System ID contains positions 3 and 4 of the TID number. Valid System ID Codes for the following payment transactions are:

Valid System IDs
01 - EFTPS (Electronic Federal Tax Payment System)

Valid System IDs
02 - ISRP (Integrated Submission and Remittance Processing)
05 - Lockbox Bank
10 - SITLP (State Income Tax Levy Payments)
15 - Receipt & Control Manual Deposits
20 - RRACS (Redesign Revenue Accounting Control System) DCF DV
25 - Accounting DT and DV
30 - FTD (Federal Tax Deposit) DT and DV
35 - IDRS IA (Installment Agreement) User Fee Sweep
40 - Automated Insolvency System (AIS)
45 - Automated Offer in Compromise (AOIC)
50 - IRS Individual Taxpayer Identification Number (ITIN)
55 - Field Assistance (SHARE) Function, Taxpayer Assistance Centers

- (11) BBTS provides the following subset of these System IDs for requesting a TID number for manual DTS:

System IDs
15 - Receipt & Control Manual Deposits
20 - RRACS DCF DV
25 - Accounting DT/DV
30 - FTD DT/DV
40 - Automated Insolvency System (AIS)
45 - Automated Offer in Compromise (AOIC)
50 - ITIN
55 - Field Assistance - Taxpayer Assistance Centers (TAC)

- (12) The Julian Date contains positions 5 - 11 of the TID. The Julian date:

- Must be a valid four (4) position year (2006 or greater)
- Must be greater than 2006001 (the start date for EFTPS generation of TID Numbers)
- Must not be greater than "Today's" date
Note: This means it cannot be a future date.
- If *not* a Leap Year, must be between 001 and 365

- If a Leap Year, must be between 001 and 366

- (13) The DT Sequence Number contains positions 12 - 14 of the TID number and will be a numeric number greater than zero.

Note: For systems that do not utilize Batch Block Tracking System (BBTS) to generate the TID number, the DT Sequence Number will be initiated as 001, and will increment by 1 for every additional DT that is created for the same system in the same site on the same day.

- (14) The 14-digit TID number defined above is the TID that identifies a DT that is entered into RRACS. The individual payments that comprise a DT will have an additional 6-digit Transaction Sequence Number that will keep each payment's TID number unique.

- (15) The Transaction Sequence Number comprises the final six positions of the TID number (positions 15-20).

Note: This field is relevant only for the individual Payment Transactions that comprise a DT as identified by the first 14 characters of the TID Number).

- (16) Depending on local procedures and work alignment, either RACS or the Dishonored Check File (DCF) function will assign TID numbers to the DV. In SP site(s) where DVs are received directly by the RACS unit, RACS will assign a TID through BBTS for DVs (dishonored checks) to be input into RRACS (System ID 20), and then forwarded to DCF to be entered into the DCF database.

3.17.5.8.4
(12-08-2020)

Payment Tracer Forms

- (1) Special forms are prepared for payment tracer cases. These forms are:

- Form 4446, Payment Tracer Research Record
- Form 8765, IDRS Control File Credit Application
- Form 3809, Miscellaneous Adjustment Voucher (HPTF only)
- Form 8546, Claim for Reimbursement of Bank Charges
- Form 11357, Integrated Submission and Remittance Processing Image Retrieval Request

3.17.5.8.5
(12-03-2021)

Form 4446, Payment Tracer Research Record

- (1) Form 4446, Payment Tracer Research Record must be prepared before referring cases to any function.

Note: Neither Form 4442, Inquiry Referral or Form 4159, *Payment Tracer Request* should be used for payment tracer case referrals.

- (2) Form 4446, Payment Tracer Research Record can be completed online. To ensure Form 4446, Payment Tracer Research Record is always legible, it is recommended that this form be completed online whenever the system is available.

- (3) HPTF will return incomplete or illegible Forms 4446, Payment Tracer Research Record for additional research or information. HPTF will notate on the rejection sheet the stop number and/or team number (if available) and employee IDRS number of the requestor. HPTF should not reject Forms 4446, Payment Tracer Research Record if the site does not have access to the information or if an exception exists as with the FTD payment tracer referrals.

Note: Managerial review should ensure that all available preliminary research was completed before the referral manager signs off on Form 4446, Payment Tracer Research Record.

(4) Accounts Management will close their open control base with category code "PAYT" before routing a Correspondence Imaging System/Accounts Management Services (CIS/AMS) case to HPTF. When Accounts Management closes their CIS/AMS case, it automatically closes the control base. HPTF will open a new control base when they receive the case.

(5) Preliminary research includes:

- Documentation of IDRS and CFOL, including Command Codes: IMFOL, BMFOL, URINQ, XSINQ, UPTIN, SCFTR, and ANMF research.
- Documentation on Form 4446, Payment Tracer Research Record or RTR research.
- Copy of the payment posting document if a potential mixed/slipped block condition is discovered and if there are encoding errors.
- Copy of the front and back of the taxpayer's **cancelled** check if the payment cannot be located through IDRS and RTR research.

Note: EEFax should be the only method of delivery, unless the documentation is not legible; if so, send it by mail to the SP site(s)' address as shown in IRM 3.17.5.8.1, **Hardcore Payment Tracer Addresses and Telephone/Fax Numbers**.

(6) See IRM 3.17.5.22.1, FTD Referrals to HPTF, IRM 3.17.5.22.2, FTD Discrepancies and How to Correct Them, and IRM 3.17.5.22.3, FTD Discrepancies and How to Contact them for Remaining FTD Paper Coupons for the required documentation for FTD cases.

Note: To determine which SP site processed the FTD coupon, look at the most current payments. The address of the taxpayer on the check can also lead you to the correct SP site, although this is not true in all cases.

3.17.5.8.6
(12-08-2020)
**Form 8765, IDRS Control
File Credit Application**

- (1) When the missing payment is in the Unidentified Remittance File (URF) or Excess Collection File (XSF), application of the credit cannot be made by employees outside the Unidentified Remittance/Excess Collection function. Use Form 8765, IDRS Control File Credit Application to request the Unidentified/Excess Collection function to transfer money from the URF and XSF to the taxpayer's account.
- (2) The Unidentified Remittance/Excess Collection function is usually located in the Accounting Control/Services Operation.
- (3) The request should identify where to apply the money and supply the documentation from the taxpayer, including:
 - TIN
 - Name Control
 - Dollar amount
 - MFT
 - Tax Period Ending
 - Control Number
 - Remarks (required entry)

- Date, name, and employee IDRS number of Form 8765 preparer (required entries).

- (4) Form 8765, IDRS Control File Credit Application should have documentation attached that identifies the credit and justifies the request through correspondence, research performed, etc. If Form 8765 is received without this documentation or without proper completion of all required entries, return Form 8765, IDRS Control File Credit Application to the requestor immediately.
- (5) For additional information on Form 8765 see IRM 3.17.10, Dishonored Check File (DCF) and Unidentified Remittance File (URF) and IRM 3.17.220, Excess Collections File.

3.17.5.8.7
(08-31-2015)
**Form 3809,
Miscellaneous
Adjustment Voucher**

- (1) Only HPTF will prepare Form 3809, TC 760, Substantiated Credit Payment Allowance to:
 - Allow and reverse a tentative substantiated credit from Account 6570
 - Allow a credit from Account 7650, Losses and Shortages

3.17.5.8.8
(12-08-2020)
Letters and Notices

- (1) Notify the taxpayer when the payment has been located using:
 - Letter 672C, Payment(s) Located and/or Applied
 - Notice CP 62, Notice of Credit Transfer (IMF generated notice when credits are transferred)
 - Notice CP 225, Missing Payment Applied (BMF notice generated when credits are transferred)
- (2) Issue Letter 167C, Payment Missing; Copy of Check - Money Order - Cashier's Check Requested to request additional information from the taxpayer.

3.17.5.9
(12-03-2021)
**Processing Complex
Payment Tracer Cases**

- (1) The following subsections identify complex payment tracer cases and actions to locate the missing or misapplied payments.

Note: Payments applied to Miscellaneous Accounts, also referred to as the Conscience Fund, as described in IRM 3.8.45.8.35, Miscellaneous Revenue Collections or Conscience Fund will not have a DLN. They are journalized payments recorded in General Ledger accounts and must be researched manually by HPTF. These payments cannot be traced on an electronic database system.

3.17.5.9.1
(12-08-2020)
**Encoding Errors and
Piggy-Back Checks**

- (1) Encoding errors occur when a check is encoded for a different amount than the amount for which the check was written. Improper handling of remittances causes a discrepancy between the records of the depository bank and the SP site.
- (2) Piggy-back checks are two (2) checks attached that are run through the encoding machine as one. The front check is encoded on the face only. The second check is endorsed on the back only.
- (3) The taxpayer's IRS account is credited for the amount of the first check. The taxpayer's bank account is debited for the total of both checks. The checks may or may not be from the same taxpayer.

- (4) If other functions cannot locate the payment, they will refer the case to HPTF with the following documentation attached:
- Copy of the front and back of the cancelled check(s)
 - IDRS print of the tax module
 - Taxpayer bank statements
 - Any other related documents
- (5) HPTF will research Account 1710, Dishonored Check File, using CC BDINQ for the difference between the amount of the check and the amount encoded.

Caution: Ensure that the Dishonored Check File Dropped Listing is maintained for **five (5) years** after the end of the processing year as required by Document 12990 (11-2017), Records Control Schedules.

- (6) If HPTF is unable to locate the payment, HPTF must substantiate the taxpayer's account from Account 6570. Credit the taxpayer's account using the original payment received date.
- (7) HPTF will contact the depository bank for the credit. When the bank substantiates the credit:
- a. HPTF will complete Form 3244, Payment Posting Voucher crediting the taxpayer's account and reversing the substantiation.
 - b. Forward the case for processing.
- (8) If HPTF is unable to obtain credit from the bank, transfer the amount from Account 7650, Deposit Discrepancies to Account 6570, Substantiated Credits Allowed. A complete research history is needed to support the amount transferred from Account 7650.

3.17.5.9.2
(08-31-2015)
**Multiple/Split
Remittances**

- (1) Multiple remittances occur when two (2) or more checks are either:
- Received with one (1) return or document
 - Received for one (1) tax period

Annotate "**M**" in the upper left margin of the document and remittance.

Annotate the number of checks after the "**M**" (e.g., M3 = 3 checks).

- (2) Split remittances occur when one check is either:
- Received for more than one return or document
 - Received for more than one tax period

Annotate "**S**" in the upper left margin of each document and remittance.

Annotate the number of returns and tax periods after the "**S**" (e.g., S2 = 2 returns or documents).

Note: Lockbox processing will show the serial numbers on the checks, and some checks are printed with the DLN(s) of the returns. Use this information to further help resolve the discrepancy.

- (3) HPTF will request the encoding tapes to validate the manually deposited money amounts on Document 813. If the encoding tapes are unavailable, HPTF will request copies of the check from the depository.

3.17.5.9.3
(12-08-2020)

Mixed/Slipped Blocks

- (1) A mixed or slipped block condition is created when the payment documents and RPS 813 printing are out of sequence. The RPS 813 is usually correct; however, you may find that the DLN and the money amount printed on the remittance and supporting documents are for the preceding taxpayer. This condition can occur at any point in the block and may continue on through to the end of the block.

- (2) If the payment DLN indicates a missing payment posted to the account of an unrelated taxpayer:

- request the entire block
- and research at least five (5) accounts before and five (5) accounts after the taxpayer's account.

Note: For ISRP/RRPS blocks, see IRM 3.17.5.14, Integrated Submission and Remittance Processing System (ISRP) and the Residual Remittance Processing System (RRPS). Do not request the entire block if the payment can be researched on RTR.

3.17.5.9.4
(08-31-2015)

**Payment Applied,
Account Not Fully
Satisfied**

- (1) Input Command Code (CC) INTST to obtain the new balance due amount with accrued penalties and interest if the payment does not fully satisfy or pay the account.

- (2) Advise the taxpayer of the current balance due amount:

- Add 21 days from today's date when you include the balance due amount in correspondence to the taxpayer.
- Add 10 days from today's date when you are giving the balance due amount to the taxpayer over the telephone.

- (3) Release TC 470 or enter appropriate STAUP, if applicable.

3.17.5.9.5
(12-08-2020)

**Altered and/or Stolen
Taxpayer Payments**

- (1) Altered or stolen remittances (taxpayer tax payments) refer to negotiable instruments that were either:

- endorsed or made payable to someone other than the IRS (e.g., payee name line changed, employee embezzlement, identity theft, etc.) or shown with the amount changed. See IRM 3.0.167.5.3, Altered Remittances and IRM 21.3.4.7.16.1, Altered and/or Stolen Taxpayer Payments for additional information.

- (2) If the taxpayer indicates his/her check was altered (e.g., payee or money amount changed) or stolen, request the following information:

- A photocopy of both sides of the payment instrument (e.g., cancelled check, money order)
- Taxpayer's telephone numbers (both home and business)
- A copy of the customer's receipt plus a statement that it was made payable to IRS if the taxpayer cannot provide a copy of the payment instrument (e.g., money order)

- (3) When a copy of the check is received and/or all research has been performed:
- Establish an **“OPEN”** control base using category code **“SPC4”** and input TC 470 with no closing code.
 - Monitor the case to ensure that no inappropriate notices generate for the amount in question.
 - Prepare referral Form 4442 and route the entire case using Form 3210, *Document Transmittal* to the Treasury Inspector General For Tax Administration (TIGTA) Office of Investigations within the SP site that would have processed the payment.
 - Send a **complete copy** of the case, including Form 3210, Form 4442, *Inquiry Referral* and all research to the Remittance Security Coordinator (RSC) located in the Submission Processing Program and Analysis Staff of the SP site having jurisdiction for that account.
 - Send the appropriate “C” letter to the taxpayer notifying him/her that the case is being referred to another office for further investigation.
 - The RSC will ensure the control base is reassigned to HPTF. If the control base has not been reassigned after one week, contact the RSC.
 - HPTF will receive altered/stolen payment cases from the RSC to close the originator’s control base and re-open the case under HPTF’s control. Use category **SPC4**.

(4) **Under the direction of the RSC, HPTF will:**

- Continue to monitor and suspend any inappropriate notices on the questionable amount.
- Take the appropriate action to have any balance due notice(s) retyped that are not related to the questionable amount. Update the control base if a notice is retyped. It may also be necessary to contact Compliance Services Collection Operations ACS Support to prevent any unnecessary liens or levies for Status 22 or 24 on the questionable amount.
- Adjust any penalties and/or interest as directed by the RSC.
- Reinstate the Installment Agreement, if necessary. See IRM 5.19.1.6.4.6.3, User Fee Payment Transfer/User Fee Abatements IF/THEN table for instructions to waive the reinstatement fee.
- Notify the RSC when any changes occur and wait for further instructions.
- Monitor for the posting of a replacement check. Correct the payment date, abate penalties and/or interest as directed by the RSC.
- Release the notice hold when the account is resolved.

3.17.5.9.6
(12-08-2020)
Payment Not Located

- (1) If other functions do not have a copy of the front and back of the cancelled check, they are to obtain an image of the remittance from RTR or request a copy of both sides of the remittance from the taxpayer as applicable, and take the following actions:
- If the missing payment will not fully pay the balance due, they will request the remaining balance due from the taxpayer.
 - If the missing payment will fully pay the balance due, they will input CC STAUP or TC 470 (no closing code).
 - If the copy of the remittance was provided and the payment still cannot be located, the referring functions are to complete all necessary research and forward Form 4446, Payment Tracer Research Record, a

copy of the cancelled check, and copies of all research documents to the HPTF in the SP site that processed the payment.

3.17.5.10
(01-11-2023)

Substantiation Process

- (1) The following section provides procedures for creating a substantiated credit in cases where documentation is not available for normal processing. This allows for case resolution even if HPTF determines that necessary documentation has been lost or destroyed.
- (2) HPTF will continue searching for the payment until it is determined documentation needed to locate the missing payment was destroyed or cannot be located. If a careful determination has been made that the documentation was destroyed or cannot be located, use the following key elements to create a substantiated credit:
 - absolute Proof of Payment
 - authorization
 - transfer of funds from Account 6570, using Form 3809 with TC 760, substantiated credit code
- (3) A substantiated credit **MUST** be allowed if the missing payment is not located within 120 calendar days of receipt by HPTF. Cases accepted in HPTF will be controlled in "M" status on IDRS until the case is resolved.

Note: Before taking any action on the account, contact the HPTF technician with the IDRS control base.

- (4) If the missing or misapplied payment is located **after** the substantiated credit was allowed, return the funds to Account 6570 via Form 3809, Miscellaneous Adjustment Voucher.

3.17.5.11
(08-31-2015)

Absolute Proof of Payment

- (1) Absolute proof of payment is conclusive evidence that IRS received a payment and this includes:
 - Cash receipts (Form 809 or IRS National Cash Register (NCR) receipts)
 - Cancelled checks
 - Negotiated money orders
 - Negotiated cashier's checks
 - Narrative descriptions of endorsements by banks, money order vendors, and IRS employees (e.g., Revenue Officers)
- (2) National Cash Register (NCR) receipts must identify the register number, time, date, office location, and type and amount of tax paid.
- (3) Absolute proof that a Federal Tax Deposit (FTD) was made is the verification or acknowledgment of a payment submitted to a commercial or Federal Reserve Bank. This proof can be:
 - a. A cancelled check for the payment made payable to and negotiated by a commercial depository or a Federal Reserve Bank. Have the bank verify that the credit was deposited into the Treasury Tax Loan Account (TT&L).
 - b. A commercial bank or FTD receipt for the amount of payment.
 - c. A photocopy of the FTD coupon received in the FTD processing SP site(s).

- d. A transmittal showing the deposit in question was received and processed without adjustment. If an adjustment was made, verify that the deposit was not included.

3.17.5.12
(03-20-2023)
**Substantiation of
Payment —
Authorization
Responsibility**

- (1) Cases prepared for substantiation must be reviewed and Form 3809 initialed by the Team Lead and Manager before submitting to the Operations Manager. They must verify the substantiation package includes:
 - a. All documented research
 - b. Form 3809 has TC 760: and
 - c. The correct TIN, money amount, tax period, MFT: and
 - d. Form 3809 numbered with document code 48.
- (2) The Accounting Control/Services Operations Manager must review and approve substantiated payment credits after **all** research has been exhausted and the payment cannot be located.
- (3) Case will remain in controlled “M” status on IDRS until the TC 760 post.
- (4) Consider all research to have been exhausted seven (7) years from the receipt date by HPTF.

3.17.5.13
(08-31-2015)
**Payment
Methods/Systems**

- (1) The following systems/methods are used for submitting or processing payments:
 - Automated Non-Master (ANMF) File payments,
 - Cash Payments,
 - Cashier’s Check,
 - Direct Debit Installment Agreements,
 - Electronic Federal Tax Payment System (EFTPS) Payments,
 - Electronic Funds Withdrawal (Direct Debit) and Credit Cards,
 - Federal Tax Deposit (FTD) Payments,
 - Field Office Remittances,
 - Foreign Remittances,
 - Free Items,
 - Installment Agreement User Fee Lockbox Payments,
 - Integrated Submission and Remittance Processing System/Residual Remittance Processing System (ISRP/RRPS),
 - Justice Department Lockbox Receipts,
 - Lloyd’s of London Taxpayers,
 - Lockbox Payments,
 - Manual Deposits,
 - Money Orders,
 - State Income Tax Levy Program (SITLP),
 - Treasury Bonds,
 - and Truncated Checks.

3.17.5.14
(12-03-2021)
**Integrated Submission
and Remittance
Processing System
(ISRP) and the Residual
Remittance Processing
System (RRPS)**

- (1) ISRP and the RRPS convert paper tax, information documents and remittances received by IRS into perfected electronic records of taxpayer data. When IRS receives a tax document, it is opened and sorted by form type (e.g., Form 1040, Form 1120, etc.). Remittances with their accompanying documentation are pre-sorted into groups called batches. Each batch is uniquely identified by a 12-digit RPSID number. This number always begins with "00", followed by 6 digits, followed by "0000." This system will capture, store, retrieve, archive (vouchers and check images) and route source data to downstream processing activities which subsequently post to taxpayers' accounts on Master File.

Note: You will not be able to research ISRP payments through the ISRP system once the information is available on RTR.

- (2) Information stored in the archive system includes the following:
- The actual front image of a paper voucher or an image created from data that an ISRP operator entered when no voucher was present.
 - Actual images of both sides of the check. The file on the back of the check contains the endorsement and encoding information.
 - Data used to research for each voucher and related check, such as the TIN, DLN and date of deposit.
 - The archive system permits the retrieval of document images and data for up to five (5) years after the information has been processed through the remittance system.

Note: Document 6209, IRS Processing Codes and Information, Section 4, provides exhibits of the RRPS Electronic Payment Voucher, endorsement data, and the IRS audit trail.

- (3) When the remittances (checks, money orders, etc.) are processed through RRPS:
- the remittance amount is encoded at the bottom right front of the remittance
 - Effective with the deployment of ISRP electronic check processing through OTCnet, payment application information is not displayed on the reverse of a check image on OTCnet. You must research payment application on the Remittance Transaction Register (RTR) System by the Trace ID. The Federal Reserve Bank masks personally identifiable information on OTCnet.
 - the U.S. Treasury endorsement is stamped on the back of the remittance
- (4) To resolve missing payments, you may need to research the ISRP Archival Retrieval System or RTR. Fax Form 11357, *Integrated Submission and Remittance Processing Image Retrieval Request* to the SP site(s) that processed the payment. See the ISRP Archive Contact List, located on SERP under the Who/Where tab, for a list of contacts for each SP site(s) (*SERP - ISRP Archive Contacts - Who/Where*).
- (5) This process will scan "scannable" vouchers and checks and assign a DLN.
Returns with payments will no longer have a Document Locator Number

(DLN) that matches the payment DLN. The inflated Julian date associated with the deposit item previously processed through RPS will no longer appear on taxpayers' accounts.

- (6) The ISRP/RRPS audit trail is different from the RPS audit trail. It will reflect the following:
- The tax period and transaction date are on the second line.
 - The identifying information for a payment other than Master File, such as a photocopy payment, will also be displayed on the second line. The symbols will be the last 7 to 9 digits. For example, 20X0903. See IRM 3.8.44, Campus Deposit Activity for additional information.
 - If the payment is a multiple or split payment, an **M** or **S** will appear between the tax period and the transaction date.
- (7) The following is a comparison of the RPS/ISRP DLN:

	RPS	ISRP
File Location Code	Applicable SC Code	Applicable SC Code
Tax Class	Various	Various
Document Code	All Codes	17 - subsequent payment 19 - overflow 70 - TC 610 tax return payment 76 - overflow 20 - TC 430
Julian Date	Date the work was batched	Deposit date
Blocking Series	Per IRM 3.5.61.3.90, Integrated Submission and Remittance Processing System (ISRP)	000 - 999
Serial Number	00 - 99 RPS Number	00 - 99 - System Assigns
Year Digit	Year processed RPS Number	Year Processed - System Assigns

- (8) Functions that cannot locate the payment should follow Payment Tracer procedures outlined in IRM 21.5.7, Payment Tracers for ISRP payments **prior to** initiating the following actions:
- If you have a copy of the front and back of the cancelled check and cannot find the payment through preliminary research. Complete Form 4446 and enter the appropriate STAUP and TC 470 to hold the notices. The case must be transferred to HPTF. Send Letter 86C, Referring Taxpayer Inquiry/Forms to Another Office, if appropriate. See IRM 21.3.3.4.2.1, Use of 86C Letter - Referring Taxpayer Inquiry/Forms to Another Office to determine when it is necessary to notify the taxpayer.
 - If you have a "slipped block" request the five (5) documents before and after your payment, if RTR is not available. If more than three (3) payments have been misapplied, prepare Form 4446, Payment Tracer Research Record when appropriate send Letter 86C, Referring Taxpayer Inquiry/Forms to Another Office. Enter the appropriate STAUP and TC 470 to hold the notices. The case must be transferred to HPTF. If three

(3) payments or less have been misapplied, the customer service representative (CSR) should resolve the issue and have the payments applied to the correct accounts.

3.17.5.15
(12-08-2020)

Field Office Remittances

- (1) The Field Office Payment Processing Program involves processing paper remittances received in field offices and the issuance, tracking, and processing of Form 809, Receipt for Payment of Taxes. Form 809 processing includes field offices and SP site(s). IRS requires strict control of official receipts, taxpayer information and payments to ensure the highest integrity and public trust.
- (2) Form 809 must be handled with the same care and precision as cash. Field offices are required to use overnight traceable services or other traceable approved methods for transshipping remittances and tax receipts to their designated Submission Processing SP site(s) (See IRM 3.8.47.5.1, Receiving Field Office Receipts for additional information). Cash remittances must be converted to a check or money order before sending for processing.
- (3) Field office employees issue taxpayers a Form 809, Receipt for Payment of Taxes when they receive cash as payment, and a receipt when the payment is by check, money order, etc.
- (4) When field office employees issue Form 809, Receipt for Payment of Taxes, it becomes a posting document.

Exception: When the remittance is submitted with an original return, the original return becomes the posting document.

- (5) The case will be transferred or reassigned to the HPTF SP site(s) that processed the remittance via Form 4446, Payment Tracer Research Record if the payment cannot be located after all appropriate preliminary research has been completed.
- (6) Field office employees will send Form 3210, Document Transmittal with documents in a separate envelope sealed by the originator within the required overnight mail package.
- (7) HPTF will acknowledge receipt of Form 3210, Document Transmittal and its contents via overnight traceable services. Include pertinent data such as: the taxpayer's TIN, name control, and date of the form.

Note: E-mail confirmation from HPTF is **not acceptable**. The field offices must have an acceptable audit trail to attach to Form 3210.

3.17.5.16
(12-08-2020)

Lockbox Payments

- (1) The Lockbox operation involves the processing of tax payments by commercial banks. This method of processing payments accelerates the handling and depositing of funds received. The payments are forwarded to the Department of Treasury.
- (2) **Lockbox banks process payments for the following Individual Master File (IMF) products:**
 - Form 1040-ES, Estimated Tax for Individuals
 - Form 1040, U.S. Income Tax Return
 - Form 1040A, U.S. Income Tax Return

- Form 1040EZ, U.S. Income Tax Return for Single and Joint Filers With No Dependents
 - Form 1040X, Amended U.S. Individual Income Tax Return
 - Form 1040, International, will now be processed for Austin SPC
 - Form 1040NR, U.S. Nonresident Alien Income Tax Return
 - Form 1040-PR, Self-Employment Tax Return - Puerto Rico (In Spanish)
 - Form 1040-SS, U.S. Self-Employment Tax Return (Including the Additional Child Tax Credit for Bona Fide Residents of Puerto Rico)
 - Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return
 - CP 521, Installment Agreement Reminder Notice
 - CP 523, Installment Agreement Default Notice
 - Form 2159, Payroll Deduction Agreement
 - Form 433-D, Installment Agreement
 - Form 8892, Application for Automatic Extension of Time to File Form 709 and/or Payment of Gift/Generation-Skipping Transfer Tax
 - Form 9465, Installment Agreements Requests
 - Letter 3641, Third Party Lien Payoff (Escrow or Financial Institution)
 - Letter 3856, Monthly Reminder for Installment Agreement Payments
 - Letter 3856-A, Monthly Reminder for Installment Agreement Payments for Joint Liabilities
- (3) **Lockbox banks process payments for the following Business Master File (BMF) products:**
- Form 1041-ES, Estimated Income Tax for Estates and Trusts
 - Form 940 and Form 940-EZ, Employer's Annual Federal Unemployment (FUTA) Tax Return
 - Form 941, Employer's Quarterly Federal Tax Return
 - Form 943, Employer's Annual Tax for Agricultural Employees Return
 - Form 944, Employer's Annual Federal Tax Return
 - Form 945, Annual Return of Withheld Federal Income Tax
 - Form 2290, Heavy Highway Vehicle Use Tax Return
 - CP 521, Installment Agreement Reminder Notice
 - CP 523, Installment Agreement Default Notice
 - Form 2159, Payroll Deduction Agreement
 - Form 433-D, Direct Debit Installment Agreements
 - Form 9465, Installment Agreement Request
 - Letter 3641, Third Party Lien Payoff (Escrow or Financial Institution)
 - Letter 3856 (CG), Monthly Reminder for Installment Agreement Payments
 - Letter 3856-A (CG), Monthly Reminder for Installment Agreement Payments for Joint Liabilities
- (4) Taxpayers mail remittances to the IRS at designated post office boxes for each form type. These addresses can be found on the forms listed in (2) and (3) above.
- (5) The bank encodes and endorses the checks. The DLN, TIN, name control, received date, and tax period are printed on the back of the check.
- (6) The Lockbox system generates an Optical Character Recognition (OCR) Remittance Register, similar to the 813 Remittance Register.

- (7) The DLN consists of a File Location Code (FLC) which are the first two digits in the DLN. This is unique to Lockbox processing. Use this number with the bank endorsement to determine the correct SP site(s) to research.
- (8) All Lockbox banks image checks, money orders, and vouchers can be viewed via RTR.
 - a. If you need a copy of a check and the payment DLN has a list year of 4 (last digit of the DLN) or subsequent, research RTR to retrieve the check image.
 - b. If you need a copy of a check and the payment DLN has a list year of 3 (last digit of the DLN) or prior, research the DLN through the RTR application. If payment is not available on RTR, refer to IRM 3.17.5.9, Processing Complex Payment Tracer Cases.

3.17.5.17
(12-08-2020)
**Justice Department
Lockbox Receipts**

- (1) These receipts result from court actions and IRS referrals to the Department of Justice (DOJ) for collection. The Kansas City Submission Processing site receives Standard Form 1081, Voucher and Schedule of Withdrawals and Credits, as notification of tax revenue secured by the DOJ.
- (2) If a taxpayer's cancelled check shows a DOJ endorsement:
 - a. Transfer the case to the Kansas City HCPT.
 - b. Issue Letter 86C to notify taxpayer the inquiry was transferred to the Kansas City Submission Processing SP.
 - c. Delay notices as appropriate.
- (3) Prepare Form 3210, Document Transmittal to include:
- (4) Internal Revenue Service, Attn: P-6 Mail Stop 6250, HCPT, 333 W. Pershing Rd., Kansas City, MO 64108
- (5) Also include:
 - The taxpayer's name, TIN, and tax period
 - TC 470 or CC STAUP input
 - The date Letter 86C was sent
- (6) HPTF will coordinate the resolution with Accounting personnel in accordance with IRM 3.17.10, Dishonored Check File (DCF) and Unidentified Remittance File (URF).

3.17.5.18
(12-08-2020)
Cash Payments

- (1) Field/Area Offices issue Form 809 or a cash register receipt to taxpayers for cash payments.
- (2) The tax return is validated at the time of receipt showing the amount and type of tax paid.
- (3) The Field/Area Office prepares Form 783, Remittance Register, or Form 795, Daily Report of Collection Activity, to list the payments. These forms are sent to the Submission Processing site. HPTF should contact their Service Center Teller Unit to get a copy of Form 795, Daily Report of Collection Activity by giving them the Form 809, Receipt for Payment of Taxes number provided by the taxpayer.

- (4) Research IDRS, including URINQ, XSINQ and RTR if available for these remittances.
- (5) If other functions are unable to locate the payment per IRM 21.5.7, Payment Tracers, they will prepare Form 4446, Payment Tracer Research Record to transfer the case to the HPTF at the SP site that processed the payment.
- (6) HPTF will verify Form 813, Document Register for the payment. HPTF will contact internal security before allowing a substantiated credit from Account 6570 based on Form 809, Receipt for Payment of Taxes as proof of payment.

Note: If unable to locate, it may be necessary to contact the Field/Area Office that took the payment in and request a copy of the money order purchased for the cash payment.

3.17.5.19
(12-08-2020)
Foreign Remittances

- (1) All international or possession returns with remittances are deposited where received.
- (2) As of July 1, 2007, due to SP site Consolidations:
 - IMF International returns are sent to the Austin SP site,
 - and BMF International returns are sent to the Ogden SP site.
- (3) Remittances drawn on foreign banks payable in U.S. dollars through U.S. banks must have the U.S. bank's routing symbol printed in the lower left corner of the check and have a nine (9) digit routing number. These are processed as regular deposits.
- (4) Any foreign remittance including remittances that are payable in U. S. dollars, drawn on foreign banks, and received with tax returns or documents, that fail to meet any portion of (1) above will be processed using manual deposit guidelines. The deposits are then mailed to Citibank in Wilmington, Delaware and numbered and processed as a foreign remittance.
- (5) Receipt and Control will process source documents with remittances that are payable in foreign currency and drawn on foreign banks as manual deposits. The deposits are mailed to Citibank for a money conversion report.
- (6) When foreign currency is received, Receipt and Control will contact Bank of America to convert foreign currency to U. S. dollars. The tax return or document will be processed using manual deposit guidelines.
- (7) Each SP site has specific deposit processing procedures. See IRM 3.8.45.27, Specific Campuses Processing for additional information.
- (8) For additional information on foreign remittances, see IRM 3.8.45.16, Foreign Check Remittances.

3.17.5.20
(12-01-2023)
Treasury Bonds

- (1) The tax due on Form 706, U.S. Estate Tax Return can be paid with redeemed Treasury Bonds (TC 678). The Bureau of Public Debt (BPD) or a Federal Reserve Bank (FRB) deposits the proceeds of the bonds to the credit of the Submission Processing SP site(s) designated on Form PD 1782, Application for Redemption at Par of United States Treasury Bonds Eligible for Payment of Federal Estate Tax.

- (2) Daily, the BPD will request the Philadelphia Regional Financial Office to issue U. S. Treasury checks payable to the "Director of the Internal Revenue Service for the Benefit of Estate" to the SP site responsible for the estate. Form PD 1782 is faxed to each SP site approximately seven (7) days before the Treasury check arrives.
- (3) The faxed copy of the PD 1782 is used by Receipt and Control as a source document. TC 678 is input and the check is processed through RRPS.
- (4) Form PD 1782 will contain the name of the decedent, decedent's TIN, date of decedent's death, tax due date, redemption date, and amounts.
- (5) To locate the payment, research the following:
 - Social Security Number followed by a "V (valid SSN on BMF)" or "W (invalid SSN on BMF)",
 - NAMEI/NAMES for another SSN, IRSN, or ITIN, and
 - NAMEE/NAMEB for an EIN and if an EIN is located, research in SSN format for valid and invalid segments.

Note: The encoding is located on the back of the check near the bottom.
- (6) If other functions are unable to locate the payment after following IRM 21.5.7, Payment Tracers, they will prepare Form 4446, Payment Tracer Research Record, and forward the case to the HPTF function at the SP site that processed the bond. HPTF function will continue to search for the payment. HPTF may need to research the file of Forms PD 1782 held in Accounting.

If	Then
Unable to locate the payment	See IRM 3.8.45.12, Treasury Bonds.
Bond was returned to the attorney for the estate by the Bureau of Public Debt	Close the Case.

3.17.5.21
(12-08-2020)
Free Items

- (1) If the taxpayer's cancelled check is stamped "FI", this is an indication that the bank is holding credits belonging to the taxpayer. These credits are referred to as "Free Items."
- (2) If the case involves "Free Items", before referring the case to the HPTF that processed the payment, the function unable to locate the payment should obtain a current transcript of the account.
- (3) Upon receipt of Form 4446, Payment Tracer Research Record HPTF will initiate action to obtain the credit from the bank.

Note: As of January 1, 2011, some duties formerly performed by the Interagency Coordinator (IAC) are now performed by the Federal Tax Deposit Point of Contact (FTD POC). Ask the FTD POC to obtain the credit from the bank. Or, if your SP site(s) has designated another individual to contact the bank, refer the request to that designated individual.

3.17.5.22
(12-08-2020)
**Federal Tax Deposits
(FTD)**

- (1) As of January 1, 2011, businesses that have a deposit requirement (such as employment tax, excise tax, and corporate income tax) were required to submit their deposits electronically. They will no longer be permitted to use Form 8109, Federal Tax Deposit Coupon and Form 8109-B, FTD Deposit Form (Over The Counter Version).
- (2) Treasury Tax and Loan (TT&L), the former system used to process FTD payments, was replaced with PATAX (Paper Tax). The PATAX system consolidated FTDs into one Federal Reserve Bank (FRB). However, PATAX was decommissioned in 2011 and manual procedures are necessary for making subsequent adjustments when FTD errors occur. IRM 3.17.5.22.1, FTD Referrals to HPTF, IRM 3.17.5.22.2, FTD Discrepancies and How to Correct Them, and IRM 3.17.5.22.3, FTD Discrepancies and How to Correct Them for Remaining FTD Paper Coupons contain processing procedures due to the decommissioning of PATAX.
- (3) As of January 1, 2011, duties formerly performed by the Interagency Coordinator (IAC) are being performed by the FTD Point of Contact (POC). There is an FTD POC located at the following Submission Processing SP site(s): Austin, Kansas City, and Ogden.

3.17.5.22.1
(12-08-2020)
FTD Referrals to HPTF

- (1) **Other Functions:** Prior to other functions referring FTD cases to HPTF, they **must** perform preliminary research to try and locate the missing FTD on IDRS:
 - If the payment is found, they will move the payment to the correct tax module.
 - If the payment is not found, they will request a photocopy of the front and back of the cancelled check, attach this to Form 4446, Payment Tracer Research Record, and refer the case to the HPTF SP site(s) that processed the payment.
- (2) **FTD POC:** If initial contact from the taxpayer or the Financial Institution is made with the FTD POC regarding an erroneous overpayment, and the FTD POC locates the missing or misapplied payment, they will follow credit transfer procedures - See IRM 3.17.21, **Credit and Account Transfers**.
- (3) If the FTD POC cannot locate the missing or misapplied payment, prior to referring the case to HPTF, the FTD POC will first obtain documentation from the taxpayer or the Financial Institution to substantiate the claim for a refund. Documentation will include:
 - Copy of the front and back of the taxpayer's cancelled check,
 - Copy of the bank statement,
 - Copies of all FTD block research performed,
 - Copies of any Command Codes used and researched,
 - Letter from the taxpayer or the Financial Institution requesting a refund of the overpayment.
 - It is recommended that the FTD POC create a special file for FTD payment tracer cases as specified in IRM 3.17.243, Miscellaneous Accounting. This will aid in follow-up telephone calls and/or letters that may be needed.
- (4) If an overpayment adjustment is required, the FTD POC will input TC 971/ Action Code 296 on the taxpayer's account and forward the above documentation via Form 4446, Payment Tracer Research Record to the HPTF SP site(s) that processed the payment.

3.17.5.22.2
(12-08-2020)

**FTD Discrepancies and
How to Correct Them**

- (5) The FTD deposit Microfilm Serial Number shown on IDRS identifies the SP site(s) that processed the FTD.
- (1) Due to decommissioning of the PATAX system, the following manual processing guidelines apply. HPTF guidelines will vary somewhat based on the area/function that referred the case as indicated previously.
 - (2) **Financial Institution due a refund:** Either the taxpayer or the Financial Institution may make a mistake and cause the taxpayer's account to show an erroneous FTD *overpayment* amount. In this case, the Financial Institution will be due a refund. The following actions will be necessary:
 - HPTF will open a control base.
 - **If the original transaction date is within 11 months:** HPTF will complete Form 2424, Account Adjustment Voucher and forward it to the Unidentified Function for preparation of a manual refund to the Financial Institution. The Unidentified Function will debit the taxpayer's account and credit the amount to the Unidentified Account. The Unidentified Function will subsequently issue the manual refund from the Unidentified Account 4620.
 - **If the original transaction date is more than 11 months:** HPTF will complete Form 8758, Excess Collections File Addition and forward it to the Excess Collections Function for preparation of a manual refund to the Financial Institution. The Excess Collections Function will debit the taxpayer's account and credit the amount to the Excess Collections Account. The Excess Collections Function will subsequently issue the manual refund to the Financial Institution from the Excess Collections Account 6800.
 - (3) **Taxpayer due a refund:** The Financial Institution may make a mistake and cause the taxpayer's account to show an erroneous FTD *underpayment* amount. In this case, the taxpayer will be due a refund. The following actions will be necessary:
 - The FTD POC will contact the Financial Institution directly to determine the status of the funds and request them to send a check to IRS for the amount due (if they have not already refunded the money to the taxpayer).
 - The FTD POC will forward the check and letter from the taxpayer requesting a refund to HPTF.
 - **HPTF will adjust the transaction code and payment date as necessary to avoid the accrual of any penalties and interest to the taxpayer.**
 - (4) If the case was referred to HPTF by other than the FTD POC, HPTF will:
 - Obtain documentation to substantiate the Financial Institution's claim for a refund by preparing and sending Letter 878C, FTD Payment Tracer; Advice of Credit Requested from Bank along with a copy of the front and back of the check to the commercial bank's Operations Officer requesting FTD information needed to locate the missing or misapplied payment,
 - or obtain documentation to substantiate the taxpayer's claim for a refund by preparing and sending Letter 878C, FTD Payment Tracer;

Advice of Credit Requested from Bank. Request copies of the taxpayer's check and bank statement if necessary.

- Allow 20 calendar days for a response to Letter 878C, FTD Payment Tracer; Advice of Credit Requested from Bank.
- Ask the FTD POC to request an FTD coupon processed through the Service Center Recognition/Image Processing System (SCRIPS) imaging system. The FTD POC will use Command Code ESTAB with cc modifier "S." Images are retained for seven years. Requests for images more than seven years old cannot be processed.
- Suspend the case and allow 20 calendar days for receipt of the FTD coupon image.
- Follow appropriate procedures as outlined above in IRM 3.17.5.22.2, FTD Discrepancies and How to Correct Them.

3.17.5.22.3
(12-08-2020)

**FTD Discrepancies and
How to Correct Them for
Remaining FTD Paper
Coupons**

- (1) HPTF will take the following actions for the anticipated small volume of paper coupons that may be received:

- Order the Advice of Credit (AOC) from Files to get an address of the bank that most likely processed the FTD payment. Order the AOC of the FTD payment preceding or after the missing FTD payment.
- Suspend the case and allow 30 calendar days for receipt of the AOC.

Note: The Federal Tax Deposit Commercial Bank Address File (FTD CBAF), contains bank addresses, and American Bankers Association / Routing Transit Number (ABA/RTN) numbers of banks that participate in the FTD system.

- Prepare and send Letter 878C (or call, if this is the policy at your SP site(s)) along with a copy of the front and back of the check to the commercial bank's Operations Officer requesting FTD header information needed to locate the missing or misapplied payment.
- Suspend the case and allow 20 calendar days for a response.
- If the AOC is received, obtain the Block Completion List (BCL) from Control D. The BCL is used for various research purposes, including FTD reversals, to locate FTD sequence numbers/microfilm serial numbers, and to find missing payments.
- Compare the amount on the BCL with the amount on the AOC. If there is a discrepancy, order the entire FTD block of coupons and search for the missing FTD payment. If the payment is found, move the payment to the correct module.
- If the block of coupons does not resolve the discrepancy, check the Block Completion List (BCL) and continue processing the case as follows:

If	And	Then
BCL and AOC amounts match	Coupon was written for <i>less than</i> the check	Return copies of the cancelled check and FTD coupon to the taxpayer via Letter 672C. Inform the taxpayer of the current balance due and advise him/her to contact the Financial Institution for resolution of the understated payment.
BCL and AOC amounts do not match		Input TC 470 (no closing code), if the payment will fully satisfy the tax liability.
BCL is unavailable		Input TC 470 (no closing code), if the payment will fully satisfy the tax liability.
BCL amount does not match the AOC	Coupon was written for <i>more than</i> the check	Input TC 570 on the tax module. Return copies of the cancelled check and FTD coupon to the taxpayer via Letter 672C, Payment(s) Located and/or Applied. Inform the taxpayer to contact the Financial Institution for resolution of the overstated payment.
BCL amount does not match the AOC	Coupon was written for less than the check	Send copies of the AOC, FTD coupon and cancelled check to the FTD POC. Request the FTD POC to contact the bank to initiate a correction.
Bank or IRS caused the error		Send copies of the AOC, FTD coupon, and cancelled check to the FTD POC. Request the FTD POC to contact the bank to initiate a correction.

Note: Send copies to the FTD POC of the SP site(s) currently processing the FTD. Send Atlanta Submission Processing Center (ATSPC) copies to the Kansas City FTD POC and Fresno Submission Processing Center (FSPC) copies to the Ogden FTD POC. If an FTD payment made with Form 8109, Federal Tax Deposit Coupon prior to 1/1/2011 cannot be located, refer the case to the FTD POC.

3.17.5.23
(12-03-2024)
**Electronic Federal Tax
Payment System
(EFTPS)**

- (1) Payments processed through EFTPS can be identified through the EFT number shown on IDRS. After taxpayer enters the information, EFTPS supplies an acknowledgment number to the taxpayer. Taxpayers should write down this number and keep it for future reference. If there is any problem with the payment, this number allows IRS to trace the payment quickly. Customer Service Representatives can construct the EFT number from taxpayer provided acknowledgment number using the following elements for payments made prior to January 1, 2004. Payments made after January 1, 2004, should be constructed using the chart in IRM 3.17.277.5.3, *EFT Number*.

Digit(s):	Identify:
1 & 2	The Processing SP site(s): Refer to <i>Document 6209, Section 4.3</i> , Campus and File Location Codes
3	The Financial Agent: <ul style="list-style-type: none"> 1 - JP Morgan Chase & Co. (Prior to March 2004) 2 - EFTPS 3 - Treasury Offset Program 4 - SSA Levy Program
4	The Payment Method: <ul style="list-style-type: none"> 0 - IRS e-file (Direct Debit) 1 - ACH Credit (EFTPS through your financial Institution) 2 - ACH Debit (EFTPS Direct) 3 - FTCS 4 - API 5 - Levy 6 - Credit Card 7 - EFTPS - Online 8 - Railroad Retirement Board 9 - Government Payment (EFTPS for Federal Agencies, Federal Payment Levy Program or SSA Levy)
5	The Payment Indicator: This is dependent on the Payment Method. See IRM 3.17.277.5.3 (4), EFT Number for details.
6–9	The Julian Date: This is the last digit of the year plus 001–366 or Last digit of the year plus 401–766.
10–11	The Bulk Provider Number: Refer to the NOTE below.
10–17, or 12–17	The Serial Numbers: These are sequentially assigned.

Note: When the combined payment indicator (position 5) is 7, 8, or 9, positions 10 and 11 are used to identify the bulk filer who submitted the payment.

(2) All Bulk Providers are under Bank of America (BOA) effective 7/1/2005.

Position 10 and 11:	Type of Payment:	Phone Number:
01 - 05	Automatic Data Processing (ADP)	909-394-6890 or 626-831-5440
06 - 10	Dabco/Remit One/Click Tax	800-281-6570
11 - 17	Trust Banks	N/A
18 - 20	State Levies	N/A
21 - 25	Phone Charge Inc.	Historical
26 - 30	Nation Tax	Historical
31 - 32	Link 2 Gov (credit cards)	877-513-5465, Opt. 2
41	Advantage I	800-876-0178 x20500
41	Advantage II	585-336-7566 or 585-336-7435
43	Ceridian STS	800-829-7761 x4785
44	Ceridian TaxTel	714-377-5528 (day) or 714-377-5566 (for after hours)
45	Benefitmall	305-477-1700 x630
46	Thompson-Reuters	775-424-8000 x88055
N/A	Interlogic System	N/A
N/A	Zurich Payroll Solutions (Pay USA)	N/A
54 - 55	Paychex	585-336-7566, 585-336-7435 or 585-336-7330
56	Payroll One	248-430-3782 or 313-580-4462 (for after hours)
57	Payroll People	559-440-8280 or 559-970-1371 (for after hours)
58	Payroll Service Center	Historical
59 - 61	Official Payments Corporation (credit cards)	866-352-5002
62	Computer Language Research (Fast Tax)	972-250-8914 or 972-250-7385
63	Northern Trust	312-444-4427 or 312-557-5984
70-71	WorldPay US, Inc (credit cards)	615-730-6367 (ext. 380) or 615-417-9529

- (3) IDRS Command Code EFTPS is a research tool developed primarily for payment tracer purposes. The Command Code allows for research of the EFTPS data base for payment data and audit history.

3.17.5.23.1
(12-03-2024)

**Electronic Funds
Withdrawal (Direct Debit)
and Credit Card
Payment Tracer**

(1) Use the following procedures to trace payments made by electronic funds withdrawal (direct debit) or credit card. Obtain the following information from the taxpayer:

- a. Taxpayer's Name
- b. Taxpayer's TIN
- c. Date of Payment
- d. Tax Year
- e. Amount of Payment
- f. Type of Tax Paid:
 - Trust Fund Recovery Penalty (Credit Card only)
 - Form 720, Quarterly Federal Excise Tax Return
 - Form 943, Employer's Annual Tax Return for Agricultural Employees
 - Form 945, Annual Return of Withheld Federal Income Tax
 - Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation
 - Form 1040, U.S. Individual Income Tax Return
 - Form 1040, Balance Due Notice
 - Form 1040, Audit Adjustment/CP2000/CP2501/CP3219A
 - Form 1065, U.S. Return of Partnership Income
 - Form 1120 U.S. Corporation Income Tax Return
 - Form 7004, Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns
 - Form 8868, Application for Extension of Time To File an Exempt Organization Return
 - Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax
 - Form 1040-ES, Estimated Tax For Individuals
 - Form 2290, Heavy Highway Vehicle Use Tax Return (EFW only)
 - Form 2350, Application for Extension of Time to File U.S. Income Tax Return
 - Form 941, Employer's Quarterly Federal Tax Return
 - Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return
 - Form 944, Employer's Annual Federal Tax Return
 - Form 1041, U.S. Income Tax Return for Estates and Trusts
 - Form Form 990-T, Exempt Organization Business Income Tax Return
 - Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Person
 - Form 4720, Return of Certain Excise Taxes Under Chapters 41 and 42 of the Internal Revenue Code
 - Form 5330 , Return of Excise Taxes Related to Employee Benefit Plan
 - SRP-Health Care1040, Balance Due and Balance Due Notices (Current Year)
 - SRP-Health Care 1040, Advance Payment of a Determined Deficiency (audit adjustment or underreporter notice)
 - SRP-Health Care 1040, 1040X Amended Return
 - Installment Agreement payments (Credit Card only)
 - Amended or Adjusted Return payments (Credit Card only)
 - Payment method (electronic funds withdrawal for an e-file and e-pay return or a credit card payment for an Integrated e-file and e-pay return, Pay by Phone, or Pay by Internet transaction).

- Credit Card Payment Confirmation Number (if paid by phone or Internet) or a Submission ID (if paid through an Integrated e-file and e-pay option.)
 - Credit Card Service Provider (if payment method is credit card through either the phone or Internet).
- (2) These payments are subsequently processed through EFTPS. Research EFTPS by following the EFTPS payment tracer guidelines and by using Command Code (CC) EFTPS to ensure that the Service processed the payment. See IRM 21.5.7.3.2, Integrated Data Retrieval System (IDRS) Research for Payment and IRM 21.5.7.3.6, Researching Unpostable Payments for IDRS research and unpostable payment instructions. Payments will appear on CC EFTPS before posting to Master File. If the payment is found using CC EFTPS, inform the taxpayer that the payment has been received. If the payment has posted, the EFT number on IDRS will identify it. If the payment cannot be found, check the Unidentified Remittance file.
- The fourth digit in the EFT number will be a “0” for electronic funds withdrawal (direct debit) payments.
 - The fourth digit in the EFT number will be a “6” for credit card payments.
 - If the payment needs to be transferred, the credit transfer transaction must include the Electronic Payment Indicator.
- Note:** If the 1040 payment is re-sequencing at Master File waiting for the return to post, CC EFTPS and CC IMFOL Definer Q will be the only research methods available to identify receipt of the payment.
- (3) Electronic funds withdrawal transactions generally post to Master File one to two cycles after the effective date of the payment.
- (4) If the taxpayer e-filed the return with an electronic funds withdrawal payment and the payment cannot be located by using CC EFTPS:
- a. Check to see if the taxpayer properly entered the withdrawal request on the e-filed return by using CC TRDBV. See IRM 21.7.4.4.4.15, Modernized e-file Program (MeF) for Corporate and Exempt Organization Returns for information on electronically filed Form 1120, U.S. Corporation Income Tax Return, Form 1120-S, U.S. Income Tax Return for an S Corporation and Form 990, Return of Organization Exempt From Income Tax.
 - b. On the first page of CC TRDBV, there is a list of forms filed with the return. The form that indicates the taxpayer requested an electronic funds withdrawal is titled “FORM-PYMNT”.
 - c. The access code shown to the left of “FORM-PYMNT” may be entered on the top line of the TRDPG screen to bring up the FORM-PYMNT. The FORM-PYMNT will show the:
RTN
Bank Account Number
Payment Amount
Account Type (savings or checking)
Date the Taxpayer Requested the Money be Withdrawn From Their Bank Account.
 - d. If CC TRDBV shows the “FORM-PYMNT”, the payment will be processed through EFTPS **unless** it was cancelled.

- e. If TRDBV does not show a “FORM-PYMT” record, instruct the taxpayer to make a payment for the full amount due and attach an explanation of the circumstances, unless the payment was made via the Modernized e-File (MeF) System.

Note: TRDBV cannot be used to research MeF payments, as it will only display payments made via the Legacy System.

- f. If the payment was made via the Modernized e-File (MeF) System, one must have access to the Return Requested Display (RRD) Application from which one would access the Employee User Portal (EUP) to locate both IMF and BMF returns, and associated FORM-PYMT records.

Note: Form 1040 balance due e-filed returns **do not post until cycle 20 or one cycle after the full payment posts** to the account, whichever occurs first.

- (5) Credit card payments usually post 5–7 business days after the payment is completed and will appear on the appropriate Taxpayer Information File (TIF) as a pending transaction using CC TXMOD.
- (6) If the credit card payment was made through an Integrated e-file and e-pay option, research CC EFTPS for the payment. If the payment is not shown, refer the taxpayer to their software package or tax professional for further assistance.
- (7) If the credit card payment was made by phone or Internet, check different tax periods to ensure that the taxpayer did not select the wrong tax type (for example, he/she chose current year Form 1040-ES instead of prior year Form 1040-ES). Also, verify which TIN was used for the transaction.

Note: Joint filers who submitted the transaction under the secondary SSN instead of the primary SSN may require a credit transfer.

- (8) If the credit card payment cannot be located using research, Command Code EFTPS and IMFOLQ or the Unidentified Remittance file, and the taxpayer has a confirmation number for a pay-by-phone or pay-by-Internet transaction, refer the taxpayer to the service provider they used to trace the payment.
 - Link2Gov Corporation, 1–888–658–5465 (toll-free)
 - Official Payments, 1-877-754-4420, Option 5 (toll-free)
 - WorldPay US, Incorporated, 1-855-508-0159 (live operator)
- (9) The credit card confirmation number (Pay-by-Phone or Pay-by-Internet) will include 7 numeric characters:
 - If the last character is a “1” the payment was made through the Official Payments.
 - If the last character is a “3” the payment was made through the Link2Gov Corporation.
 - If the last character is a “4” the payment was made through the WorldPay US, Incorporated.
- (10) If the credit card payment was made through either a pay-by-phone or Internet option, but the taxpayer does not have a confirmation number, and no payment can be located on IRS records, advise the taxpayer to contact the service provider they used for assistance.

- (11) If the credit card payment cannot be located, the service provider cannot verify the payment, and the payment is not reflected on the credit card billing statement, advise the taxpayer to make a payment for the full amount due and attach an explanation of the circumstances.

3.17.5.24
(10-01-2009)
Direct Debit Installment Agreement

- (1) Direct Debit Installment Agreements (DDIA) is a Collection program. Taxpayers make arrangements to repay tax liabilities in installments via Electronic Funds Transfers.
- (2) These payments post to Master File as TC 670, Document Code 18, Blocking Series 800-899.
- (3) If other functions are unable to locate the payment, they will prepare Form 4446 and route the case to HPTF.
- (4) HPTF will research the following computer runs that are maintained in Accounting:
- EFT 12, generates DDIA payments and posts TC 670 to the taxpayer's accounts.
 - EFT 16, creates the EFT Credit and Debit Register and IDRS assigned DLN.
 - EFT 18, generates a notice to Compliance Services Collection Operation if payments fail to post properly, and posts TC 671 and TC 280 to the taxpayer's accounts.

3.17.5.25
(12-08-2020)
Alaska Permanent Fund Dividend, Municipal, and State Income Tax Levy Programs (AKPFD, MTLP, and SITLP)

- (1) These automated levy programs run a match of delinquent accounts on the Master File database who are eligible to be levied against:
- a. **AKPFD:** a database of applicants that have applied for the current year dividend.
 - b. **MTLP:** a database of city/municipal tax refunds for each city/municipality that participates in MTLP.
 - c. **SITLP:** a database of state tax refunds for each state that participates in SITLP.
- (2) Each program is required to send the taxpayer correspondence advising of the levy and refer any inquiries to the ACS toll-free telephone number.

Note: Taxpayers may receive a notice weeks before they receive the IRS notice.

- (3) If other functions are unable to locate the payment after all preliminary research has been exhausted, they will prepare Form 4446, *Payment Tracer Research Record* and route the case to HPTF.
- (4) HPTF will research TDA56, Payment Detail Report, which is maintained in Accounting. The listing is in TIN order and contains the transaction date and amount of the state refund used to offset the Federal tax liability.

3.17.5.26
(12-08-2020)
Payment Tracer Procedures for Form 8038-T

- (1) Missing payments related to Tax Exempt Bonds that are received with Form 8038-T, Arbitrage Rebate and Penalty in Lieu of Arbitrage Rebate are worked at the Ogden Accounts Management SP site(s) (OAMC) by the Exempt Organization Accounts Team.

- (2) Form 8038-T, Arbitrage Rebate and Penalty in Lieu of Arbitrage Rebate is the only Tax-Exempt Bond that is received with a remittance (with the exception of closing agreements). The remittance is identified as green-rockered money and processed as a TC 610 to the Master File.
- (3) Any SP site(s) receiving Form 8038-T, Arbitrage Rebate and Penalty in Lieu of Arbitrage Rebate payment tracer cases should transship the case to OAMC, Exempt Organization Accounts Team using Form 3210, Document Transmittal. The Exempt Organization Accounts Team will follow procedures in IRM 21.7.7.7.4.3, TEB Payment Tracer Procedures to resolve the case.

3.17.5.27
(12-08-2020)
**Manual Deposit Process,
STAUP for Foreign
Remittances**

- (1) IRM 3.8.45.11.8, *STAUP for Foreign Remittances* requires Command Code (CC) STAUP to suspend collection activity on the taxpayer's account during the conversion to U.S. Dollars.
- (2) Per GAO 13-420R IRS Management Report dated May 13, 2013, input of CC STAUP must be a separate duty from payment processing and Remittance Perfection Technician's IDRS profiles restrict them from inputting CC STAUP.
- (3) In order to process Foreign Remittances in a timely manner and for Receipt and Control (RCO) Branch employees to carry out their duties without jeopardizing taxpayer accounts, Accounting's Hard Core Payment Tracer (HCPT) team will perform the input of the STAUP using the procedures found in IRM 3.8.45.11.8, *STAUP for Foreign Remittances* (See IPU 14U1589 dated 11/13/2014).

