



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

3.17.64

AUGUST 24, 2023

EFFECTIVE DATE

(10-01-2023)

PURPOSE

- (1) This transmits revised IRM 3.17.64, Accounting and Data Control, Accounting Control General Ledger Policies and Procedures.

MATERIAL CHANGES

- (1) 3.17.64.1, Program Scope and Objectives, updated Policy Owner and Program Owner.
- (2) 3.17.64.1.3, Responsibilities, updated titles to reflect organizational changes.
- (3) 3.17.64.1.3.2, Senior Associate CFO for Financial Management, updated title to reflect organizational changes.
- (4) 3.17.64.1.3.3, Associate CFO for Revenue Financial Accounting, updated title to reflect organizational changes.
- (5) 3.17.64.1.3.4, Revenue Accounting Operations Office, updated title to reflect organizational changes.
- (6) 3.17.64.2.3, Submission Processing Chart of Accounts, updated chart to remove Ogden from External Leads program.
- (7) 3.17.64.17, External Leads Processing (ELP) Kansas City CFO RACS Only, removed Ogden from title.
- (8) 3.17.64.17.7, Electronic Payment Processing Kansas City CFO RACS Only, removed Ogden from procedures.
- (9) 3.17.64.17.9, External Lead Payments Systemically Journalled, removed Ogden from procedures.
- (10) 3.17.64.17.11.1, Reversal of Credit Gateway external leads (Within 48 Hours of Receipt), removed Ogden from procedures.
- (11) 3.17.64.25.1, Form 3997 Remediation Plan, updated title of remediation plan recipient to reflect organizational changes.
- (12) 3.17.64.28.4, CFO HQ Scorecard - Suspense Account 20F3885, updated recipient of notice to reflect organizational changes.
- (13) 3.17.64.28.8, Scorecard CFO RACS Analyst Contacts, updated assignments to reflect current procedures.
- (14) IRM 3.17.64, Accounting and Data Control, Accounting Control General Ledger Policies and Procedures, minor editorial were changes made throughout the IRM.

EFFECT ON OTHER DOCUMENTS

IRM 3.17.64, Accounting Control General Ledger Policies and Procedures, dated August 18, 2022, effective date October 1, 2022, is superseded. This IRM also incorporates the following IRM procedural updates (IPUs) issued: 10-31-2022 IPU 22U1055, 11-17-2022 IPU 22U1092.

AUDIENCE

Submission Processing, Wage and Investment Division

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Associate CFO for Revenue Financial Accounting

3.17.64

Accounting Control General Ledger Policies and Procedures

Table of Contents

3.17.64.1 Program Scope and Objectives

3.17.64.1.1 Background

3.17.64.1.2 Authorities

3.17.64.1.3 Responsibilities

3.17.64.1.3.1 CFO and Deputy CFO

3.17.64.1.3.2 Senior Associate CFO for Financial Management

3.17.64.1.3.3 Associate CFO for Revenue Financial Accounting

3.17.64.1.3.4 Revenue Accounting Operations Office

3.17.64.1.3.5 Custodial HQ Accounting

3.17.64.1.3.6 Enterprise Computing Center, Martinsburg (ECC-MTB)

3.17.64.1.3.7 Submission Processing Center

3.17.64.1.3.8 CFO RACS Unit

3.17.64.1.4 Program Management and Review

3.17.64.1.5 Program Controls

3.17.64.1.6 Terms/Definitions

3.17.64.1.7 Acronyms

3.17.64.1.8 Related Resources

3.17.64.2 References

3.17.64.2.1 Forms

3.17.64.2.2 Accounting Reports and Usage

3.17.64.2.2.1 CFO and Submission Processing RRACS Reports

3.17.64.2.3 Submission Processing Chart of Accounts

3.17.64.2.3.1 Subsidiary Records and Balancing

3.17.64.2.3.2 Accounting Subsidiaries External to RRACS

3.17.64.2.3.3 Chart of Subsidiary Records External to RRACS

3.17.64.2.4 Treasury Account Symbols (TAS)

3.17.64.2.5 Agency Location Codes (ALC)

3.17.64.3 Federal Government Accounting Requirements

3.17.64.3.1 On-Site Audit by Government Accountability Office

3.17.64.4 RRACS System Overview

3.17.64.4.1 Document Preparation

3.17.64.4.2 RRACS Inventory Accounts

3.17.64.4.3 Input Windows for CFO RACS Units Accounts

3.17.64.4.4 Error Conditions

3.17.64.4.5 Correcting Erroneous Journal Entries

3.17.64.5 Account Transfers

3.17.64.5.1 General Ledger Accounts for Account Transfers

- 3.17.64.5.1.1 Account 1400 Tax Accounts Transferred Out (Real Account, DR Normal Balance)
- 3.17.64.5.1.2 Account 6200 Taxpayer Accounts Transferred (Nominal Account, DR/CR Normal Balance)
- 3.17.64.5.1.3 Account 6201 Mirror Assessments (Nominal Account, DR/CR Normal Balance)

3.17.64.5.2 Account Transfers Out (Form 514-B) (RRACS Window 458)

3.17.64.5.3 Account Transfers In (Form 514-B) (RRACS Window 460)

3.17.64.5.4 Account Transfers Out (Confirmed Form 514-B) (RRACS Window 465)

3.17.64.6 Assessments

3.17.64.6.1 After Hours Assessments

3.17.64.6.2 Manual Assessments

3.17.64.6.3 General Ledger Accounts for Assessments and Settlements (Nominal Account, CR Normal Balance)

- 3.17.64.6.3.1 Account 1600 Manual Assessments Transit Account (Real Account, DR Normal Balance)
- 3.17.64.6.3.2 Account Series 6000 Assessments and Settlements (Nominal Account, CR Normal Balance)
- 3.17.64.6.3.3 Account 6001 Installment Agreement Liability (Nominal Account, CR Normal Balance)
- 3.17.64.6.3.4 Account 6010 Arbitrage Rebate Liability (Nominal Account, CR Normal Balance) (Ogden SPC Only)
- 3.17.64.6.3.5 Account 6011 Arbitrage Rebate Penalty Liability (Nominal Account, CR Normal Balance) (Ogden SPC Only)
- 3.17.64.6.3.6 Account 6110 Withholding Tax Assessments - Principal (Nominal Account, CR Normal Balance)
- 3.17.64.6.3.7 Account 6111 Withholding Tax Assessments - Penalty (Nominal Account, CR Normal Balance)
- 3.17.64.6.3.8 Account 6112 Withholding Tax Assessments - Interest (Nominal Account, CR Normal Balance)
- 3.17.64.6.3.9 Account 6120 Individual Income Tax Assessments - Principal (Nominal Account, CR Normal Balance)
- 3.17.64.6.3.10 Account 6121 Individual Income Tax Assessments - Penalty (Nominal Account, CR Normal Balance)
- 3.17.64.6.3.11 Account 6122 Individual Income Tax Assessments - Interest (Nominal Account, CR Normal Balance)
- 3.17.64.6.3.12 Account 6130 Corporation Tax Assessments - Principal (Nominal Account, CR Normal Balance)
- 3.17.64.6.3.13 Account 6131 Corporation Tax Assessments - Penalty (Nominal Account, CR Normal Balance)
- 3.17.64.6.3.14 Account 6132 Corporation Tax Assessments - Interest (Nominal Account, CR Normal Balance)
- 3.17.64.6.3.15 Account 6140 Excise Tax Assessments - Principal (Nominal Account, CR Normal Balance)

-
- 3.17.64.6.3.16 Account 6141 Excise Tax Assessments - Penalty (Nominal Account, CR Normal Balance)
 - 3.17.64.6.3.17 Account 6142 Excise Tax Assessments - Interest (Nominal Account, CR Normal Balance)
 - 3.17.64.6.3.18 Account 6150 Estate and Gift Tax Assessments - Principal (Nominal Account, CR Normal Balance)
 - 3.17.64.6.3.19 Account 6151 Estate and Gift Tax Assessments - Penalty (Nominal Account, CR Normal Balance)
 - 3.17.64.6.3.20 Account 6152 Estate and Gift Tax Assessments - Interest (Nominal Account, CR Normal Balance)
 - 3.17.64.6.3.21 Account 6170 Carriers and Transportation Act (CTA) Tax Assessments - Principal (Nominal Account, CR Normal Balance)
 - 3.17.64.6.3.22 Account 6171 Carriers and Transportation Act (CTA) Tax Assessments - Penalty (Nominal Account, CR Normal Balance)
 - 3.17.64.6.3.23 Account 6172 Carriers and Transportation Act (CTA) Tax Assessments - Interest (Nominal Account, CR Normal Balance)
 - 3.17.64.6.3.24 Account 6180 FUTA Tax Assessments - Principal (Nominal Account, CR Normal Balance)
 - 3.17.64.6.3.25 Account 6181 FUTA Tax Assessments - Penalty (Nominal Account, CR Normal Balance)
 - 3.17.64.6.3.26 Account 6182 FUTA Tax Assessments - Interest (Nominal Account, CR Normal Balance)
 - 3.17.64.6.3.27 Account 6190 Previously Assessed Tax (Nominal Account, CR Normal Balance)
 - 3.17.64.6.3.28 Account 6191 Previously Assessed Penalty (Nominal Account, CR Normal Balance)
 - 3.17.64.6.3.29 Account 6192 Previously Assessed Interest (Nominal Account, CR Normal Balance)
 - 3.17.64.6.3.30 Account 6510 Over-Assessments Credited (Nominal Account, DR Normal Balance)
 - 3.17.64.6.4 Summary Record of Assessments and List of Unprocessed Assessment Certificates (RRACS Report 006)
 - 3.17.64.6.5 Form 2162 Summary of Assessment Certificates Issued (RRACS Report 025)
 - 3.17.64.6.6 Manual Procedures for a Summary of Assessment Certificate
 - 3.17.64.6.7 Correcting Certificate Errors
 - 3.17.64.6.8 Disclosure Requests for RRACS Report 006 - 23C Certificate
 - 3.17.64.6.9 Business Resumption/Disaster Recovery Plan for the Signing of 23C Assessment Certificates
 - 3.17.64.6.10 Signing of 23C Certificates on Federal Holidays
 - 3.17.64.7 Automated Non-Master File (ANMF) (Kansas City SPC Only)
 - 3.17.64.7.1 NMF General Ledger Accounts
 - 3.17.64.7.1.1 Account 1321 NMF Notice (Real Account, DR Normal Balance)
 - 3.17.64.7.1.2 Account 1322 NMF Taxpayer Delinquent Accounts Deferral (TDA) (Real Account, DR Normal Balance)
 - 3.17.64.7.1.3 Account 1324 NMF Taxpayer Delinquent Accounts Deferral Under Tolerance (Real Account, DR Normal Balance)
 - 3.17.64.7.1.4 Account 1360 NMF Installment Agreement Accounts (Real Account, DR Normal Balance)
 - 3.17.64.7.1.5 Account 1371 NMF Offers In Compromise (OIC) (Real Account, DR Normal Balance)
 - 3.17.64.7.1.6 Account 1389 NMF Suspense (Real Account, DR Normal Balance)

-
- 3.17.64.7.1.7 Account 1830 NMF Accounts Receivable, Inactive (Real Account, DR Normal Balance)
 - 3.17.64.7.1.8 Account 4420 SC Suspense for NMF (Real Account, DR/CR Normal Balance)
 - 3.17.64.7.1.9 Account 4430 Unpostable Documents - NMF (Real Account, DR/CR Normal Balance)
 - 3.17.64.7.1.10 Account 4440 Assessment and Abatement Suspense - NMF (Real Account, DR/CR Normal Balance)
 - 3.17.64.7.1.11 Account 6520 Refund of Tax and Interest - NMF (Nominal Account, DR Normal Balance)
 - 3.17.64.7.1.12 Account 6600 Accounts Cleared Statute/Bankruptcy (Nominal Account, DR/CR Normal Balance)
 - 3.17.64.7.2 NMF Block Control
 - 3.17.64.7.3 NMF Daily Assessments
 - 3.17.64.7.4 NMF Weekly Assessments
 - 3.17.64.7.5 NMF IRC 7804(C) Assessments (RRACS Assessment Window)
 - 3.17.64.7.6 Debit and Credit Transfers (RRACS Window 400)
 - 3.17.64.7.7 NMF Subsequent Transactions Debits and Credits (RRACS Window 400)
 - 3.17.64.7.8 NMF Abatements/Form 2188 (RRACS Window 400)
 - 3.17.64.7.9 Transfers Of NMF Abatement Credits to MF (RRACS 400 Window)
 - 3.17.64.7.10 NMF Accounts Written-Off (RRACS Window 400)
 - 3.17.64.7.11 NMF Applications From Dishonored Check File (RRACS Window 400)
 - 3.17.64.7.12 Reversal of Erroneous Abatement
 - 3.17.64.8 CADE - Customer Account Data Engine
 - 3.17.64.8.1 CADE Accounts Receivable
 - 3.17.64.8.1.1 Account 1200 IMF Accounts Receivable (Real Account, DR Normal Balance)
 - 3.17.64.8.1.2 Account 1205 CADE Accounts Receivable - Inactive (Real Account, DR Normal Balance)
 - 3.17.64.8.1.3 Account 1301 CADE Non-Receivables - Inactive (Real Account, DR Normal Balance)
 - 3.17.64.8.1.4 Account 1815 CADE Accounts Receivable - Inactive (Real Account, DR Normal Balance)
 - 3.17.64.8.1.5 Account 4205 CADE in Transit CADE to MF-IMF - Inactive (Real Account, DR/CR Normal Balance)
 - 3.17.64.8.1.6 Account 4522 CADE Pre-Payment CR Non-Tax - Inactive (Real Account, CR Normal balance)
 - 3.17.64.8.1.7 Account 4530 CADE Pre-Payment CR - Inactive (Real Account, CR Normal balance)
 - 3.17.64.9 Credit Transfers
 - 3.17.64.9.1 General Ledger Accounts for Credit Transfers
 - 3.17.64.9.1.1 Account 4740 Deposit Funds in Transit (Real Account, CR Normal Balance)
 - 3.17.64.9.1.2 Account 4900 Revenue Credits in Transit to Other Campuses (Real Account, CR Normal Balance)
 - 3.17.64.9.1.3 Account 6580 Revenue Credits Transferred to and from (Nominal Account, DR/CR Normal Balance)
 - 3.17.64.9.1.4 Account 6590 Deposit Fund Credit Transferred to and from (Nominal Account, DR/CR Normal Balance)

-
- 3.17.64.9.2 Credit Transfer Out Report (RRACS Report 142)
 - 3.17.64.9.3 Credit Transfers-Out (Form 2158) (RRACS Window 435/436/437/438)
 - 3.17.64.9.4 Credit Transfers-In (Form 2158) (RRACS Windows 441/442/443/444)
 - 3.17.64.9.5 Credit Transfer-Out (Confirmed Form 2158) (RRACS Windows 446/447/448/449)
 - 3.17.64.10 Department of Justice (DOJ) (Kansas City SPC Only)
 - 3.17.64.10.1 General Ledger Accounts for DOJ
 - 3.17.64.10.1.1 Account 2355 Federal Court Ordered Restitution (Nominal Account, DR Normal Balance) (TAS 20-3220) (Kansas City SPC Only)
 - 3.17.64.10.1.2 Account 2915 DOJ Receipts (Real Account, DR Normal Balance) (TAS 20F3844) (Kansas City SPC Only)
 - 3.17.64.10.1.3 Account 4975 Liability DOJ Receipts (Real Account, CR Normal Balance) (Kansas City SPC Only)
 - 3.17.64.10.1.4 Account 6400 Miscellaneous Revenue Collections (Nominal Account, CR Normal Balance) (Account Active in All Sites)
 - 3.17.64.10.1.5 Account 6950 DOJ Civil Debt Collection Holdback (Nominal Account, DR Normal Balance) (Kansas City SPC Only)
 - 3.17.64.10.2 Deposit of Collections From Civil Judgments (Kansas City SPC Only) (RRACS Window 541)
 - 3.17.64.10.3 Applying DOJ Payments
 - 3.17.64.10.4 Court Ordered Criminal Restitution Payments (Kansas City SPC Only)
 - 3.17.64.10.4.1 Restitution Payment Processing
 - 3.17.64.11 Direct Debit Installment Agreements (DDIA)
 - 3.17.64.12 Dishonored Check File
 - 3.17.64.12.1 General Ledger Accounts for Dishonored Checks
 - 3.17.64.12.1.1 Account 1510 Other Receivables (Real Account, DR Normal Balance)
 - 3.17.64.12.1.2 Account 1710 Dishonored Checks (Real Account, DR Normal Balance)
 - 3.17.64.12.1.3 Account 1720 Dishonored Check Adjustments (Real Account, DR/CR Normal Balance)
 - 3.17.64.12.1.4 Account 1840 Other Receivable, Inactive (Real Account, DR Normal Balance)
 - 3.17.64.12.1.5 Account 6700 Foreign Check Collection Cost and Miscellaneous Bank Charges (Nominal Account, DR Normal Balance)
 - 3.17.64.12.1.6 Foreign Check Conversion Rate Overage/Shortage
 - 3.17.64.12.1.7 Miscellaneous Bank Charges (Foreign and Domestic)
 - 3.17.64.12.1.8 Account 7002 Deposit Fund Receipts/Disbursements
 - 3.17.64.12.2 Dishonored Check Applications (RRACS Window 210/220/400/411)
 - 3.17.64.12.3 Dishonored Checks on Miscellaneous Deposits (RRACS Windows 412/413)
 - 3.17.64.12.4 Dishonored Checks on Unidentified Remittances (RRACS Window 404)
 - 3.17.64.13 Enterprise Computing Center, Martinsburg (ECC-MTB)
 - 3.17.64.13.1 General Ledger Accounts for Enterprise Computing Center (ECC)
 - 3.17.64.13.1.1 Account Series 4000 Liability Accounts
 - 3.17.64.13.1.2 Account 4110 ECC Suspense for the MF-BMF (Real Account, DR/CR Normal Balance)

- 3.17.64.13.1.3 Account 4130 ECC Unpostable Documents-BMF (Real Account, DR/CR Normal Balance)
- 3.17.64.13.1.4 Account 4210 ECC Suspense for the MF-IMF (Real Account, DR/CR Normal Balance)
- 3.17.64.13.1.5 Account 4215 ECC Suspense for CADE (Real Account, DR/CR Normal Balance)
- 3.17.64.13.1.6 Account 4217 ECC MFT 30 to MFT 29 for CADE (Real Account, CR Normal Balance)
- 3.17.64.13.1.7 Account 4230 ECC Unpostable Documents-IMF (Real Account, DR/CR Normal Balance)
- 3.17.64.13.1.8 Account 4254 MFT 30 to MFT 29 (Real Account, CR Normal Balance)
- 3.17.64.13.2 ECC Application Tapes to ECC (Mainline and IDRS)
- 3.17.64.13.3 Corrected Unpostable Transactions
- 3.17.64.13.4 Applications From Unpostables
- 3.17.64.13.5 New Unpostables
- 3.17.64.13.6 ECC Deletes
- 3.17.64.14 Electronic Federal Tax Payment System (EFTPS) (Ogden SPC Only)
 - 3.17.64.14.1 General Ledger Accounts for EFTPS
 - 3.17.64.14.1.1 Account 4125 EFTPS/FPLP Suspense for MF BMF (Real Account, DR/CR Normal Balance) (Ogden SCP Only)
 - 3.17.64.14.1.2 Account 4225 EFTPS/FPLP Suspense for MF IMF (Real Account, DR/CR Normal Balance) (Ogden SPC Only)
 - 3.17.64.14.1.3 Account 4425 EFTPS/FPLP Suspense for NMF (Real Account, DR/CR Normal Balance) (Ogden SPC Only)
 - 3.17.64.14.1.4 Account 4765 EFTPS/FPLP Misc. Suspense (Real Account, DR/CR Normal Balance) (Ogden SPC Only)
 - 3.17.64.14.1.5 Account 7001 Unclassified EFTPS/FPLP (Nominal Account, DR Normal Balance) (TAS 20F3820) (Ogden SPC Only)
 - 3.17.64.14.2 EFTPS Deposit Ticket Journal (Ogden SPC Only) (RRACS Window 210)
 - 3.17.64.14.3 EFTPS Debit Voucher Journal (Ogden SPC Only) (RRACS Window 221)
 - 3.17.64.14.4 EFTPS Deposit Reclassification Journal (Ogden SPC Only) (RRACS Automated Window 112)
 - 3.17.64.14.5 EFTPS TEP Journal (Ogden SPC Only)
 - 3.17.64.14.6 Electronic Federal Tax Payments System (EFTPS) Accounting Package (Ogden SPC Only)
- 3.17.64.15 Electronic Transmissions
 - 3.17.64.15.1 Account 4510 Pre-payment Credits BMF (Real Account, CR Normal Balance)
 - 3.17.64.15.2 Account 4520 Pre-payment Credits IMF (Real Account, DR/CR Normal Balance)
 - 3.17.64.15.3 Account 4521 Pre-payment Credit - Non Tax (Real Account, CR Normal Balance)
 - 3.17.64.15.4 Account 4950 IMF Unallowable Deductions (Real Account, DR/CR Normal Balance)
- 3.17.64.16 Erroneous Refunds
 - 3.17.64.16.1 Erroneous Refund Report (RRACS Report 0131)
 - 3.17.64.16.2 Identity Theft Erroneous Refunds Monthly Activity Report (RRACS Report 155A)
 - 3.17.64.16.2.1 Identity Theft Erroneous Refunds Summary Report (RRACS Report 155B)
 - 3.17.64.16.2.2 Identity Theft Erroneous Refunds Open Cases Report (RRACS Report 155C)
 - 3.17.64.16.2.3 Matched IDT Erroneous Refund Write-Offs (RRACS Report 155D)

-
- 3.17.64.16.2.4 Unmatched IDT Erroneous Refund Write-Offs (RRACS Report 155E)
 - 3.17.64.16.2.5 Payment Over Cancellation Erroneous Refund Inventory Report (RRACS Report 0156)
 - 3.17.64.16.3 Return Preparer Misconduct Erroneous Refund Inventory Report (RRACS Report 0157)
 - 3.17.64.16.4 General Ledger Accounts for Erroneous Refunds
 - 3.17.64.16.4.1 Account 1530 Court Case Erroneous Refund (Real Account, DR Normal Balance)
 - 3.17.64.16.4.2 Account 1535 CI Court Ordered Restitution Erroneous Refund (Real Account, DR Normal Balance) (Kansas City SPC Only)
 - 3.17.64.16.4.3 Account 1540 Non-Court Case Erroneous Refund (Real Account, DR Normal Balance)
 - 3.17.64.16.4.4 Account 1543 Payment Over Cancellation Erroneous Refund (Real Account, DR Normal Balance)
 - 3.17.64.16.4.5 Account 1545 Identity Theft Erroneous Refunds (Real Account, DR Normal Balance)
 - 3.17.64.16.4.6 Account 1547 Return Preparer Misconduct Erroneous Refunds (Real Account, DR Normal Balance)
 - 3.17.64.16.4.7 Account 4910 Disbursement Loss (Real Account, DR Normal Balance)
 - 3.17.64.16.4.8 Account 6905 ID Theft Erroneous Refund Write-Off (Nominal Account, DR Normal Balance)
 - 3.17.64.16.4.9 Account 6907 Return Preparer Misconduct Erroneous Refund Write-Off (Nominal Account, DR Normal Balance)
 - 3.17.64.16.4.10 Account 6920 Disbursement Write-Off (Nominal Account, DR Normal Balance)
 - 3.17.64.16.5 New Erroneous Refund Case Processing (RRACS Window 480/481)
 - 3.17.64.16.6 Identity Theft Erroneous Refund New Case Processing Using Form 3809
 - 3.17.64.16.6.1 Identity Theft Erroneous Refund New Case Processing Systemically Journalled
 - 3.17.64.16.6.2 Return Preparer Misconduct Erroneous Refund Systemic Journal (New Cases)
 - 3.17.64.16.6.3 Monthly Balancing Procedures - ID Theft and Return Preparer Misconduct
 - 3.17.64.16.7 Repayment or Partial Repayment of Erroneous Refund (RRACS Window 480/481)
 - 3.17.64.16.8 Erroneous Refund Non-Payment (RRACS Window 485)
 - 3.17.64.16.9 Erroneous Refund Cleared (RRACS Window 490)
 - 3.17.64.16.10 Identity Theft Erroneous Refund Cleared (RRACS Window 490)
 - 3.17.64.16.11 Identify Theft Erroneous Refund Systemic Write-Offs
 - 3.17.64.16.12 Return Preparer Misconduct Systemic Write-Offs
 - 3.17.64.16.13 Reversals of TC 841/700
 - 3.17.64.16.14 Duplicate or Invalid TC 841 (UPC138-4) or (UPC138-0)
 - 3.17.64.17 External Leads Processing (ELP) Kansas City CFO RACS Only
 - 3.17.64.17.1 Account 4971, Unapplied External Leads Real Account, Credit Normal Balance
 - 3.17.64.17.2 Account 6801, Expired External Leads Real Account, Credit Normal Balance
 - 3.17.64.17.3 Unapplied External Leads Report (RRACS Report 132)
 - 3.17.64.17.4 Unapplied External Leads Report (RRACS Report 132A)
 - 3.17.64.17.5 External Leads Systemic Write-offs Report (RRACS Report 132B)
 - 3.17.64.17.6 Paper Check Deposit Processing Kansas City Only

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- 3.17.64.17.7 Electronic Payment Processing Kansas City CFO RACS Only
 - 3.17.64.17.8 Processing of Form 3245, Posting Voucher (BMF) - Refund Cancellation or Repayment for ELP
 - 3.17.64.17.9 External Lead Payments Systemically Journalled
 - 3.17.64.17.10 Monthly Balancing of ELP
 - 3.17.64.17.11 Reversal of external leads funds
 - 3.17.64.17.11.1 Reversal of Credit Gateway external leads (Within 48 Hours of Receipt)
 - 3.17.64.17.12 Posted external leads Causing Unpostable TC 740 or TC 841 (Not related to Identity Theft)
 - 3.17.64.17.13 Resolving an Unpostable TC 720 With a TC 841 Posted
 - 3.17.64.17.14 External leads Systemic Write-Offs
 - 3.17.64.18 Fund Adjustments Reclassifications
 - 3.17.64.19 Insolvency (Ogden SPC Only)
 - 3.17.64.19.1 General Ledger Accounts for Insolvency
 - 3.17.64.19.1.1 Account 4625 Insolvency Suspense (Real Account, CR Normal Balance) (TAS 20F3820)
 - 3.17.64.19.1.2 Account 7009 Insolvency (Real Account, DR Normal Balance) (TAS 20F3820)
 - 3.17.64.19.2 Insolvency Suspense Report (RRACS Report 139)
 - 3.17.64.19.3 Insolvency Processing (Ogden SPC Only) (RRACS Window 210/498)
 - 3.17.64.20 Losses and Shortages
 - 3.17.64.20.1 Loss and Shortage Recovery Support Report (RRACS 0577)
 - 3.17.64.20.2 Electronic Check Processing (ECP) Deposit Discrepancy Support List (RRACS 0576 Report)
 - 3.17.64.20.3 General Ledger Accounts for Losses and Shortages
 - 3.17.64.20.3.1 Account 6900 Adjustment or Correction of Revenue Receipts (Nominal Account, DR Normal Balance)
 - 3.17.64.20.3.2 Account 6901, ECP Adjustment of Revenue (Nominal Account, DR Normal Balance)
 - 3.17.64.20.3.3 Account 7610 Embezzlement and Thefts (Real Account, DR Normal Balance)
 - 3.17.64.20.3.4 Account 7620 Unexplained Losses (Real Account, DR Normal Balance)
 - 3.17.64.20.3.5 Account 7649 ECP Deposit Discrepancies (Real Account, DR Normal Balance)
 - 3.17.64.20.3.6 Account 7650 Deposit Discrepancies (Real Account, DR Normal Balance)
 - 3.17.64.20.4 New Embezzlement or Loss Case Processing (RRACS Window 306)
 - 3.17.64.20.5 Repayment or Relief Granted of Embezzlement or Loss (RRACS Window 309)
 - 3.17.64.20.6 New Unexplained Case Processing (RRACS Window 307)
 - 3.17.64.20.7 Repayment or Relief Granted of Unexplained Loss (RRACS Window 310)
 - 3.17.64.20.8 New Deposit Discrepancy Case Processing (RRACS Window 308)
 - 3.17.64.20.9 Repayment, Approval to Write-Off or Relief Granted of Deposit Discrepancy Case (RRACS Window 311)
 - 3.17.64.21 National Security Checks Processing Procedures (Kansas City SPC Only) (RRACS Window 210)
 - 3.17.64.22 Over the Counter Network (OTCnet)
 - 3.17.64.22.1 Accessing OTCnet
 - 3.17.64.23 Receivables

- 3.17.64.23.1 Account Series 1000 Accounts Receivable
- 3.17.64.23.2 Account 1100 BMF, Accounts Receivable (Real Account, DR Normal Balance)
- 3.17.64.23.3 Account 1300 Non-Tax Receivables (Real Account, DR Normal Balance)
- 3.17.64.23.4 Account 1550 Injured Spouse Claims Allowed Receivable (Real Account, DR Normal Balance)
 - 3.17.64.23.4.1 DMF 1550 Injured Spouse Claims Reconciliation Monthly Procedures
- 3.17.64.23.5 Account 1810 BMF Account Receivable - Inactive (Real Account, DR Normal Balance)
- 3.17.64.23.6 Account 1820 IMF Accounts Receivable - Inactive (Real Account, DR Normal Balance)
- 3.17.64.24 Reciprocal Accounting Control Record (RACR)
 - 3.17.64.24.1 Master File Reconciliation
- 3.17.64.25 Reconciliation of General Ledger Accounts, Form 3997
 - 3.17.64.25.1 Form 3997 Remediation Plan
- 3.17.64.26 Refund Reversals
 - 3.17.64.26.1 Account 4970 Unapplied Refund Reversal (Real Account, DR/CR Normal balance)
 - 3.17.64.26.2 Standard Form 1098 Schedule of Cancelled or Undelivered Checks
 - 3.17.64.26.3 Standard Form 1184
 - 3.17.64.26.4 Miscellaneous Refund Check Cancellation
 - 3.17.64.26.4.1 Account 6565 Refund Cancellation Credits Allowed (Nominal Account, DR Normal Balance)
 - 3.17.64.26.4.2 Account 6910 Correction of Misc. Revenue (Nominal Account, DR Normal Balance)
 - 3.17.64.26.5 Reporting of SF 1081
- 3.17.64.27 Remittances
 - 3.17.64.27.1 Taxpayer Assistance Center (TAC) Courier Deposits
 - 3.17.64.27.1.1 Daily Balancing of TAC Cash Deposits
 - 3.17.64.27.1.2 Rejected TAC Cash Deposits
 - 3.17.64.27.2 Collections Revenue Receipts IDRS Accounting Package (RRACS Window 210)
 - 3.17.64.27.3 Regular Accounting Package and Cash Conversion (RRACS Window 210)
 - 3.17.64.27.4 Deposit Tickets and Debit Vouchers
 - 3.17.64.27.5 Accounting Package From Electronic Fund Transfer (EFT) System Deposit (RRACS Window 210)
 - 3.17.64.27.6 ISRP via Electronic Check Process
 - 3.17.64.27.6.1 ISRP Rejected Items
 - 3.17.64.27.7 Lockbox Deposits via Electronic Check Processing (ECP)
 - 3.17.64.27.7.1 ECP Rejected Items
 - 3.17.64.27.8 Advance Payments and IRC 6603 Deposits
 - 3.17.64.27.8.1 Account 4610 Unapplied Advance Payments (Real Account, CR Normal Balance)
 - 3.17.64.27.8.2 Account 4615 IRC 847, Special Estimated Tax Payments (Real Account, CR Normal Balance) (Ogden SPC Only)
 - 3.17.64.27.9 Deposit Discrepancies
- 3.17.64.28 Scorecard
 - 3.17.64.28.1 CFO HQ Scorecard - End of Month Balancing for CARS Submission (Formerly SF 224)

- 3.17.64.28.1.1 CFO HQ Scorecard - Supplemental CARS Submission (Formerly SF 224 Supplemental, Statement of Transactions)
- 3.17.64.28.2 CFO HQ Scorecard - Statement of Difference (Effective October 1, 2019 no longer scored)
- 3.17.64.28.3 CFO HQ Scorecard - Trace ID (Annually Only)Effective March 2022, no longer scored
- 3.17.64.28.4 CFO HQ Scorecard - Suspense Account 20F3885
- 3.17.64.28.5 CFO HQ Scorecard - Suspense Account 20F3500 and 20F3502 Process
- 3.17.64.28.6 CFO HQ Scorecard - Informant Reward Account 20X5433 (Ogden SPC only)
- 3.17.64.28.7 CFO RACS Analyst Scorecard - Form 3997
 - 3.17.64.28.7.1 Business Resumption/Disaster Recovery Form 3997 Contingency Plan
- 3.17.64.28.8 Scorecard CFO RACS Analyst Contacts
- 3.17.64.29 Service Center Suspense Files
 - 3.17.64.29.1 General Ledger IMF and BMF Accounts for SC Suspense
 - 3.17.64.29.1.1 Account 4120 SC Suspense for the MF BMF (Real Account, DR/CR Normal Balance)
 - 3.17.64.29.1.2 Account 4220 SC Suspense for the MF IMF (Real Account, DR/CR Normal Balance)
- 3.17.64.30 CARS Direct Reporting and Reclassification Submission (Formerly Standard Form 224), Statement of Transactions (RRACS Report 020, 20A and 20B)
 - 3.17.64.30.1 End of Month Checklist
- 3.17.64.31 State Income Tax Levy Program (SITLP)
 - 3.17.64.31.1 Accounting Branch Procedures and Responsibilities for SITLP
- 3.17.64.32 Statement of Difference
- 3.17.64.33 Substantiated Credits
 - 3.17.64.33.1 General Ledger Account for Substantiated Credits
 - 3.17.64.33.1.1 Account 6570 Substantiated Credits Allowed (Nominal Account, DR Normal Balance)
 - 3.17.64.33.2 Substantiated Credit Posting Documents (RRACS Window 400)
- 3.17.64.34 Trace ID Number
 - 3.17.64.34.1 Trace ID Number Format
 - 3.17.64.34.2 Trace ID Reconciliation Procedures Effective immediately no longer required
- 3.17.64.35 Transfer of Accountability of campus directors
 - 3.17.64.35.1 General Ledger Account for Transfer of Accountability
 - 3.17.64.35.1.1 Account 7500 Undeposited Collections (Real Account, DR Normal Balance) (TAS 20-0110)
 - 3.17.64.35.2 General Guidelines for Transfer of Accountability
- 3.17.64.36 Unclaimed Funds (Disposition of Requests for Claims from State Treasury Departments)
- 3.17.64.37 Unidentified/Excess Collections Files
 - 3.17.64.37.1 General Ledger Accounts for Unidentified Remittance Files and Excess Collections
 - 3.17.64.37.1.1 Account 4620 Unidentified Remittances (Real Account, CR Normal Balance)
 - 3.17.64.37.1.2 Account 6800 Excess Collections (Nominal Account, CR Normal Balance)
 - 3.17.64.37.1.3 Account Series 9000 Ledger Closing
 - 3.17.64.37.1.4 Account 9998 Reversals Revenue Clearance Accountability (Nominal Account, DR/CR Normal Balance)

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- 3.17.64.37.1.5 Account 9999 Revenue Clearance Accountability (Real Account, DR/CR Normal Balance)
 - 3.17.64.37.2 Applications From Unidentified Revenue Receipts
 - 3.17.64.37.3 Applications from Unidentified Miscellaneous Funds (RRACS Window 404)
 - 3.17.64.37.4 Unidentified Deposit (RRACS Window 210)

3.17.64.1
(08-24-2023)
Program Scope and Objectives

- (1) Purpose: This IRM describes the necessary accounting procedures for Revenue Accounting Control Units. It addresses the maintenance and responsibility of the CFO Redesigned Revenue Accounting Control System (RRACS) general ledger accounts, specific accounting programs, reports and internal controls. These controls are necessary to ensure compliance with all administrative and legal requirements of the IRS, the Department of Treasury and the Government Accountability Office (GAO).
- (2) Audience: Submission Processing, Accounting and CFO Revenue Accounting Control System units.
- (3) Policy Owner: Associate CFO for Revenue Financial Accounting.
- (4) Program Owner: Revenue Accounting Operations Office.
- (5) Primary Stakeholders: CFO RACS accounting technicians and Submission Processing accounting technicians and tax examiners.
- (6) Program Goals: To ensure efficient workflow guidance and reporting accuracy for revenue and refunds.

3.17.64.1.1
(08-31-2018)
Background

- (1) This IRM describes the accounting procedures for the RRACS. It addresses the maintenance and responsibility of the general ledger accounts, specific accounting programs, reports and internal controls. These controls are necessary to comply with all administrative and legal requirements of the IRS, the Department of the Treasury and the Government Accountability Office (GAO).

Note: IRM deviations must follow IRM 1.11.2.2.4, Internal Revenue Manual (IRM) Process, when procedures deviate from the IRM.

3.17.64.1.2
(08-31-2018)
Authorities

- (1) The authorities for this IRM include:
 - a. *31 USC (United States Code) Chapter 11, The Budget and Fiscal, Budget and Program Information*
 - b. *Government Accountability Office Policy and Procedures Manual for Guidance of Federal Agencies*
 - c. *31 USC 3512, Executive Agency Accounting and other Financial Reports and Plans*
 - d. *44 USC 3309, Preservation of Claims of Government Until Settled in Government Accountability Office (GAO)*

3.17.64.1.3
(08-24-2023)
Responsibilities

- (1) This section provides responsibilities for:
 - a. CFO and Deputy CFO
 - b. Senior Associate CFO for Financial Management
 - c. Associate CFO for Revenue Financial Accounting
 - d. Revenue Accounting Operations Office
 - e. Custodial HQ Accounting
 - f. Enterprise Computing Center, Martinsburg (ECC-MTB)
 - g. Submission Processing Center
 - h. CFO RACS Units

- 3.17.64.1.3.1
(08-18-2022)
CFO and Deputy CFO
- (1) The CFO and Deputy CFO are responsible for establishing financial policy for the management and reporting of the custodial assets.
- 3.17.64.1.3.2
(08-24-2023)
Senior Associate CFO for Financial Management
- (1) The Senior Associate CFO for Financial Management is responsible for establishing, maintaining and ensuring compliance with custodial revenue policy and procedures, custodial accounting operations and financial reporting.
- 3.17.64.1.3.3
(08-24-2023)
Associate CFO for Revenue Financial Accounting
- (1) The Associate CFO for Revenue Financial Accounting is responsible for establishing, maintaining and ensuring compliance with custodial revenue policy/procedures and custodial accounting operations, including proper accounting and timely reporting of IRS custodial activities.
- 3.17.64.1.3.4
(08-24-2023)
Revenue Accounting Operations Office
- (1) The Revenue Accounting Operations office is responsible for developing and managing revenue policy for custodial accounting operations and financial reporting.
- 3.17.64.1.3.5
(07-29-2021)
Custodial HQ Accounting
- (1) The Custodial HQ Accounting section is responsible for coordinating custodial revenue accounting (entries, reconciliations, sampling), policies, and procedures pertaining to CFO headquarters/CFO RACS units accounting transactions and month-end/year-closing activities.
- 3.17.64.1.3.6
(08-31-2018)
Enterprise Computing Center, Martinsburg (ECC-MTB)
- (1) The Enterprise Computing Center, Martinsburg (ECC-MTB) is responsible for:
- a. Maintaining Master File (MF) and Customer Account Data Engine (CADE) records for taxpayers.
 - b. Processing accounting and data control for Individual Master File (IMF), Business Master File (BMF) and CADE records.
 - c. Generating accounting adjustments and abstracts of revenue receipts.
 - d. Maintaining a Reciprocal Accounting Control Record (RACR) with each campus.
 - e. Preparing separate SF 1166 (Voucher and Schedule of Payments) or Secure Payment System (SPS) prints for the total amounts of overpayment principal and interest transcribed to BMF and IMF refund files.
- 3.17.64.1.3.7
(08-18-2022)
Submission Processing Center
- (1) Each Submission Processing Center is responsible for functioning as a separate accounting operation by using an identifiable numeral.
- (2) The director is accountable for revenue receipts and repayments deposited to BMF, IMF and Non Master File (NMF) accounts.
- (3) Collectively, each center is responsible for:
- a. Maintaining a general ledger and subsidiary records, reconciling the general ledger accounts and subsidiary records or files each month.
 - b. Controlling all accounting documents within the campus for entry to the BMF, IMF, NMF accounts.
 - c. Receiving or initiating control and processes for all BMF, IMF and NMF accounting transactions involving other campuses.

- d. As necessary, initiating or processing account transfers, account adjustments, debit or credit transfers, statutory clearances, etc., related to BMF, IMF and NMF accounts.
- e. Receiving and initiating controls for schedules for manual refunds, transcripts, accounting reports and other accounting documents, as required.

3.17.64.1.3.8
(08-18-2022)
CFO RACS Unit

- (1) Each CFO RACS Unit is responsible for functioning as a separate accounting operation, using an identifiable numeral.
- (2) Together, each unit is responsible for:
 - a. Maintaining the integrity of the general ledger.
 - b. Controlling manual accounting documents within the campus for entry to the BMF, IMF, NMF accounts and for journaling and posting to the general ledger.
 - c. Receiving and controlling manual documents for BMF, IMF, NMF accounting outputs including required journaling and posting to the general ledger.
 - d. As necessary, processing manual documents for account transfers, account adjustments, debit or credit transfers, statutory clearances, etc., related to BMF, IMF and NMF accounts for journaling and posting to the general ledger.
 - e. Preparing Form 23C (RACS Report 006), Form **2188** (RACS Report 024), accounting reports and other accounting documents, as required.

3.17.64.1.4
(08-31-2018)
Program Management and Review

- (1) Program Reports: In accordance with Management Accountability Review regulations, managers are responsible for ensuring that internal controls are effective and efficient in day- to- day operations and safeguarded against waste, fraud and abuse.
- (2) Program Effectiveness: Managers are responsible for conducting operational and management control reviews to identify weakness and mitigate known risks. Managers perform program or spot reviews for accuracy and completeness. Discrepancies identified must be discussed with the appropriate functional area for corrective action. At least one program review should be performed each quarter by the manager, lead or the accounting reports analyst.

3.17.64.1.5
(08-31-2018)
Program Controls

- (1) Federal Government Accounting Requirements, USC 3512, places the responsibility for establishing and maintaining adequate systems of accounting and internal control upon the head of each executive agency and states that the head of each executive agency shall establish and maintain systems of accounting and internal control that provide:
 - a. Full disclosure of the financial results of the agency's activities.
 - b. Adequate financial information needed for the agency's management purposes.
 - c. Effective control over accountability for all funds, property and other assets for which the agency is responsible, including appropriate internal audit.

- d. Reliable accounting results serving as the basis for preparation and support of budget requests, controlling the execution of its budget and providing financial information required by the President or other designated authority.
 - e. Suitable integration of the agency's accounting with Treasury's accounting in connection with the central accounting and reporting responsibilities imposed by the Secretary of the Treasury.
- (2) These systems must conform to the accounting principles, standards and related requirements, as prescribed by the Comptroller General of the U.S. Historically, these have been reflected in the Government Accountability Office Policy and Procedures Manual for Guidance of Federal Agencies.
 - (3) The accounting system of an executive agency or any of its component parts is subject to review and approval by the Comptroller General. The continuing efforts to improve, modernize and simplify accounting systems in the federal government are exercised under a joint program sponsored by the Comptroller General, the Secretary of the Treasury and the Director of Office of Management and Budget (OMB). This program contemplates the full development of sound accounting within each executive agency as a working arm of management and in terms of financial information and control. It envisions an integrated pattern of accounting and financial reporting for the government that is responsive to executive and legislative needs.
 - (4) The established accounting and reporting principles, standards and basic procedures take into consideration the various areas of responsibility involved, the elimination of overlapping operations and paper work and the broader application of efficient methods and techniques in accounting operations throughout the government. Integration of revenue accounting data with central accounts maintained by the Bureau of the Fiscal Service is accomplished primarily by the submission of monthly reports of deposit and classified collections and of disbursements from the refund appropriations.

3.17.64.1.6
(09-10-2019)

Terms/Definitions

- (1) The following terms and definitions apply to this program:
 - a. **Abatement** - The reduction or elimination of an assessment.
 - b. **Accounting** - An established record of all transactions for returns and documents that are processed throughout IRS.
 - c. **Account balance** - The difference in dollars between the total debit and total credit of an account.
 - d. **Account period** - Time covered by financial statements, which can be for any length of time but is usually annual, quarterly or monthly. The annual financial statements may be on a calendar or fiscal year basis.
 - e. **Agency Location Code (ALC)** - Eight-digit Treasury identifier assigned by the Fiscal Service for Treasury reporting purposes. The first two digits identify the Treasury department, the third and fourth digits identify the IRS and the remaining four digits identify the IRS campus.
 - f. **Assessment** - Taxes assessed, penalties and interest charged to a taxpayer's account.
 - g. **Assessment Statute Expiration Date (ASED)** - The date the statutory period of time for assessing tax ends. The time frame for assessing tax is normally three years from the due date or three years from the date the return is filed, whichever is later. (IRC 6501)
 - h. **Automated Non-Master File (ANMF)** - A system of pre-ADP (Automated Data Processing) cases, overflow cases and those cases for which ADP

- processing is not available, such as new taxes enacted by Congress for which there is no provision in existing master-file systems.
- i. **Batch process** - Computer processing of business transactions and preparation of financial reports in which processing tasks are scheduled in a logical order.
 - j. **Business Event Type Code (BETC)** - An 8- character code used in the Central Accounting Reporting System (CARS) system to indicate the type of activity being reported, such as payments, collections, investments, etc. This code must accompany the Treasury Account Symbol (TAS) and the dollar amounts to classify the transaction against the fund balance with Treasury.
 - k. **Central Accounting Reporting System (CARS)** - Address the central accounting and reporting functions and processes associated with budget execution, accountability and cash/other types of management asset. This includes the collection and dissemination of financial management and accounting information from and to federal program agencies. CARS was formerly known as Government Wide Accounting (GWA).
 - l. **Collections Information Repository (CIR)** - A collections reporting tool, supplying the latest information on deposits and detail of collections transactions to federal agencies. The system will allow financial transaction information from all collections systems and settlement mechanisms to be exchanged in a single system. CIR was previously named Transaction Reporting System (TRS) prior to January 2013
 - m. **Classification** -The process of assigning all transactions to the appropriate accounts. All amounts of revenue collected during a current fiscal year will be controlled and reported by the tax class application.
 - n. **Collection Statute Expiration Date (CSED)** -The date the statute expires for collection of tax, penalty or interest. The CSED is ten (10) years from the assessment date (23C date) of the posting of the original return (Transaction Code 150).
 - o. **Custodial Detail Data Base (CDDDB)** - An enhancement to the Financial Management Information System created to track all individual payments that comprise a deposit ticket, process all posted remittance transactions and generate reconciliation reports to balance RRACS deposit totals to the CDDDB deposit totals. It creates report schedules and completeness test reports to compare accumulated Master File total against RRACS totals. It has also been expanded to include refund transactions.
 - p. **Customer Account Data Engine (CADE)** -The cornerstone of the IRS modernization program. It is incrementally replacing the IRS tape-based Individual Master File (IMF) system as the system of record for taxpayer account and return data. CADE is being developed and implemented over a series of multiple releases. Taxpayer accounts are moved from the IMF to the modernized system based on a segmented approach whereby the simplest accounts are moved first (e.g,Form 1040-EZ accounts), followed by increasingly complex taxpayer accounts with each new phase. CADE was discontinued in June 2011.
 - q. **Customer Account Data Engine 2 (CADE 2)** - A centralized relational database. Beginning January 2012, the Individual Master File (IMF) will provide daily processing of taxpayer's accounts.
 - r. **Debit Voucher (DV) - SF 5515** - Summary document used by a bank to control returned dishonored checks or to make adjustments to deposit tickets.

- s. **Deposit Ticket (DT) - SF 215/OTCnet** - Summary document issued by a financial institution for the purpose of summarizing and classifying collections received for a specific deposit date.
- t. **Disbursement accounts** - Series of accounts that record monies disbursed as refunds of previously collected revenue or funds.
- u. **Document Locator Number (DLN)** - A controlled number assigned to every return or document input through the Automated Data Processing (ADP) system. The DLN is used to control, identify and locate documents processed in the ADP system.
- v. **Enterprise Computing Center (ECC)** - The computing site primarily responsible for maintenance of the Master File records for each taxpayer and for the electronic processing of related inputs and outputs.
- w. **Erroneous Refund Statute Expiration Date (ERSED)** - Expires two years from the date of the refund (transaction code (TC) 846/840) if caused by the IRS or five years from the date of the refund (TC 846/840) when it is proven that the refund was issued due to fraud or misrepresentation of material fact by the taxpayer.
- x. **Fiscal year (FY)** - Any 12- month accounting period used by an economic entity. For reporting purposes, a fiscal year extends from October 1 through September 30.
- y. **Fiscal year end processing** - The process by which fiscal year- end reports are generated after verifying September month-end reports and all nominal account balances are closed out.
- z. **General ledger (GL)** - A database, which contains all the government agency accounts. Each account is maintained separately.
- aa. **Government On-line Accounting Link System II (GOALS II)**- The system that allows BFS to receive agency accounting data and forward it to various systems within BFS for final processing and to distribute agency accounting reports.
- ab. **Journal** - The source for recording all debits and credits into the general ledger account.
- ac. **Month end closing** - When all transactions for an accounting month have been input, procedures must be followed to close out the month, generate reports and set up the database for a new month's transactions. Due to the initiative set forth by the Secretary of the Treasury, these procedures should be started on the second workday after the close of the accounting month.
- ad. **Nominal account** - Accounts showing the accumulation of revenue and expenses for only one accounting period. Nominal accounts are systematically transferred into Account 9998 at the end of each fiscal year leaving this account at zero.
- ae. **Non-Tax receivables** - The net total of non-tax monies posted on Master File that have an outstanding module balance.
- af. **Normal balance** - The usual balance of an account, debit or credit.
- ag. **Opening balances** - Beginning balances for all real accounts at the start of the fiscal year.
- ah. **Over the Counter Network (OTCnet)** - A system designed to consolidate the functionality of Paper Check Conversion-Over the Counter (PCC-OTC) and Treasury General Account Deposit Reporting Network (TGAnet), providing a one system solution for agency over-the-counter deposit activity.
- ai. **Paper Check Conversion (PCC)** - Converts paper checks into electronic debits.

- aj. **Real account** - A permanent account whose balances are not zeroed out at the end of an accounting period but are carried over to the next accounting period.
- ak. **Receipt account** - Series of accounts used to record the receipt of and the accountability for monies received for deposit into the Treasury. The accounts are classified by type of receipt received and represented by the Treasury Account Symbol (TAS).
- al. **Reclassification** - Adjustments made to correct classifications of revenue.
- am. **Reconciliation** - The act of ensuring that the total of the monetary balance of the appropriate general ledger account agrees with the balance in the related subsidiary account. All variances are identified.
- an. **Redesigned Revenue Accounting Control System (RRACS)** - The fully automated system used to provide accounting control for all revenue accounting transactions. The database, located at ECC-Detroit, consists of general ledger account, plus a variety of internal records used for balancing and reporting.
- ao. **Refund Statute Expiration Date (RSED)** - The RSED is generally three years from the Return Due Date (RDD) for prepaid credits if a return was filed, or two years from the payment date for other payments, whichever is later.
- ap. **Revenue receipts** - Collection of taxes, penalties, interest and costs assessed or assessable against taxpayers, and payments on accepted Offer In Compromise, are classified as revenue receipts. Amounts received as payment of court fines, court costs, forfeitures, penalties incident to or imposed for, violation of applicable laws from the redemption of property acquired by the government, and receipts from consummated sales of acquired property, will also be classified for deposit as revenue receipts.
- aq. **Scorecard** - Used to track the timely submission of the RRACS reports to CFO RACS analyst and Submission Processing (Form 3997 only) Headquarters (CFO HQ), to score the accuracy of some of the reports and reconciliations and rate the timeliness of resolving outstanding accounting issues.
- ar. **Subsidiary account** - Subsidiary accounts provide necessary details in support of certain general ledger accounts.
- as. **Tax class** - The process of assigning all transactions to the appropriate accounts. All amounts of revenue collected during a current fiscal year will be controlled and reported by the tax class of application.
- at. **Tax period** - A six-digit number which represents the end of the tax liability year for a return; and is designated by the year and month.
- au. **Trace ID** - The CDDDB mechanism that identifies each deposit ticket and its corresponding payments is a 20-digit number made from 14 characters related to the corresponding deposit ticket and 6 characters representing the Detail Payment Transaction Record for an individual payment.
- av. **Transaction type** - Descriptive information as to the kind of transaction being processed on a specific window or batch process.
- aw. **Treasury Account Symbol (TAS)** - Money collected under the accountability of the campus director is entered into one of the receipt accounts. The receipt accounts record the receipt of money to Treasury for the current fiscal year.

- ax. **Treasury Offset Program (TOP)** - Treasury's Bureau of the Fiscal Service (Fiscal Service) holds the responsibility for administering tax refund offsets to outstanding child support or state and federal agency debts.
- ay. **Trial balance** - A listing of accounts in the general ledger with their debit or credit balances in respective columns.
- az. **23C Date** - The date a liability is assessed.
- ba. **Window** - Specific screens within the RRACS system, used to journal various types of transactions.
- bb. **Write-off** - The amount of assessments that the entity still has statutory authority to collect at the end of the period but has no future collection potential and are therefore defined as write-offs.

3.17.64.1.7
(08-19-2020)

Acronyms

- (1) The following acronyms apply to this program:

ACRONYM	DESCRIPTION
AIS	Automated Insolvency System
BETC	Business Event Type Code
Fiscal Service	Bureau of the Fiscal Service (formerly known as Financial Management Service (FMS))
CADE	Customer Account Data Engine
CARS	Central Accounting Reporting System
CIR	Collections Information Repository (formerly known as Transaction Reporting System (TRS))
DDIA	Direct Debit Installment Agreement
EFT	Electronic Funds Transfer
EFTPS	Electronic Federal Tax Payment System
EIN	Employer Identification Number
ELVIS	Electronic Verification & Image Service
EPCF	Electronic Payment Control File
ERSED	Erroneous Refund Statute Expiration Date
FPLP	Federal Payment Levy Program
FRC	Federal Records Center
GAO	Government Accountability Office
GMF	Generalized Mainline Framework (pipeline processing)
GUF	Generalized Unpostables Framework
IPAC	Intra-Governmental Payment and Collection System
IRC	Internal Revenue Code
ISRP	Integrated Submission Remittance Processing

ACRONYM	DESCRIPTION
JV	Journal Voucher
NTRR	Net Tax Refund Report
OMB	Office of Management and Budget
OTCnet	Over the Counter Network
PCC	Paper Check Conversion
PJ	Pre-Journalized
RACR	Reciprocal Accounting Control Record
RFC	Regional Financial Centers
RPM	Return Preparer Misconduct
RRACS	Redesigned Revenue Accounting Control System
RS-PCC	Remittance Strategy for Paper Check Conversion
SF	Standard Form
SITLP	State Income Tax Levy Program
SSN	Social Security Number
TAS	Treasury Account Symbol
TC	Transaction Code
TDA	Taxpayer Delinquent Account
TDCS	Tape Data Control Sheet
TEP	Tape Edit Processor
TOP	Treasury Offset Program
TRACS	Treasury Receivable Accounting & Control System

3.17.64.1.8

(09-10-2019)

Related Resources

(1) The following provide additional instructions.

- a. IRM 3.0.167, Losses and Shortages
- b. IRM 3.8.44, Campus Deposit Activity
- c. IRM 3.8.45, Manual Deposit Process
- d. IRM 3.8.47, Manual Deposit Process for Field Offices
- e. IRM 3.10.5, Batch/Block Tracking System (BBTS)
- f. IRM 3.10.73, Batching and Numbering
- g. IRM 3.17.5, Hard-core Payment Tracers
- h. IRM 3.17.10, Dishonored Check File (DCF) and Unidentified Remittance File (URF)
- i. IRM 3.17.15, Accounting Reports Analyst - Responsibilities
- j. IRM 3.17.21, Credit and Account Transfers
- k. IRM 3.17.30, SC Data Controls
- l. IRM 3.17.41, Accounting and Operating Reports

- m. IRM 3.17.46, Automated Non-Master File (Accounting)
- n. IRM 3.17.50, Submission Processing RRACS Procedures
- o. IRM 3.17.63, Redesigned Revenue Accounting Control System
- p. IRM 3.17.79, Accounting Refund Transactions
- q. IRM 3.17.80, Working and Monitoring Category D, Erroneous Refund Cases in Accounting Operations
- r. IRM 3.17.220, Excess Collections File
- s. IRM 3.17.221, Enterprise Computing Center Data Controls
- t. IRM 3.17.243, Miscellaneous Accounting
- u. IRM 3.17.244, Manual Assessments
- v. IRM 3.30.123, Processing Timeliness: Cycles, Criteria and Critical Dates
- w. IRM 21.4.5, Erroneous Refunds

3.17.64.2
(03-31-2017)
References

- (1) The following sections contain a glossary of forms, reports, subsidiary accounts, Treasury Account Symbols (TAS) and Agency Location Codes (ALC) used throughout this IRM.

3.17.64.2.1
(09-01-2011)
Forms

- (1) The following forms are commonly used in Revenue Accounting and will be referenced throughout this IRM.

FORM #	FORM TITLE
Form 215-A	Deposit Ticket
Standard Form 224	Statement of Transactions
Form 23C	Manual Summary Record of Assessment
Form 514-B	Tax Transfer Schedule
Form 784	Recap of Remittances
Form 813	Document Register
Form 813-A	Recap of Document Registers
Form 843	Claim for Refund & Request for Abatement
Standard Form 1081	Voucher and Schedule of Withdraws and Credits
Standard Form 1098	Schedule of Cancelled or Undelivered Checks
Standard Form 1166	Voucher and Schedule of Payments
Standard Form 1184	Unavailable Check Cancellation
Standard Form 1185	Schedule of Unavailable Checks/ Cancellations/ Credits
Form 1331	Notice of Adjustment
Form 1331-B	Notice of Adjustment (not on MF)
Form 2158	Credit Transfer Voucher
Form 2162	Summary of Assessments

FORM #	FORM TITLE
Form 2188	Voucher & Schedule of Overpayment and Overassessments
Form 2221	Schedule of Collections
Form 2285	Concurrent Determination of Deficiencies
Form 2424	Account Adjustment Voucher
Form 2859	Request for Quick and Prompt Assessments
Form 3177	Notice of Action for Entry on MF
Form 3210	Document Transmittal
Form 3244	Payment Posting Voucher
Form 3245	Posting Voucher-Refund
Form 3460	Transmittal Form
Form 3465	Adjustment Request
Form 3552	Prompt Assessment Billing Assembly
Form 3753	Manual Refund Posting Voucher
Form 3809	Miscellaneous Adjustment Voucher (non-revenue receipts)
BFS 3813	Reversal of Credit
Form 3997	Reconciliation of General Ledger Accounts
Form 4028	SCCF Adjustment Record (Format Code 216)
Form 4506	Request for Copy of Tax Return
Form 4830	IDRS Posting Document
Form 5147	NMF-IDRS Transaction Record
Standard Form 5515	Debit Voucher
Form 5792	Request for IDRS Generated Refund (IGR)
Form 6168	General Ledger Reconciliation with ECC RACR
Form 8485	Assessment Adjustment Case Record
Form 8758	Excess Collections File Addition

3.17.64.2.2
(09-01-2011)

Accounting Reports and Usage

- (1) The following accounting control reports can be generated on demand.
- (2) Online journal research is completed as necessary.
- (3) RRACS reports must be retired to the FRC, as indicated in Document 12990, Records Control Schedules.

3.17.64.2.2.1
(09-10-2019)

CFO and Submission Processing RRACS Reports

- (1) The following CFO and Submission Processing reports are referenced throughout this IRM.

REPORT #	REPORT NAME	FREQUENCY OF REPORT
003	DTRIAL, Daily General Ledger Trial Balance	Daily
004	MTRIAL, Monthly General Ledger Trial Balance	Monthly
006	Summary Record of Assessments	Daily
018	Historical SF 224, Statement of Transactions	Monthly
020	SF 224, Statement of Transactions	Monthly
024	Voucher and schedule of Overpayments & Over assessments	Daily
025	Form 2162 Summary of Assessments	Monthly
025A	FY 2162, Summary of Assessment Certificates Issued	Fiscal Year End
051	General Ledger Account Details	Monthly
051S	Single Sub Account by Account	Generated on demand
126	EFTPS Error (Reprint Only)	Generated on demand
0131	Erroneous Refund Report	Monthly
132	Unapplied External Leads	Monthly
142	Credit Transfer Out	Monthly
143	EFTPS Activity Report	Generated on demand
145	SF 224 Detail report	Generated on demand
155A	Identity Theft Erroneous Refund Monthly Activity Report	Monthly (electronic version)
155B	Identity Theft Erroneous Refund Summary Report	Monthly

REPORT #	REPORT NAME	FREQUENCY OF REPORT
155C	Identity Theft Erroneous Refund Open Cases	Monthly (electronic version)
155D	Matched IDT Erroneous Refund	Monthly
155E	Unmatched IDT Erroneous Refund	Monthly
156	Payment Over Cancellation, Erroneous Refund Report	Monthly
157	Return Preparer Misconduct Erroneous Refund Report	Monthly
576	ECP Deposit Discrepancy Support List	Monthly
577	Loss & Shortages	Monthly
1140	Deposit Activity (4900)	Monthly
DCF 03	Account 1710 transaction Register	Daily
DCF 05	DCF Applications for IMF/BMF	Daily
EOD 16	IDRS PJ Recap	Daily
EOD 1622	ID Theft Credit Transaction Report	Daily
EOD 1624	RPM Credit Transaction Report	Daily
EOD 2421	Area Office Remittance Register	Daily
GMF 15-45	Transaction Release Summary	Weekly
GUF 53-40	Unpostable Control Report	Weekly
GUF 53-42	Revenue Receipts Control Sheets-Nullified Unpostables IMF/BMF	Daily
ISRP 0542	RRPS General Ledger Account Number List-Journal Total Report	Daily
SCF 11-41	Adjustment Control Record List Items with Control Record Source Code J	Daily
SCF 11-47	Control Record Renumber Re-classification Summary	Daily

REPORT #	REPORT NAME	FREQUENCY OF REPORT
SCF 11–51	Tape Control Record List	Daily
SCF 13–40	Revenue Receipts Control Sheets (RRCS) IMF/BMF	Daily
TDA 55	Error Report	Generated on demand
TDA 5540	Run Controls Report	Generated on demand
URF 03	Transaction Register	Daily
URF 05	URF Applications for IMF/BMF	Daily

Note: Additional CFO RRACS reports can be found in IRM 3.17.63, Redesignated Revenue Accounting Control System.

3.17.64.2.3
(08-24-2023)

**Submission Processing
Chart of Accounts**

- (1) The following is a chart of Submission Processing accounts that will be referenced throughout this IRM.

Note: Additional Accounts maintained by CFO can be found in IRM 3.17.63, Redesignated Revenue Accounting Control System.

ACCOUNT #	ACCOUNT NAME
1100	BMF Accounts Receivable
1200	IMF Receivable
1205	CADE Accounts Receivable, Inactive
1300	Non-Tax Accounts Receivable
1301	CADE Non-Tax Receivable, Inactive
1321	NMF Notice (Kansas City SPC Only)
1322	NMF Taxpayer Delinquent Accounts (Kansas City SPC Only)
1324	NMF Taxpayer Delinquent Accounts Under Tolerance (Kansas City SPC Only)
1360	NMF Installment Agreement Accounts (Kansas City SPC Only)
1371	NMF Offers in Compromise (OIC) (Kansas City SPC Only)
1389	NMF Suspense (Kansas City SPC Only)
1510	Other Receivables, Regular
1530	Court Case Erroneous Refunds
1535	CI Court Ordered Restitution Erroneous Refund (Kansas City SPC Only)

ACCOUNT #	ACCOUNT NAME
1540	Non-Court Case Erroneous Refunds
1543	Payment Over Cancellation Erroneous Refunds
1545	Identity Theft Erroneous Refunds and Identity Theft Child Support Offsets
1547	Return Preparer Erroneous Refunds
1600	Manual Assessments, Transit Account
1710	Dishonored Check File
1720	Dishonored Check, Adjustments
1810	BMF Accounts Receivable, Inactive
1815	CADE Accounts Receivable, Inactive
1820	IMF/CADE Accounts Receivable, Inactive
1830	NMF Accounts Receivable, Inactive (Kansas City SPC Only)
1840	Other Receivables, Inactive
2355	Federal Court Ordered Restitution (Kansas City SPC Only)
4110	ECC Suspense for MF - BMF
4120	SC Suspense for the MF - BMF
4125	EFTPS/FPLP Suspense for MF - BMF (Ogden SPC Only)
4130	ECC Unpostable - BMF
4205	SC Suspense To/From CADE, Inactive
4210	ECC Suspense for MF - IMF/CADE
4215	CADE ECC Suspense
4217	CADE MFT 30 to MFT 29
4220	SC Suspense for the MF - IMF
4225	EFTPS/FPLP Suspense for MF - IMF (Ogden SPC Only)
4230	ECC Unpostable Documents - IMF
4254	MFT 30 to MFT 29
4420	SC Suspense for NMF
4425	EFTPS/FPLP Suspense for NMF (Ogden SPC Only)

ACCOUNT #	ACCOUNT NAME
4430	Unpostable Documents - NMF (Kansas City SPC Only)
4440	Assessment & Abatement Suspense - NMF (Kansas City SPC Only)
4510	Pre-Payment Credits - BMF
4520	Pre-Payments Credits - IMF/CADE
4521	Pre-Payment Credit - Non-Tax
4522	CADE Pre-Payment Credit - Non-Tax, Inactive
4530	CADE Pre-Payment Credit, Inactive
4610	Unapplied Advance Payments
4615	IRC. 847, Special Estimated Tax Payments (Ogden SPC Only)
4620	Unidentified Remittances
4625	Insolvency Suspense
4740	Deposit Funds in Transit
4765	EFTPS Miscellaneous Suspense (Ogden SPC Only)
4900	Revenue Credits in Transit to Other SP Campuses
4910	Disbursement Loss
4950	IMF Unallowable Deductions
4970	Unapplied Refund Reversals
4971	Unapplied External Leads (Kansas City CFO RACS Only)
4975	Liability DOJ Receipts (Kansas City SPC Only)
6001	Installment Agreement Liability
6010	Arbitrage Rebate Liability
6011	Arbitrage Rebate Penalty Liability
6110	Withholding Tax Assessments - Principal
6111	Withholding Tax Assessments - Penalty
6112	Withholding Tax Assessments - Interest
6120	Individual Income Tax Assessments - Principal
6121	Individual Income Tax Assessments - Penalty
6122	Individual Income Tax Assessments - Interest
6130	Corporation Tax Assessments - Principal

ACCOUNT #	ACCOUNT NAME
6131	Corporation Tax Assessments - Penalty
6132	Corporation Tax Assessments - Interest
6140	Excise Assessments - Principal
6141	Excise Tax Assessment - Penalty
6142	Excise Tax Assessments - Interest
6150	Estate & Gift Tax Assessments - Principal
6151	Estate & Gift Tax Assessments - Penalty
6152	Estate & Gift Tax Assessments - Interest
6170	CTA Tax Assessments - Principal
6171	CTA Tax Assessments - Penalty
6172	CTA Tax Assessments - Interest
6180	FUTA Tax Assessments - Principal
6181	FUTA Tax Assessments - Penalty
6182	FUTA Tax Assessments - Interest
6190	Previously Assessed Tax
6191	Previously Assessed Penalty
6192	Previously Assessed Interest
6200	Taxpayer Accounts Transferred
6201	Mirror Assessments
6510	Over-Assessments Credited
6520	Refund of Tax and Interest
6565	Refund Cancellation Credits Allowed
6570	Substantiated Credits Allowed
6580	Revenue Credits Transferred to and from
6590	Deposit Fund Credits Transferred to and from
6600	Accounts Cleared Statute/Bankruptcy
6700	Foreign Check Collection Cost & Miscellaneous Bank Charges
6800	Excess Collections
6801	Expired External Leads (Kansas City CFO RACS Only)
6900	Adjustment or Correction of Revenue Receipts

ACCOUNT #	ACCOUNT NAME
6901	ECP Adjustments of Revenue
6905	Identity Theft Erroneous Refund and Identity Theft Child Support Offsets Write- Offs
6907	Return Preparer Erroneous Refund Write- Offs
6910	Correction of Miscellaneous Revenue
6920	Disbursement Write-Off
6950	DOJ Civil Debt Collection Hold-back (Kansas City SPC Only)
7001	Unclassified EFTPS/FPLP
7500	Undeposited Collections
7610	Embezzlement and Thefts
7620	Unexplained Losses
7649	ECP Deposit Discrepancies
7650	Deposit Discrepancies
9998	Reversals Revenue Clearance Accountability
9999	Revenue Clearance Accountability

3.17.64.2.3.1
(09-01-2011)
Subsidiary Records and Balancing

- (1) Subsidiary records that afford necessary details in support of certain general ledger accounts must be maintained, as prescribed. Generally, posting to subsidiary accounts will be made directly from documents or forms evidencing the transaction. This practice avoids possible inaccuracies that may arise if information is transcribed or summarized separately and such summaries are then used for entries to the subsidiary accounts.

3.17.64.2.3.2
(09-01-2011)
Accounting Subsidiaries External to RRACS

- (1) The frequency of reconciliation between the subsidiary and general ledger accounts is monthly to quarterly. To maintain control of the In-transit account 1600, Form 813 (2-part) numbered in support of Form 3552 may be released weekly or daily to the SCCF. Reconciliation of this account must be performed no less than monthly, and more often when warranted.

3.17.64.2.3.3
(01-13-2016)
Chart of Subsidiary Records External to RRACS

- (1) The chart below lists the RRACS file records that are documented by subsidiary records, subsidiary description and the frequency of reconciliation.

Note: CFO Subsidiary Records External to RRACS can be found in IRM 3.17.63, Redesigned Revenue Accounting Control System.

GL Acct. No.	External Subsidiary	Frequency
1321	NMF Notices	Monthly

GL Acct. No.	External Subsidiary	Frequency
1322	NMF TDA	Monthly
1324	NMF TDA Deferral Under Tolerance	Monthly
1360	NMF Installment Agreement	Monthly
1371	NMF OIC	Monthly
1389	NMF Suspense	Monthly
1400	Tax Account Transferred Out	Monthly
1510	Other Receivable Document File	Monthly
1530	Erroneous Refunds Court Case Document File	Monthly
1535	CI Court Ordered Restitution Erroneous Refund	Monthly
1540	Erroneous Refunds Non-Court Case, Document File	Monthly
1543	Payment Over Cancellation Erroneous Refunds	Monthly
1545	Identity Theft Erroneous Refunds and Identity Theft Child Support Offsets	Monthly
1547	Return Preparer Erroneous Refunds	Monthly
1600	Assessments Pending (Form 3552) and Document File	Monthly
1710	IDRS DCF	Monthly
1720	Form 2424 Document File	Monthly
1830	53d Cases, NMF	Monthly
1840	Document File	Monthly
4120	BMF SCCF	Monthly
4125	BMF EFTPS Suspense	Monthly
4130	BMF Unpostable File	Monthly
4220	IMF SCCF	Monthly
4225	IMF EFTPS Suspense	Monthly
4230	IMF Unpostable File	Monthly
4420	NMF SCCF	Monthly
4425	NMF EFTPS Suspense	Monthly
4430	NMF Unpostable File	Monthly

GL Acct. No.	External Subsidiary	Frequency
4440	Form 813	Monthly
4610	Unapplied Advance Payment Documents	Monthly
4615	Section 6077 Payment Documents	Monthly
4620	IDRS URF	Monthly
4740	Credit Transfer Voucher	Monthly
4765	Misc EFTPS Suspense	Monthly
4900	Unconfirmed Form 2158 Out	Quarterly
4910	Disbursement Loss	Monthly
4970	Document File	Monthly
4971	Document File	Monthly
4975	Document File	Monthly
6510	Form 2188, Form 3354, Form 1331B & Form 3809	Monthly
6565	Refund Cancellation Credits Allowed	Monthly
6570	Case File	Monthly
6700	Foreign Check Collection Cost & Misc Bank Charge Records (Case File)	Monthly
6800	IDRS Excess Collection	Monthly
6801	Expired External Leads	Monthly
6905	Identity Theft Erroneous Refund and Identity Theft Child Support Offsets Write-Offs	Monthly
6907	Return Preparer Erroneous Refund Write-Offs	Monthly
6910	Correction of Miscellaneous Revenue	Monthly
6920	Disbursement Write-Off	Monthly
6950	DOJ Supporting File	Monthly
7610	Case File (Embezzlement and Theft)	Quarterly
7620	Case File (Unexplained Losses)	Quarterly
7649	Case File (ECP Deposit Discrepancy)	Quarterly
7650	Case File (Deposit Discrepancy)	Quarterly
9998	Document File	Monthly

GL Acct. No.	External Subsidiary	Frequency
1100, 1300, 1810, 4110, 4510, 4521	BMF RACR	Monthly
1200, 1300, 1820, 4205, 4210, 4215, 4254, 4520, 4521, 4530, 4531	IMF RACR	Weekly/ Monthly

3.17.64.2.4
(08-18-2022)
**Treasury Account
Symbols (TAS)**

(1) The following are TAS referenced throughout this IRM.

TAS CODE	TAS NAME
20-0101	Tax Class 1 - Withholding
20-0110	Tax Class 2 - Individual Income
20-0111	Tax Class 3 - Corporation Income
20-0121	Tax Class 8 - Federal Unemployment Tax
20-0130	Tax Class 7 - Railroad Retirement Tax
20-0152	Tax Class 4 - Excise
20-0153	Tax Class 5 - Estate and Gift
20-1060.019	Forfeitures of Unclaimed Money and Property
20-1099.019	Miscellaneous Forfeiture Receipt
20-1210	Conscience Fund
20-3220.019	General Fund Proprietary Receipts, Not Otherwise Classified, All Other
20F3820	EFTPS Unclassified/Insolvency
20F3844	DOJ IPAC Suspense
20F3880	Budget Clearing, Refund

TAS CODE	TAS NAME
20X0903	Principal Amount Refunded
20X0904	Interest Paid on Principal Amounts Refunded
20X5080.1	Public Debt
20X5432.1	New Installment Agreement User Fees
20X5432.3	Reinstated Installment Agreement User Fees
20X5432.4	OIC User Fees
75X6288	Child Support Receipts

3.17.64.2.5
(09-01-2011)

**Agency Location Codes
(ALC)**

- (1) The following ALCs are used by the campuses for deposit and disbursement activities.

CAMPUS	ALC
Andover	20-09-0800
Atlanta	20-09-0700
Austin	20-09-1800
Brookhaven	20-09-1900
Cincinnati	20-09-1700
Fresno	20-09-8900
Kansas City	20-09-0900
Memphis	20-09-4900
Ogden	20-09-2900
Philadelphia	20-09-2800

3.17.64.3
(01-13-2014)

**Federal Government
Accounting
Requirements**

- (1) The Budget and Accounting Procedures Act of 1950, as amended, places the responsibility for establishing and maintaining adequate systems of accounting and internal control upon the head of each executive agency.
- (2) These systems must conform to the accounting principles, standards and related requirements, as prescribed by the Comptroller General of the U.S. Historically, these have been reflected in the "Government Accountability Office Policy and Procedures Manual for Guidance of Federal Agencies." Section 113 of Act 31 USCG. 3512 states that the head of each executive agency shall establish and maintain systems of accounting and internal control to provide:
- Full disclosure of the financial results of the agency's activities.
 - Adequate financial information needed for the agency's management purposes.

- c. Effective control over and accountability for, all funds, property and other assets for which the agency is responsible, including appropriate internal audit.
 - d. Reliable accounting results to serve as the basis for preparation and support of budget requests, controlling the execution of its budget and providing financial information required by the President or other designated authority.
 - e. Suitable integration of the agency's accounting with the accounting of Treasury in connection with the central accounting and reporting responsibilities imposed by the Secretary of the Treasury.
- (3) The accounting system of an executive agency or any of its component parts is subject to review and approval by the Comptroller General. The continuing efforts to improve, modernize and simplify accounting systems in the federal government are exercised under a Joint Program sponsored by the Comptroller General, the Secretary of the Treasury and the Director of OMB. This program considers the full development of seamless accounting within each executive agency as a working arm of management in terms of financial information and control. It works towards an integrated pattern of accounting and financial reporting for the government that will be inclusively and responsive to executive and legislative needs.
- (4) The established accounting and reporting principles, standards and procedures will consider various areas of responsibility involved, the elimination of overlapping operations and paper work and the broader application of efficient methods and techniques in accounting operations throughout the government. Integration of revenue accounting data with central accounts maintained by BFS is accomplished primarily by the submission of monthly reports of deposit and classified collections and of disbursements from the refund appropriations.

3.17.64.3.1
(09-06-2017)
**On-Site Audit by
Government
Accountability Office**

- (1) GAO audits of the tax refund transactions of the Service will usually be conducted where the operations and the accounting records are maintained. This is subject to changes based on field conditions, staffing availability, and other conditions otherwise unforeseen by management at the time of an audit.
- (2) Copies of CARS reconciliation, related original refund and check cancellation voucher schedules with any required supporting documents plus other documents, such as the ALC Payment Detail listing, are to be retained in the supporting files in accordance with 44 USC. 3309.
- (3) In accounting period order, separate files will be maintained of the refund disbursement and check cancellation schedules and other documents relating to the monthly CARS reconciliation as follows:
- a. Original SF 1166 SPS(Voucher and Schedule of Payments)
 - b. Original SF 1098 (Schedule of Cancelled or Undelivered Checks), SF 1184 (Unavailable Check Cancellation), (or the Control-D file, RPA4140 and RPA4240, if originals are not provided) SF 1081(Voucher and Schedule of Withdraws and Credits) or BFS 3813 (Reversal of Credit)
 - c. Adjustment documents or explanatory memoranda relating to the correction of errors in a previously prepared CARS reconciliation.
- (4) These additional records will be made available:

- a. BMF and IMF Recaps of Assessments, Abatements and Other Post-Journalized Transactions
 - b. Form 8485 (Assessment Adjustment Case Record)
 - c. Form 2285(Concurrent Determination of Deficiencies)
- (5) Form 8485 and Form 2285 will be made available for restricted-interest cases only and taxpayer names must be blocked out.
 - (6) On request by the GAO auditors, specific transcripts will be produced for individual cases selected for verification of refund interest computation. All PII as determined by policy not to be released must be redacted prior to delivery.
 - (7) All un-audited records of refund transactions will be retained either in the campus files or the FRC for audit by GAO. Records of refund transactions which have been audited by GAO may be transmitted to the FRC or otherwise retired or given another disposition authorized by their applicable record control schedule.
 - (8) Fax copies used in lieu of originals must be photocopied for the GAO file.

3.17.64.4
(09-01-2011)
**RRACS System
Overview**

- (1) RRACS is a fully automated system used to provide accounting control for all revenue accounting transactions. The database consists of general ledger accounts, plus a variety of internal records used for balancing and reporting. Formatted reports can be generated for all regular accounting financial reports.
- (2) Each accounting transaction is recorded in the database to the proper general ledger account. A double-entry accounting system is used to record both the debit and the credit sides of the transaction. A journal number is assigned to each transaction. The journal number must be used by the RACS technician to cross reference the input documents with the transaction.
- (3) The journal number is 15 digits signifying a unique transaction. The first three digits identify the RRACS main menu and sub-menu selections, the next eight digits are the current date and the last four signify the sequence for that window series.
- (4) The RRACS database is comprised of a variety of records that will summarize the total debit and credit amounts by account numbers.
- (5) Each update to the database is by journal entry. Journal entries and automated posting records will be assigned a journal number. In case of an error in a journal entry or online report, the capabilities exist to reverse the entire entry by a reversal journal.

Note: See IRM 3.17.63, Redesigned Revenue Accounting Control System, for additional information regarding the RRACS system.

3.17.64.4.1
(09-01-2011)
Document Preparation

- (1) Certain document preparation procedures must be performed prior to input on the RRACS system. For certain windows, a volume of source documents is used for a single input. On other windows, two or more source documents must be balanced against each other. Several windows are input directly from the source documents.

- (2) Form 8166 has been developed for the purpose of consolidating volume source documents for a single input or for reconciling source documents when a combination of documents is used as input.
- (3) Assign a number to the Form 8166. Maintain log books for these numbers. For individual windows that specify Form 8166, use the reconciliation sheet number as the Doc-Id.
- (4) Use Form 8167 as a continuation sheet to Form 8166 when more space is necessary, using the same date and number.
- (5) The RRACS system displays the journal numbers of each transaction when the posting to the database has been completed. These journal numbers must be used to cross-reference documents. When the reconciliation sheet is used, the journal number(s) must be recorded on the reconciliation sheet. The reconciliation sheet number may also be used as a cross-reference on the source documents to expedite processing, as long as the Form 8166 is stamped with the journal number after input to RRACS.
- (6) There is a maximum of 75 source journals per posting number. This includes the reclassification and application posting necessary for a complete journal.

3.17.64.4.2
(09-01-2011)
**RRACS Inventory
Accounts**

- (1) RRACS must never contain any taxpayer information, including TINs or any other identifying information, for Doc-Ids/case numbers, etc.
- (2) For all inventory accounts, never use a DBA reversal window to reverse any action or a modification window to correct an open case. It is necessary to close and then reopen the case.
- (3) For all inventory accounts open over 30 days, a history sheet to document actions taken should be maintained.

3.17.64.4.3
(08-19-2020)
**Input Windows for CFO
RACS Units Accounts**

- (1) A series of input windows is provided in RRACS. Separate windows are provided for the various types of transactions. The first part of this table is for "batch" journals generated from other systems. The second part of this table is for journals from "manual" input.

Note: See IRM 3.17.63, Redesigned Revenue Accounting Control System, for additional RRACS windows.

WINDOW NUMBER	BATCH JOURNAL TYPE AND ACCOUNTS
100	GUF 5302 Corrected New and Nullified Unpostables - DR 4110, 4120, 4130, 4210, 4220, 4230 and CR 4110, 4120, 4130, 4210, 4220, 4230
101	SCCF 1101 Adjustment Reclass - DR 21XX, 4120, 4220, 4420, 4620, 6540, 6800 and CR 21XX, 4120, 4220, 4420, 4620, 6540, 6800
102	GMF 1505 TEP - DR 4110, 4120, 4210, 4215, 4220 and CR 4110, 4120, 4210, 4215, 4220

WINDOW NUMBER	BATCH JOURNAL TYPE AND ACCOUNTS
107	IMF Recap - Semi-Annual
108	BMF Recap - DR 1100, 1810, 1300, 21XX, 2380, 2385, 4110, 4210, 4520, 4521, 6200, 6510, 6530, 6540, 6560, 6580, 6575, 6810 and CR 1100, 1300, 21XX, 2380, 2385, 4110, 4510, 4521, 6010, 6011, 6100, 6200, 6510, 6540, 6580, 6575, 6600
110	EFTPS Deposit - DR 2110, 2120, 2130, 2140, 2150, 2170, 2180, 2190 and CR 4125, 4225, 4425, 4765
111	EFTPS Debit Voucher - DR 4125, 4225, 4425, 4765 and CR 2110, 2120, 2130, 2140, 2150, 2170, 2180, 2190
112	EFTPS Reclass - DR 2110, 2120, 2130, 2140, 2150, 2170, 2180, 2190, 4125, 4225, 4425, 4765 and CR 2110, 2120, 2130, 2140, 2150, 2170, 2180, 2190, 4125, 4225, 4425, 4765
113	EFTPS TEP- DR 4125, 4225, 4110, 4210, 4251 and CR 4125, 4225, 4110, 4210, 4251
114	FMS Levy Reclass DT/DV
133	Regular Assessment
134	Prompt Assessment
135	Quick Assessment
136	Jeopardy Assessment
137	IMF Abatement
138	BMF Abatement
140	IDRS End of Day (EOD) - DR 21XX, 2380, 2385, 4120, 4220, 4620, 6800, 9998 and CR 1710, 21XX, 4120, 4220
141	ANMF Service Center Recap - Other
142	ANMF Service Center Recap - Assessment
155	External Leads Payments
156	External Leads Write Off
162	IMF Recap - DR 1200, 1300, 1550, 1820, 21XX, 2380, 2385, 4210, 4254, 4420, 4520, 4521, 4950, 6001, 6200, 6330, 6510, 6530, 6540, 6550, 6560, 6575, 6580, 6600, 6810 and CR 1300, 1550, 21XX, 2380, 2385, 4210, 4254, 4520, 4521, 4950, 6001, 6100, 6110, 6200, 6330, 6510, 6530, 6540, 6550, 6560, 6575, 6580, 6600, 6800, 6810
170	ISRP

WINDOW NUMBER	BATCH JOURNAL TYPE AND ACCOUNTS
171	Identity Theft Erroneous Refund
172	Return Preparer Erroneous Refund
173	Return Preparer Erroneous Refund Write Off
174	Identity Theft Erroneous Refund Write Off
180	Lockbox
199	Year-End Processing
MANUAL INPUT TYPE	
210	Deposit
211	Confirm Deposit
220	Debit Voucher
221	Debit Voucher Adjustment
236	JV Increase 20F3880
239	JV Decrease 20F3880
250	Deposit Reclass
306	Loss Embezzlement & Theft
307	Loss Unexplained
308	Loss Deposit Discrepancy
309	Recover Embezzle & Theft
310	Recover unexplained Loss
311	Recover Deposit Discrepancy
400	Accounting Application
402	Misc Application
404	URF/Miscellaneous
406	URF/Deposit Fund
407	URF/Misc Fee
408	URF/Refund Repay
409	URF/Loss
411	DCF/SCCF
412	DCF/Misc Fee
413	DCF/Deposit Fund

WINDOW NUMBER	BATCH JOURNAL TYPE AND ACCOUNTS
414	DCF/Loss
415	DCF/Anti-Drug
417	EFTPS GMF/TEP - BMF
418	EFTPS GMF/TEP - IMF
421	ECC GMF/TEP - BMF
422	ECC GMF/TEP - IMF
424	ECC Deletes - BMF
425	ECC Deletes - IMF
427	ECC Unpostables - BMF
428	ECC Unpostables - IMF
435	Credit Transfer-Out Revenue Receipt CR Doc
436	Credit Transfer-Out Revenue Receipt DR Doc
437	Credit Transfer-Out Deposit Fund CR Doc
438	Credit Transfer-Out Deposit Fund DR Doc
441	Credit Transfer-In Revenue Receipt CR Doc
442	Credit Transfer-In Revenue Receipt DR Doc
443	Credit Transfer-In Deposit Fund CR Doc
444	Credit Transfer-In Deposit Fund DR Doc
446	Confirm Credit Transfer-Out Revenue Receipt Cr Doc
447	Confirm Credit Transfer-Out Revenue Receipt DR Doc
448	Confirm Credit Transfer-Out Deposit Fund CR Doc
449	Confirm Credit Transfer-Out Deposit Fund DR Doc
458	Account Transfer-Out - Debit
459	Account Transfer-Out - Credit
460	Account transfer-In - Debit
461	Account Transfer-In - Credit
465	Confirm Account Transfer-Out - Debit
466	Confirm Account Transfer-Out - Credit
469	IPACR Applications
470	TRACS Payment-Over Cancellation (CR 4970)
471	CADE 2

WINDOW NUMBER	BATCH JOURNAL TYPE AND ACCOUNTS
480	Erroneous Refund - Court Case, ID Theft Erroneous Refund
481	Erroneous Refund - Non-Court Case, Return Preparer Misconduct Erroneous Refunds, Payment-Over Cancellation Erroneous Refund
485	Non-Payment of Erroneous Refund
490	Clear Erroneous Refund, ID Theft Erroneous Refund W/O, Return Preparer Misconduct Erroneous Refund W/O
498	Insolvency Recovery
499	Revenue Clearance TRF
541	IPAC Receipt
610	Assessment - Regular - Current - Withholding (TC 1)
611	Assessment - Regular - Current - Individual Income (TC 2)
612	Assessment - Regular - Current - Corporation (TC 3)
613	Assessment - Regular - Current - Excise (TC 4)
614	Assessment - Regular - Current - Estate & Gift (TC 5)
615	Assessment - Regular - Current - CTA (TC 7)
616	Assessment - Regular - Current - FUTA (TC 8)
620	Assessment Regular Deficiency - Withholding (TC 1)
621	Assessment Regular Deficiency - Individual Income (TC 2)
622	Assessment Regular Deficiency - Corporation (TC 3)
623	Assessment Regular Deficiency Excise (TC 4)
624	Assessment Regular Deficiency - Estate & Gift (TC 5)
625	Assessment Regular Deficiency - CTA (TC 7)
626	Assessment Regular Deficiency - FUTA (TC 8)
630	Assessment Quick Current - Withholding (TC 1)
631	Assessment Quick Current - Individual Income (TC 2)
632	Assessment Quick Current - Corporation (TC 3)
633	Assessment Quick Current - Excise (TC 4)
634	Assessment Quick Current - Estate & Gift (TC 5)
635	Assessment Quick Current - CTA (TC 7)

WINDOW NUMBER	BATCH JOURNAL TYPE AND ACCOUNTS
636	Assessment Quick Current - FUTA (TC 8)
640	Assessment Quick Deficiency Withholding (TC 1)
641	Assessment Quick Deficiency Individual Income (TC 2)
642	Assessment Quick Deficiency Corporation (TC 3)
643	Assessment Quick Deficiency Excise (TC 4)
644	Assessment Quick Deficiency Estate & Gift (TC 5)
645	Assessment Quick Deficiency CTA (TC 7)
646	Assessment Quick Deficiency FUTA (TC 8)
650	Assessment Prompt Current Withholding (TC 1)
651	Assessment Prompt Current Individual Income (TC 2)
652	Assessment Prompt Current Corporation (TC 3)
653	Assessment Prompt Current Excise (TC 4)
654	Assessment Prompt Current Estate & Gift (TC 5)
655	Assessment Prompt Current CTA (TC 7)
656	Assessment Prompt Current FUTA (TC 8)
660	Assessment Prompt Deficiency Withholding (TC 1)
661	Assessment Prompt Deficiency Individual Income (TC 2)
662	Assessment Prompt Deficiency Corporation (TC 3)
663	Assessment Prompt Deficiency Excise (TC 4)
664	Assessment Prompt Deficiency Estate & Gift (TC 5)
665	Assessment Prompt Deficiency CTA (TC 7)
666	Assessment Prompt Deficiency FUTA (TC 8)
670	Assessment Jeopardy Current Withholding (TC 1)
671	Assessment Jeopardy Current Individual Income (TC 2)
672	Assessment Jeopardy Current Corporation (TC 3)
673	Assessment Jeopardy Current Excise (TC 4)
674	Assessment Jeopardy Current Estate & Gift (TC 5)
675	Assessment Jeopardy Current CTA (TC 7)
676	Assessment Jeopardy Current FUTA (TC 8)
680	Assessment Jeopardy Deficiency Withholding (TC 1)
681	Assessment Jeopardy Deficiency Individual Income (TC 2)

WINDOW NUMBER	BATCH JOURNAL TYPE AND ACCOUNTS
682	Assessment Jeopardy Deficiency Corporation (TC 3)
683	Assessment Jeopardy Deficiency Excise (TC 4)
684	Assessment Jeopardy Deficiency Estate & Gift (TC 5)
685	Assessment Jeopardy Deficiency CTA (TC 7)
686	Assessment Jeopardy Deficiency FUTA (TC 8)
690	Non-Tax Assessment
691	Abatement
692	Erroneous Abatement
695	Non-Tax Abatement
810	Manual Assessment Regular Current Withholding (TC 1)
811	Manual Assessment Regular Current Individual Inc. (TC 2)
812	Manual Assessment Regular Current Corporation (TC 3)
813	Manual Assessment Regular Current Excise (TC 4)
814	Manual Assessment Regular Current Estate & Gift (TC 5)
815	Manual Assessment Regular Current CTA (TC 7)
816	Manual Assessment Regular Current FUTA (TC 8)
820	Manual Assessment Regular Deficiency Withholding (TC 1)
821	Manual Assessment Regular Deficiency Individual Inc. (TC 2)
822	Manual Assessment Regular Deficiency Corporation (TC 3)
823	Manual Assessment Regular Deficiency Excise (TC 4)
824	Manual Assessment Regular Deficiency Estate & Gift (TC 5)
825	Manual Assessment Regular Deficiency CTA (TC 7)
826	Manual Assessment Regular Deficiency FUTA (TC 8)
830	Manual Assessment Quick Current Withholding (TC 1)
831	Manual Assessment Quick Current Individual Income (TC 2)

WINDOW NUMBER	BATCH JOURNAL TYPE AND ACCOUNTS
832	Manual Assessment Quick Current Corporation (TC 3)
833	Manual Assessment Quick Current Excise (TC 4)
834	Manual Assessment Quick Current Estate & Gift (TC 5)
835	Manual Assessment Quick Current CTA (TC 7)
836	Manual Assessment Quick Current FUTA (TC 8)
840	Manual Assessment Quick Deficiency Withholding (TC 1)
841	Manual Assessment Quick Deficiency Individual Inc. (TC 2)
842	Manual Assessment Quick Deficiency Corporation (TC 3)
843	Manual Assessment Quick Deficiency Excise (TC 4)
844	Manual Assessment Quick Deficiency Estate & Gift (TC 5)
845	Manual Assessment Quick Deficiency CTA (TC 7)
846	Manual Assessment Quick Deficiency FUTA (TC 8)
850	Manual Assessment Prompt Current Withholding (TC 1)
851	Manual Assessment Prompt Current Individual Income (TC 2)
852	Manual Assessment Prompt Current Corporation (TC 3)
853	Manual Assessment Prompt Current Excise (TC 4)
854	Manual Assessment Prompt Current Estate & Gift (TC 5)
855	Manual Assessment Prompt Current CTA (TC 7)
856	Manual Assessment Prompt Current FUTA (TC 8)
860	Manual Assessment Prompt Deficiency Withholding (TC 1)
861	Manual Assessment Prompt Deficiency Individual Inc (TC 2)
862	Manual Assessment Prompt Deficiency Corporation (TC 3)
863	Manual Assessment Prompt Deficiency Excise (TC 4)
864	Manual Assessment Prompt Deficiency Estate & Gift (TC 5)
865	Manual Assessment Prompt Deficiency CTA (TC 7)
866	Manual Assessment Prompt Deficiency FUTA (TC 8)

WINDOW NUMBER	BATCH JOURNAL TYPE AND ACCOUNTS
870	Manual Assessment Jeopardy Current Withholding (TC 1)
871	Manual Assessment Jeopardy Current Individual Inc. (TC 2)
872	Manual Assessment Jeopardy Current Corporation (TC 3)
873	Manual Assessment Jeopardy Current Excise (TC 4)
874	Manual Assessment Jeopardy Current Estate & Gift (TC 5)
875	Manual Assessment Jeopardy Current CTA (TC 7)
876	Manual Assessment Jeopardy Current FUTA (TC 8)
880	Manual Assessment Jeopardy Deficiency Withholding (TC 1)
881	Manual Assessment Jeopardy Deficiency Individual Inc. (TC 2)
882	Manual Assessment Jeopardy Deficiency Corporation (TC 3)
883	Manual Assessment Jeopardy Deficiency Excise (TC 4)
884	Manual Assessment Jeopardy Deficiency Estate & Gift (TC 5)
885	Manual Assessment Jeopardy Deficiency CTA (TC 7)
886	Manual Assessment Jeopardy Deficiency FUTA (TC 8)
DBA ONLY	
902	Modification
903	Reversal
905	Adjust NTRR Line Data
906	Undeposited Collection
907	Deposit

3.17.64.4.4 (09-14-2011) Error Conditions

- (1) Error codes are displayed on the window when an attempt is made to post a transaction which contains an error, including duplicates, journal control already exists, etc.

Note: If you receive an error code for a duplicate deposit ticket or debit voucher, research must be completed to ensure the item is truly not a duplicate. Any uncertainties should be directed to the RACS DBA or manager.

The system also has a window display that explains the error code. The following is a list of error conditions.

Note: See IRM 3.17.63, Redesigned Revenue Accounting Control System, for additional error codes and descriptions.

Error Code	Condition
*	Duplicate was found but has been accepted anyway
AG	Update amount is greater than the outstanding amount
AM	Individual amounts do not match
AT	Total amount does not match on document found
CA	Already confirmed
CD	Confirm date is earlier than prep date
DN	A duplicate was found and is not allowed
DY	Duplicate was found but has been accepted anyway
MF	Journal control already exists
NA	No document was found to update
NF	Document was not found
OA	Case is already open

3.17.64.4.5
(08-18-2022)
**Correcting Erroneous
Journal Entries**

- (1) Whenever a journal entry error is discovered, supervisory authorization is required for the correcting entry to the general ledger account.
- (2) The authorization must be documented and retained by the manager. The documentation should include the original journal number, the reason for the reversal or journal correction request and the managerial approval.
- (3) The incorrect entry should be reversed by the DBA, then re-input by the technician who made the original incorrect entry (when possible). A journal correction request will be assigned to a technician. On the reversal journal, the DBA must include the original journal number and an explanation in the message text. On the correction journal, the technician must include the original journal number and the reversal journal number, along with an explanation in the message text. To ensure adequate audit trail information, the technician must also notate (pen and ink) the reversal journal number and the correction journal number on the Daily Posting Summary (DPS) (RRACS Report - 001) next to the original journal number.
- (4) Maintain a log and include all correction request, modifications and reversal journals for proper audit trail.

- 3.17.64.5
(09-01-2011)
Account Transfers
- (1) Form 514-B, is prepared to transfer NMF accounts to the MF and for reinstatement of accounts previously removed from the MF and presently on the Retention file. See IRM 3.17.21, Credit and Account Transfers.
- 3.17.64.5.1
(09-01-2011)
**General Ledger
Accounts for Account
Transfers**
- (1) The following are the accounts associated with account transfers.
- 3.17.64.5.1.1
(09-01-2011)
**Account 1400
Tax Accounts
Transferred Out
(Real Account, DR
Normal Balance)**
- (1) This receivable account must be used to record and control amounts on NMF accounts while in the process of manual transfer to other campuses. NMF account amounts must be posted to this account when Form 514-B is prepared. Amounts will be closed when the receiving campus acknowledges the account transfer on Form 514-B, Part 2.
- (2) External subsidiary record is the pending file of Form 514-B.
- 3.17.64.5.1.2
(09-01-2011)
**Account 6200
Taxpayer Accounts
Transferred
(Nominal Account,
DR/CR Normal Balance)**
- (1) This account is used to record the transfer of taxpayer accounts between campuses. The total in this account will be the net effect of transfers. Taxpayer accounts transferred out and in will be recorded as a debits and credits, respectively.
- (2) Account transfers of MF accounts are normally made automatically at ECC and reflected on the SC Recap. NMF transfers and an occasional MF transfer are made on Form 514-B and forwarded through the mail to the receiving campus. Both types of transfer must be recorded to this account.
- (3) No external subsidiary is used with this account, however, copies of the SC Recap and Form 514-B should be maintained in the 6200 account file for proper audit control.
- 3.17.64.5.1.3
(09-01-2011)
**Account 6201
Mirror Assessments
(Nominal Account,
DR/CR Normal Balance)**
- (1) This account is used to record the transfer of mirror assessments, MFT 31. The total in this account will be the net effect of accounts transferred out and accounts transferred in again. Accounts transferred out and in will be recorded as a debits and credits, respectively.
- Note:** Background: Currently, when married taxpayers file a joint return and one spouse (identified here as the requesting spouse) later requests relief from a portion or all the tax, the Service freezes the joint module and forgoes collection activity on any unpaid balance until the request is investigated and resolved. This action is initiated by one of the following: Bankruptcy - when either spouse claims a bankruptcy; an OIC - when either spouse makes an offer on a liability; Tax Court - when either spouse petitions the tax court; or Innocent Spouse - when one spouse requests relief of liability in full or in part. When the issue takes years to resolve, as it does in some bankruptcy cases, the Service loses its ability to collect from the non-requesting spouse, if the Collection Statute Expiration Date has expired. In other cases, the non-requesting spouse will pay additional penalty and interest that accrued while the Service was considering the other spouse's request for relief.

- (2) These transfers of MF mirror assessments are normally made automatically at ECC and reflected on the SC Recap. Line code 156 are the transfers out, and line code 143 are the re-transfers in.
- (3) This account will not be reflected on an assessment certificate since it is a mirror assessment.
- (4) There is no external subsidiary record for this account.

3.17.64.5.2
(09-01-2011)

**Account Transfers Out
(Form 514-B)
(RRACS Window 458)**

- (1) RACS will receive Form 514-B, supporting documentation and Form 813.
- (2) Form 514-B must be processed in accordance with IRM 3.17.21, Credit and Account Transfers prior to input to RRACS. The Form 514-B or ANMF Transcript is the source document for RRACS input.
- (3) Form 514-B will be input individually using the Form 514-B number as the Doc-Id. Each transfer out must contain the NMF status or other file from which the account is being transferred.
- (4) Journalize the Form 514-B.
 - a. Using the RRACS 458 window, which can be found under the Accounting Application Main Menu under Account Transfers, input the amount.
 - b. The journal entry will be a debit to account 1400 (Tax Accounts Transferred Out) and a credit to either account 4420 (NMF) or one of the NMF status accounts.
 - c. The journal number must be stamped or written on the Form 514-B and the supporting documentation.
- (5) Mail copy of Form 514-B and supporting documentation to receiving campus.

3.17.64.5.3
(09-01-2011)

**Account Transfers In
(Form 514-B)
(RRACS Window 460)**

- (1) RACS will receive Form 514-B and supporting documentation from initiating campus. Entries will be made from the file copy. All transfers-in are assigned a DLN.
- (2) Form 514-B will be input individually using the Form 514-B number as the Doc-Id.
- (3) Journalize the Form 514-B,
 - a. Using the RRACS 460 window, which can be found under the Accounting Application Main Menu under Account Transfers, input the amount.
 - b. The journal entry will be a debit to account 4420 (NMF) and a credit to account 6200 (Taxpayer Account Transferred).
 - c. The journal number must be stamped or written on the Form 514-B and the supporting documentation.
 - d. Send Form 813 to the Data Control Function for input to SCCF.
- (4) Mail confirmation copy of Form 514-B back to originating campus.
- (5) RACS will input the Form 813 information into ANMF using the Form 813 Block Control screen and route the NMF documents to the NMF function for input to ANMF. After successful input to ANMF, the journal automatically posts to the RRACS system as a 141 journal. This journal will automatically post to SCCF, closing the DLN.

3.17.64.5.4
(09-01-2011)

**Account Transfers Out
(Confirmed Form 514-B)
(RRACS Window 465)**

- (1) Originating campus will receive the confirmation copy of Form 514-B back from receiving campus for confirmation on RRACS.
- (2) Confirm Form 514-B using the RRACS 465 window, which can be found under the Accounting Application Main Menu under the confirmation drop down menu pick "transfer out - dr (514-B)", input the amount.
- (3) The journal entry will be a debit to account 6200 (Taxpayer Account Transferred) and a credit to account 1400 (Tax Account Transferred Out).
 - a. The journal number must be stamped or written on the Form 514-B.
- (4) File and distribute accordingly.

3.17.64.6
(08-30-2016)

Assessments

- (1) Regulations 301.6203-1 and 301.6201-1 give the Submission Processing campus director authority to appoint one or more assessment officers. This appointment should not be given to a position lower than an operation manager. An operation manager may, by designation in writing appoint an assessment officer to sign the Summary Record of Assessment in the absence of the operation manager. The Form 23C must be certified (signed) on the assessment date and Delegation of Authority file with the certificate.

Note: The accounting operation managers must utilize a monthly calendar to be initialed daily after the 23C certificate(s) have been signed. If the assessment officer is someone other than the operation manager on a specific day, the assessment officer signing the 23C certificates should initial the calendar. On the last business day of the month, place the initialed calendar in the 23C folder.

- (2) Assessments related to MF accounts are based on taxable returns, not on payments and unpaid balances. The adjusted gross tax liability for each return, and any additional assessments, are processed by the site for debit entry to the taxpayer's MF account. All payments or equivalent credits are processed for credit entry to the MF account. In conjunction with entries to the MF accounts, a SC Recap is produced and used as the basis for input to RRACS. A Summary Record of Assessment must be produced.
- (3) Assessments related to NMF accounts are based on unpaid balances and payments. Each additional assessment appears on a separate NMF account. Assessments relative to NMF accounts are based on unpaid balances. It is important, therefore, that all NMF overpaid (refund), even, and non-taxable returns be included in the block DLNs in the audit trail area of the Summary of Assessments. This action will establish a statute date.
- (4) Monday is the regular established assessment date for all MF assessments. In addition, a daily Summary Record of Assessments for Manual Assessments may be prepared. Summary Records of Assessments for Monday consists of the following certificates:
 - a. Regular Assessments - SC Recaps IMF, BMF and NMF regular weekly assessments
 - b. Daily Assessments - Prompt, Quick and Jeopardy

- (5) If a Barred Assessment is found follow the procedures in IRM 25.6.1.13.2.1, Barred Statute Report (Form 9355/3999).

3.17.64.6.1
(09-01-2011)
**After Hours
Assessments**

- (1) Each site must establish procedures for after-hours assessments. After-hours assessments include such items as imminent statutes, jeopardy and terminations that cannot be legally assessed during regular hours of the following work day. At a minimum, these procedures should include but are not limited to, the following:
- Ensure there is an assessment officer available at all times.
 - Ensure appointments are current for after-hours assessment officers.
 - Ensure that after-hours assessment officers are adequately trained to prepare a manual Form 23C, Certificate of Assessment.
 - Provide all necessary forms and instructions for preparing a Form 23C.
 - Have a system in place to ensure that Form 23C is given to RACS for the journal entry on the next business day.
 - Provide field office personnel with a list of after-hours assessment officers. Maintain an updated contact phone tree for assessment officers, and ensure procedures are in place to contact the sites by jurisdiction.

3.17.64.6.2
(03-11-2016)
Manual Assessments

- (1) Manual assessments are prepared expeditiously to protect an assessment from being barred by the expiration of the period of limitation or to expedite the collection process. They can be either MF or NMF.
- (2) The accounting function will receive a Form 2859, Request for Quick or Prompt Assessment, for processing. See IRM 3.17.46, Automated Non-Master File Accounting and IRM 3.17.244, Manual Assessments, for further processing procedures.
- (3) Journal entry information will come from the back of Form 813 for all MF assessments and NMF daily assessments. Each Form 813 will be a separate input document. It is essential that all necessary information for input be on or associated with, the Form 813.
- (4) Journal entry of assessments can be completed on a variety of RRACS windows depending upon the type of assessment (regular, quick, prompt or jeopardy), whether it is current or a deficiency, the tax class, and whether it is tax, penalty or interest. The windows that can be used range from 610 through 686 and 810 through 886. For further instructions on determining which window to use, refer to IRM 3.17.50.8.1, Submission Processing RRACS Procedures.

3.17.64.6.3
(09-01-2011)
**General Ledger
Accounts for
Assessments and
Settlements
(Nominal Account, CR
Normal Balance)**

- (1) This series of accounts records the assessment of tax liabilities and the liabilities for fees, penalties or costs for services rendered. Also included in this series of accounts are settlements of accounts other than by payment. This series of accounts is nominal and will be closed to the revenue clearance account at the end of the accounting year.

<p>3.17.64.6.3.1 (09-01-2011) Account 1600 Manual Assessments Transit Account (Real Account, DR Normal Balance)</p>	<p>(1) The balance of manual assessments may be established in the manual assessments, transit account.</p> <p>(2) Manually prepared assessments may be transferred from account 1600 to NMF, BMF, and IMF, in accordance with schedules established by the individual campuses.</p> <p>(3) External subsidiary record is a file of new documents pending transfers to NMF, BMF, and IMF.</p>
<p>3.17.64.6.3.2 (09-01-2011) Account Series 6000 Assessments and Settlements (Nominal Account, CR Normal Balance)</p>	<p>(1) This series of accounts records the assessment of tax liabilities and the liabilities for fees, penalties or costs for services rendered. Settlements of accounts other than by payment, including abatements, write-offs, transfers and clearances due to statute expiration are included in this series. This series of accounts is nominal and will be closed to the revenue clearance account at the end of the fiscal year.</p>
<p>3.17.64.6.3.3 (09-01-2011) Account 6001 Installment Agreement Liability (Nominal Account, CR Normal Balance)</p>	<p>(1) This account sets up the liability for installment agreement user fees when these fees are established on the MF.</p>
<p>3.17.64.6.3.4 (09-01-2011) Account 6010 Arbitrage Rebate Liability (Nominal Account, CR Normal Balance) (Ogden SPC Only)</p>	<p>(1) This account is used to summarize the total amount of assessments of non-tax revenue money. The balance of this account represents total non-tax revenue assessments for the year.</p> <p>(2) These assessments will not appear on the Summary Record of Assessments.</p>
<p>3.17.64.6.3.5 (09-01-2011) Account 6011 Arbitrage Rebate Penalty Liability (Nominal Account, CR Normal Balance) (Ogden SPC Only)</p>	<p>(1) This account is used to summarize the total amounts of assessments of non-tax revenue penalties. The balance of this account represents total non-tax revenue penalty assessments for the year.</p> <p>(2) These penalty assessments will not be recorded on the Summary Record of Assessments.</p>
<p>3.17.64.6.3.6 (09-01-2011) Account 6110 Withholding Tax Assessments - Principal (Nominal Account, CR Normal Balance)</p>	<p>(1) This account is used to summarize the total amounts of assessments of tax class 1 principal. The balance of this account represents total tax class 1 principal assessments for the year.</p> <p>(2) All principal assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity.</p>

- (3) Total tax class 1 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record.
- 3.17.64.6.3.7
(09-01-2011)
Account 6111
Withholding Tax
Assessments - Penalty
(Nominal Account, CR
Normal Balance)
- (1) This account is used to summarize the total amounts of assessments of tax class 1 penalties. The balance of this account represents total tax class 1 penalty assessments for the year.
- (2) All penalty assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity.
- (3) Total tax class 1 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record.
- 3.17.64.6.3.8
(09-01-2011)
Account 6112
Withholding Tax
Assessments - Interest
(Nominal Account, CR
Normal Balance)
- (1) This account is used to summarize the total amounts of assessments of tax class 1 interest. The balance of this account represents total tax class 1 interest assessments for the year.
- (2) All interest assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity.
- (3) Total tax class 1 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record.
- 3.17.64.6.3.9
(09-01-2011)
Account 6120
Individual Income Tax
Assessments - Principal
(Nominal Account, CR
Normal Balance)
- (1) This account is used to summarize the total amounts of assessments of tax class 2 principal. The balance of this account represents total tax class 2 principal assessments for the year.
- (2) All principal assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity.
- (3) Total tax class 2 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record.
- 3.17.64.6.3.10
(09-01-2011)
Account 6121
Individual Income Tax
Assessments - Penalty
(Nominal Account, CR
Normal Balance)
- (1) This account is used to summarize the total amounts of assessments of tax class 2 penalties. The balance of this account represents total tax class 2 penalty assessments for the year.
- (2) All penalty assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity.
- (3) Total tax class 2 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record.
- 3.17.64.6.3.11
(09-01-2011)
Account 6122
Individual Income Tax
Assessments - Interest
(Nominal Account, CR
Normal Balance)
- (1) This account is used to summarize the total amounts of assessments of tax class 2 interest. The balance of this account represents total tax class 2 interest assessments for the year.
- (2) All interest assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity.

- (3) Total tax class 2 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record.
- 3.17.64.6.3.12
(09-01-2011)
Account 6130
Corporation Tax
Assessments - Principal
(Nominal Account, CR
Normal Balance)
- (1) This account is used to summarize the total amounts of assessments of tax class 3 principal. The balance of this account represents total tax class 3 principal assessments for the year.
- (2) All principal assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity.
- (3) Total tax class 3 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record.
- 3.17.64.6.3.13
(09-01-2011)
Account 6131
Corporation Tax
Assessments - Penalty
(Nominal Account, CR
Normal Balance)
- (1) This account is used to summarize the total amounts of assessments of tax class 3 penalties. The balance of this account represents total tax class 3 penalty assessments for the year.
- (2) All penalty assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity.
- (3) Total tax class 3 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record.
- 3.17.64.6.3.14
(09-01-2011)
Account 6132
Corporation Tax
Assessments - Interest
(Nominal Account, CR
Normal Balance)
- (1) This account is used to summarize the total amounts of assessments of tax class 3 interest. The balance of this account represents total tax class 3 interest assessments for the year.
- (2) All interest assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity.
- (3) Total tax class 3 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record.
- 3.17.64.6.3.15
(09-01-2011)
Account 6140
Excise Tax Assessments
- Principal
(Nominal Account, CR
Normal Balance)
- (1) This account is used to summarize the total amounts of assessments of tax class 4 principal. The balance of this account represents total tax class 4 principal assessments for the year.
- (2) All principal assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity.
- (3) Total tax class 4 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record.

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| 3.17.64.6.3.16
(09-01-2011)
Account 6141
Excise Tax Assessments
- Penalty
(Nominal Account, CR
Normal Balance) | <ol style="list-style-type: none"> (1) This account is used to summarize the total amounts of assessments of tax class 4 penalties. The balance of this account represents total tax class 4 penalty assessments for the year. (2) All penalty assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity. (3) Total tax class 4 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record. |
| 3.17.64.6.3.17
(09-01-2011)
Account 6142
Excise Tax Assessments
- Interest
(Nominal Account, CR
Normal Balance) | <ol style="list-style-type: none"> (1) This account is used to summarize the total amounts of assessments of tax class 4 interest. The balance of this account represents total tax class 4 interest assessments for the year. (2) All interest assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity. (3) Total tax class 4 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record. |
| 3.17.64.6.3.18
(09-01-2011)
Account 6150
Estate and Gift Tax
Assessments - Principal
(Nominal Account, CR
Normal Balance) | <ol style="list-style-type: none"> (1) This account is used to summarize the total amounts of assessments of tax class 5 principal. The balance of this account represents total tax class 5 principal assessments for the year. (2) All principal assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity. (3) Total tax class 5 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record. |
| 3.17.64.6.3.19
(09-01-2011)
Account 6151
Estate and Gift Tax
Assessments - Penalty
(Nominal Account, CR
Normal Balance) | <ol style="list-style-type: none"> (1) This account is used to summarize the total amounts of assessments of tax class 5 penalties. The balance of this account represents total tax class 5 penalty assessments for the year. (2) All penalty assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity. (3) Total tax class 5 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record. |
| 3.17.64.6.3.20
(09-01-2011)
Account 6152
Estate and Gift Tax
Assessments - Interest
(Nominal Account, CR
Normal Balance) | <ol style="list-style-type: none"> (1) This account is used to summarize the total amounts of assessments of tax class 5 interest. The balance of this account represents total tax class 5 interest assessments for the year. (2) All interest assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity. (3) Total tax class 5 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record. |

3.17.64.6.3.21 (09-01-2011) Account 6170 Carriers and Transportation Act (CTA) Tax Assessments - Principal (Nominal Account, CR Normal Balance)	<ol style="list-style-type: none"> (1) This account is used to summarize the total amounts of assessments of tax class 7 principal. The balance of this account represents total tax class 7 principal assessments for the year. (2) All principal assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity. (3) Total tax class 7 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record.
3.17.64.6.3.22 (09-01-2011) Account 6171 Carriers and Transportation Act (CTA) Tax Assessments - Penalty (Nominal Account, CR Normal Balance)	<ol style="list-style-type: none"> (1) This account is used to summarize the total amounts of assessments of tax class 7 penalties. The balance of this account represents total tax class 7 penalty assessments for the year. (2) All penalty assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity. (3) Total tax class 7 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record.
3.17.64.6.3.23 (09-01-2011) Account 6172 Carriers and Transportation Act (CTA) Tax Assessments - Interest (Nominal Account, CR Normal Balance)	<ol style="list-style-type: none"> (1) This account is used to summarize the total amounts of assessments of tax class 7 interest. The balance of this account represents total tax class 7 interest assessments for the year. (2) All interest assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity. (3) Total tax class 7 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record.
3.17.64.6.3.24 (09-01-2011) Account 6180 FUTA Tax Assessments - Principal (Nominal Account, CR Normal Balance)	<ol style="list-style-type: none"> (1) This account is used to summarize the total amounts of assessments of tax class 8 principal. The balance of this account represents total tax class 8 principal assessments for the year. (2) All principal assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity. (3) Total tax class 8 assessments for the month will be summarized on Form 2162, Summary of Assessment Certificates Issued, and will be the external subsidiary record.
3.17.64.6.3.25 (09-01-2011) Account 6181 FUTA Tax Assessments - Penalty (Nominal Account, CR Normal Balance)	<ol style="list-style-type: none"> (1) This account is used to summarize the total amounts of assessments of tax class 8 penalties. The balance of this account represents total tax class 8 penalty assessments for the year. (2) All penalty assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity.

- (3) Total tax class 8 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record.

3.17.64.6.3.26
(09-01-2011)

Account 6182
FUTA Tax Assessments -
Interest
(Nominal Account, CR
Normal Balance)

- (1) This account is used to summarize the total amounts of assessments of tax class 8 interest. The balance of this account represents total tax class 8 interest assessments for the year.
- (2) All interest assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity.
- (3) Total tax class 8 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record.

3.17.64.6.3.27
(09-01-2011)

Account 6190
Previously Assessed
Tax
(Nominal Account, CR
Normal Balance)

- (1) This is used for MFT 31 mirror assessments only and will appear on the IMF SC recaps. As a mirror assessment, this account will not be reflected on an assessment certificate.

3.17.64.6.3.28
(09-01-2011)

Account 6191
Previously Assessed
Penalty
(Nominal Account, CR
Normal Balance)

- (1) This account is used to summarize the total previously assessed tax (MFT 31) penalties and will appear on the IMF SC recaps. The balance of this account represents total previously assessed tax penalty assessments for the year. As a mirror assessment penalty, this account will not be reflected on an assessment certificate.

3.17.64.6.3.29
(09-01-2011)

Account 6192
Previously Assessed
Interest
(Nominal Account, CR
Normal Balance)

- (1) This account is used to summarize the total amounts of previously assessed interest. The balance of this account represents the previously assessed interest assessments for the year. As a mirror assessment interest, this account will not be reflected on an assessment certificate.

3.17.64.6.3.30
(09-01-2011)

Account 6510
Over-Assessments
Credited
(Nominal Account, DR
Normal Balance)

- (1) Amounts of overassessments (abatements) of previously assessed tax, penalty and interest certified and credited to taxpayer accounts are recorded in this account. The account represents the total over assessments of tax, penalty and interest credited to taxpayer accounts during the year. Entries to this account are obtained from the SC Recaps (abatement total). They are further supported by file copies of Form 2188, Voucher and Schedule of Overpayment and Over assessments.
- (2) This account is also used for reversals of erroneous abatements. These entries are obtained from the Form 2188 and Form 3465, Adjustment Request
- (3) This account is also used to journal reactivation of erroneous abatements when the original abatement has been written off in a prior fiscal year.
- (4) External subsidiary record is the file of Form 2188s.

3.17.64.6.4
(10-06-2020)

**Summary Record of
Assessments and
List of Unprocessed
Assessment Certificates
(RRACS Report 006)**

- (1) This list identifies all unprocessed assessment certificates and must be reviewed online daily to determine which assessment certificates must be processed.
- (2) To ascertain the correctness of the data entered into RRACS, utilize this online information to balance the assessments to the source documents before the Summary Record of Assessment is generated.
- (3) The assessment date and assessment type will be displayed for each current record that has not yet been generated. To review these assessments, select Assessment main menu and then select the Review option.
- (4) Review the information and take the necessary action to generate any summary records where the assessment date equals the current date.
- (5) The summary record provides details of the assessment data by type of tax and if the assessment was current or deficiency. Assessments are broken down into five types: Regular (R), Jeopardy (J), Quick (Q), Prompt (P) and Termination (T). Jeopardy assessments record the principal amounts against individual taxpayers. The following data can be reviewed online for each assessment type and assessment date:
 - a. Tax class
 - b. Items related to the tax class
 - c. Tax amount
 - d. Penalty amount
 - e. Interest amount
 - f. Identification as current or deficiency
- (6) The total items, tax, penalty and interest is summarized for total current assessments and total deficiency assessments.
- (7) The current and deficiency item and amount fields related to each tax class are added together under tax class summary.
- (8) If the assessment is a Jeopardy, the data related to the principal taxpayers and amounts are required. The number of principal taxpayers will be the sum of current and deficiency item counts.
- (9) The audit trail is printed for each summary record. This includes the Doc-Id, DLN or Form 8166, Revenue Accounting Control System (RACS) Input Reconciliation, recap number in the DLN column and the account date.
 - a. To generate the report, select Review from the Assessment main menu, then select the Assessment option, desired assessment type and assessment date. Select Review again for the report to show.
 - b. The report must be signed by the assessment officer on the date the assessment is made. The certification statement is included in the printed report. At least one person at each campus must be assigned the responsibility of reviewing all certificates for timely entry of the assessment officer's signature and date. The responsible employee must initial the certificate after validation. This review must be completed daily.

Note: An electronic signature (reflecting authorizing official's SEID) or original signature will be permitted.

Note: Daily print the Form 2162 before end of day to verify all certificates have been signed for that day.

Note: The print name line, signature and date must be filled out.

- (10) Daily, ECC will electronically transmit the assessment data to ECC-MTB from the daily computer-generated SC Recap.
- (11) Regular and Quick assessments may be requested through RRACS weekly. Quick assessments should be requested daily, if a specific and immediate assessment date is requested or required. Prompt assessments should be requested daily. Jeopardy and Termination assessments should be requested immediately after input to the assessment windows. Jeopardy assessment certificates generally contain assessments for only one entity.
- (12) When RRACS is unavailable, all campuses must use Form 23C, Manual Summary Record of Assessment, under Forms and Publications on the Internal Revenue Intranet or the excel version provided by HQ.
 - a. Enter the detail data by type, tax class, the total amounts of **current** assessments of tax, penalty, and interest.
 - b. Enter detail data by tax class for **deficiency** tax, penalty, interest and item count.
 - c. Total the entries on each certificate horizontally and vertically.
 - d. The date of the certification and signature of the assessment officer are entered where indicated.
 - e. List all audit trail information in Section 6 of Form 23C. This can consist of DLN, Form 8166 numbers, recap information, etc.
 - f. The assessment data must be entered into RRACS as soon as possible.

3.17.64.6.5
(10-06-2020)
Form 2162
Summary of
Assessment Certificates
Issued
(RRACS Report 025)

- (1) This report represents a consolidation of all assessment certificates prepared each month. It provides a breakdown by tax classes for current and deficiency assessments. It also provides an audit trail of assessment certificates and principal taxpayers included in the report. All assessment certificates that were posted for the month will be listed.
- (2) The report will be produced during End of Month (EOM) processing but may be generated separately for research or statistical purposes. To generate the report, select the RRACS Report main menu and Form 2162 from the Month End sub-menu.

Note: The print name line, signature and date must be filled out.

3.17.64.6.6
(09-01-2011)
Manual Procedures for a
Summary of
Assessment Certificate

- (1) For each tax class under current assessments print the related items, tax amount, penalty amount and interest amount related to general ledger accounts 6110 through 6182, identified as current.
- (2) Compute total current assessments by adding current items from all tax classes combined, current tax from all tax classes combined, current penalty from all tax classes combined and current interest from all tax classes combined.
- (3) Use the same methodology for total deficiency assessments as above.

- (4) Print offshore oil data items and penalty related to General Ledger account 6320, Offshore Oil Account.
- (5) Assessment Summary - Current Month.
 - a. For each tax class compute the combined totals of current and deficiency items and amounts for tax, penalty and interest.
 - b. Compute total regular assessments by combining all the current item fields (for current and deficiency) for all tax classes, except offshore oil spills. Combine current amount fields for current and deficiency tax, penalty and interest for current and deficiency, for all tax classes except offshore oil spills.
 - c. Print offshore oil spills data for current oil spill items and penalty amounts.
 - d. Compute total monthly assessments by adding oil spill items and penalty amounts to total items and amounts from (6)(b).
- (6) Assessment Summary - Year-to-date.
 - a. Withheld individual income and FICA reports the cumulative item count and total amount.
 - b. Individual income-other reports the cumulative item count and total amount.
 - c. Corporate and excess profits report the cumulative item count and total amount.
 - d. Excise reports the cumulative item count and total amount.
 - e. Estate and Gift reports the cumulative item count and total amount.
 - f. Tax on carriers reports the cumulative item count and total amount.
 - g. Federal unemployment tax reports the cumulative item count and total amount.
 - h. Total yearly assessments report the sum of cumulative item counts and amounts from all tax classes.
 - i. Offshore oil spills report the cumulative item count and penalty amount.
- (7) Audit Trail.
 - a. Assessment certificates list each certificate number issued for the current month. This list contains the date and sequence number and is listed in sequence number order.
 - b. Principal taxpayers list the item count, principal tax amount and assessment date for each Jeopardy assessment reported in the current month.
- (8) For each tax class under current assessments, print the related cumulative items, tax, penalty and interest amounts.
- (9) Compute total cum assessments as follows:
 - a. Items include the sum of all cumulative items from all tax classes, with exception of oil spills.
 - b. Tax includes the sum of all cumulative tax amounts from all tax classes.
 - c. Penalty includes the sum of all cumulative penalty amounts from all tax classes, with exception of oil spills.
 - d. Interest includes the sum of all cumulative interest amounts from all tax classes.

- (10) Use the same methodology for total deficiency assessments as above.
- (11) Print offshore oil data cumulative items and cumulative penalty amounts.
- (12) Assessment Summary - Fiscal year combines the cumulative deficiency and non-deficiency items and tax, penalty and interest amounts for and by each tax class.
 - a. The total of the assessment summary-fiscal year is summarized.
 - b. Offshore oil spills items and cum penalty amounts are summarized.
 - c. Total fiscal year assessments are calculated. Deficiency and non-deficiency cumulative item counts for all tax classes, including oil spills, are added together. Deficiency and non-deficiency cumulative tax, penalty and interest cumulative amounts, including oil spills, are added together.
- (13) Principal tax included in this report combines the principal deficiency and non-deficiency cumulative items and tax amounts.

3.17.64.6.7
(09-01-2011)

Correcting Certificate Errors

- (1) Use the following procedures for correcting errors on the certificate:
 - a. When a journal error is discovered prior to generating the certificate, the erroneous journal must be reversed by the DBA and re-input.
 - b. When a journal error is discovered after the generation of the certificate but on or prior to the 23C date (if signed or not), reverse the 23C journal, and then reverse the original journal. Repost the assessment correctly and generate a new certificate.
 - c. When a journal error is discovered after the 23C date, make sure the statute date has not expired. On the current or future 23C date, post the reverse of the original journal. Then post the assessment correctly. **The 23C certificate cannot be reversed after the 23C date.**

Note: In all instances, the original posting number should be annotated in the message text of the re-input journal, for audit trail purposes.

3.17.64.6.8
(06-26-2013)

Disclosure Requests for RRACS Report 006 - 23C Certificate

- (1) A disclosure specialist will email or fax a 23C request to the Accounting Planning and Analysis and the accounting contact.

Note: If the disclosure specialist faxes the 23C request, they will also send an email to the P&A and accounting contacts stating the fax request is coming.

- (2) Accounting will perform the research and request the documents from FRC (if applicable).
- (3) Accounting will email or fax the requested 23C certificates to the disclosure specialist no more than **10** business days from the receipt of the request.

Note: If accounting sends the documents to the disclosure specialist via email, the P&A Accounting analyst must be carbon copied on the email. If accounting faxes the documents to the disclosure specialist, the P&A Accounting analyst must be emailed that the request has been completed.

- (4) The P&A Accounting analyst will monitor this request to ensure the timely response to the disclosure specialist.

3.17.64.6.9
(11-22-2019)

**Business
Resumption/Disaster
Recovery Plan for the
Signing of 23C
Assessment Certificates**

- (1) In the event of a **furlough or shutdown**, the following procedures should be followed to ensure the 23C assessment certificates are signed in a timely manner.

Note: The designated assessment officer for each campus would have to be exempt from the furlough day if it were necessary to sign a 23C certificate and will be given different furlough day. Counsel has deemed that the director, Submission Processing, may himself sign the 23C certificates or he may delegate this duty but no lower than an accounting operation manager.

- a. If the “normal” assessment officer (accounting operation manager) is signing the 23C certificates on a furlough/shutdown, the workday prior to the furlough/shutdown the RACS Team would balance, post and print the 23C certificates from RRACS. Prepare and give the package to the accounting operation manager the workday prior to the furlough (23C) day. The assessment officer will sign, date and record the clock time on the furlough day and return the signed 23C certificates to the RACS team on the next business day.
- b. If the director, SP or his appointee, will be the assessment officer and is signing the 23C certificates on a furlough/shutdown, the workday prior to the furlough/shutdown the RACS Team would balance, post and print the 23C certificates from RRACS. Prepare and give the package to the accounting operation manager for review. Once the accounting operation manager has reviewed the certificates for errors, they should initial only (do not sign) and return to the RACS manager. RACS manager will ensure **ALL** 23C certificates are scanned and emailed to the proper assessment officer for signature no later than 3:00 ET on the day prior to the furlough day. The email to the assessment officer will include the kind and number of certificates to be signed. Request a READ receipt on your email. The assessment officer will print the scanned copies of all 23C certificates and sign, date and record the clock time on each certificate. The assessment officer will scan and email the signed 23C certificates back to the originator. On the next business day, the RACS team will print the scanned signed 23C certificates and process as usual.

Note: In the event the director, SP or his designee is signing the assessments, the campus will be given the name of the assessment officer in advance who will be signing for the campus.

- (2) In the event of a **disaster impacting a specific campus**, the following procedures should be followed to ensure the 23C assessment certificates are signed in a timely manner.

- a. The affected campus assessment officer will contact the CFO RACS analyst. CFO RACS analyst will contact the alternate site, the alternate site will log into the campus’s RRACS system to balance and post and print the 23C certificates for the day. Completed certificate will be forwarded to the signing officer or their designee. Once signed, and the campus is available, CFO RACS will scan and email the SIGNED 23C certificates to the campus.

Note: The affected site must prepare a delegation for the 23C designee.

- b. For a manual assessment, sign into the AMA system and generate any Form 813’s for that day, if unable contact the CFO RACS analyst for the

Form 813. Prepare paper 23C and have the 23C signed, dated and record the clock time. Once signed, and the campus is available, CFO RACS will scan and email the SIGNED 23C certificates to the campus.

- c. The following backup will be used by CFO RACS to balance:
- Service Center Recap (CFO RACS has access to obtain the report)
 - Form(s) 813, Document Register from AMA – will be printed by CFO RACS.
 - Kansas City SPC Only – Form(s) 813 for ANMF. Since there is no way to obtain the backup for the ANMF assessments prior to the signing of the 23C certificate, the backup for any ANMF assessment on the 23C certificate must be provided to CFO RACS as soon as Kansas City SPC is able.

Note: Due to the inability to obtain the backup for any ANMF assessments prior to signing the 23C certificate, it should be signed without reviewing the ANMF backup. Once the ANMF backup is available, CFO RACS will review the supporting documentation. If any errors are found on the 23C certificate, CFO RACS will notify KCSC to make the necessary correction(s).

3.17.64.6.10
(10-14-2015)
**Signing of 23C
Certificates on Federal
Holidays**

- (1) RACS technician will make 2 copies of each holiday 23 certificate, one for the operation manager to take home and one for the department manager to take home.

Note: An operation manager may, by designation, appoint an assessment officer to sign the Summary Record of Assessment in the absence of the operation manager. The designation must be on file.

- (2) RACS technician will place a note on each 23C certificate reminding the assessment officer of the date for signature and give to department manager.
- (3) The accounting operation manager and/or department manager will review and verify that all 23C certificates carrying the holiday 23C date are present.
- (4) On the day of the 23C signature, (e.g., the holiday), the operation manager will sign and date the 23 certificates and call the department manager to record the time and date. If the department manager does not receive a call by 3:00 PM local time, the department manager will sign the 23C certificates. The department manager will call the operation manager to record the time and date.
- (5) Upon return to the office, the operation manager or department manager that did not sign the 23C certificates will notate the date and time of assessment officer signature and initial and date using current date for verification on the 23C certificate. Example. Signed 7/4/14 12:00 PM verified DM 7/5/14.

Note: Verification must be notated on the actual 23C certification.

- (6) Return signed 23C certificates to RACS technician for further normal processing.

- 3.17.64.7
(08-31-2018)
**Automated Non-Master File (ANMF)
(Kansas City SPC Only)**
- (1) ANMF is an automated system for the accounting and data control of NMF accounts.
 - (2) NMF accounts are a collection of revenue accounting transactions whose sole purpose is to provide a means for the assessment of taxes and collection of revenue.
 - (3) NMF is a system of accounting which provides for not only outstanding liabilities but for all types of return and tax adjustment processing. (See IRM 3.17.46, Automated Non-Master File Accounting, for additional information on NMF processing.) Specific General Ledger Accounts are used to journal NMF documents.
- 3.17.64.7.1
(09-01-2011)
NMF General Ledger Accounts
- 3.17.64.7.1.1
(09-01-2011)
**Account 1321 NMF Notice
(Real Account, DR Normal Balance)**
- (1) This receivable account will record all those taxpayer accounts that are maintained on ANMF. These include assessments of tax, penalties or other additions to tax, and interest assessed. Payments and other credits to these taxpayer accounts will also be recorded in this account.
- 3.17.64.7.1.2
(09-01-2011)
**Account 1322 NMF Taxpayer Delinquent Accounts Deferral (TDA)
(Real Account, DR Normal Balance)**
- (1) If the taxpayer fails to pay the previous notices, the accounts are then maintained in the TDA status. NMF accounts are the external subsidiary records to Account 1322.
- 3.17.64.7.1.3
(09-01-2011)
**Account 1324 NMF Taxpayer Delinquent Accounts
Deferral Under Tolerance
(Real Account, DR Normal Balance)**
- (1) These TDA accounts meet the deferral criteria of \$24,999.99 as established by Collection. Collection activity is held in abeyance until determined otherwise. NMF accounts are the external subsidiary records to account 1324.
- 3.17.64.7.1.4
(09-01-2011)
**Account 1360 NMF Installment Agreement Accounts
(Real Account, DR Normal Balance)**
- (1) Taxpayer accounts are maintained in installment agreement status until they have satisfied their tax liability. NMF accounts are the external subsidiary records to account 1360.

- 3.17.64.7.1.5
(09-01-2011)
Account 1371 NMF Offers In Compromise (OIC)
(Real Account, DR Normal Balance)
- (1) Taxpayer NMF accounts are maintained in OIC when a proposal for settlement of a tax liability is less than previously assessed. NMF accounts are the external subsidiary records to account 1371.
- 3.17.64.7.1.6
(09-01-2011)
Account 1389 NMF Suspense
(Real Account, DR Normal Balance)
- (1) Taxpayer NMF accounts are maintained in IDRS TDA suspense when an adjustment claim is pending. NMF accounts are the external subsidiary records to account 1389.
- 3.17.64.7.1.7
(09-01-2011)
Account 1830 NMF Accounts Receivable, Inactive
(Real Account, DR Normal Balance)
- (1) This receivable account will be used to record NMF taxes receivable items determined to be uncollectible or on which collection activity has been suspended due to taxpayer's inability to pay. Items in this account may subsequently be reopened for collection activity. Overpayments from other periods or MFTs may be offset to satisfy outstanding items in this account.
- (2) Items in this account will be closed to the accounts cleared, statute account, upon expiration of the Collection Statute.
- (3) External subsidiary record is the file of currently not collectible (53'd) NMF accounts.
- 3.17.64.7.1.8
(09-01-2011)
Account 4420 SC Suspense for NMF
(Real Account, DR/CR Normal Balance)
- (1) This liability account is a suspense account for NMF and will be used to record and control items received by the campus for processing to the NMF accounts. The amounts of debits and credits will be cleared from this account upon application of the items to the NMF Account.
- (2) External subsidiary record is NMF SCCF file.
- 3.17.64.7.1.9
(09-01-2011)
Account 4430 Unpostable Documents - NMF
(Real Account, DR/CR Normal Balance)
- (1) This is a liability suspense account for NMF unpostable documents. NMF documents are classified as unpostable when no NMF account is located on the ANMF database to post the document.
- (2) The external subsidiary records are the file of unposted NMF documents pending research.
- 3.17.64.7.1.10
(09-01-2011)
Account 4440 Assessment and Abatement Suspense - NMF
(Real Account, DR/CR Normal Balance)
- (1) This liability account is to control NMF assessments and abatements that are post-journalized to the NMF accounts. It is also used to control items established on the SCCF files.
- (2) NMF assessment and abatement documents are numbered with DLNs that carry a 47 or 54 doc code and cannot be established on SCCF. These documents are input to the ANMF system and post-journalized.
- (3) This account is supported by the related Form 813 pending the posting of the individual documents to the NMF account. This pending file is the external subsidiary record for account 4440.

- 3.17.64.7.1.11
(09-01-2011)
Account 6520 Refund of Tax and Interest - NMF (Nominal Account, DR Normal Balance)
- (1) This account summarizes the net amounts of NMF refunds certified during the year. The balance in account 6520 represents the overpayment of taxes, penalties or interest certified for refund, less check cancellations or repayments of such refunds.
 - (2) Credit balances from NMF accounts will not be included in this account when refunded, however, interest computed on those refunds will be included.
 - (3) There is no external subsidiary record for this account.
- 3.17.64.7.1.12
(09-01-2011)
Account 6600 Accounts Cleared Statute/Bankruptcy (Nominal Account, DR/CR Normal Balance)
- (1) This account is used to record and summarize the clearance of outstanding tax liability balances when the Collection Statute has expired. It will also record the clearance of outstanding tax liability discharged by bankruptcy.
 - (2) MF accounts will be summarized and recorded in this account from the SC Recap. NMF accounts will be reviewed at least once yearly to determine the accounts on which the statute has expired. This review will include those accounts in inactive status.
 - (3) There is no external subsidiary record for this account.
- 3.17.64.7.2
(09-01-2011)
NMF Block Control
- (1) There are two screens on ANMF designed for RACS use only:
 - a. The Form 813 Block Control screen - the major control for all items entered in ANMF
 - b. The update journalized RRACS Recap screen - used to record all journalized NMF recaps generated from ANMF and the RRACS journal number
 - (2) All blocks of documents that are either pre-journalized or post-journalized will be input to the ANMF Form 813 Block Control screen. The only exceptions are entity changes, non-remit NMF extensions of time to file and transfers-in and old accounts (ULC's). See IRM 3.17.46, Automated Non-Master File Accounting for entry information. The listings generated through ANMF associated with input through the two screens above are:
 - a. NMF block listing
 - b. NMF unprocessed block list
 - c. Report of blocks-out-of-balance
 - d. NMF error register
 - e. Recap of journalized RRACS summaries
- Note:** For detail information of NMF listing refer to IRM 3.17.46, Automated Non-Master File Accounting.
- 3.17.64.7.3
(03-11-2016)
NMF Daily Assessments
- (1) Daily assessments are made to protect the assessment from being barred by the statute of limitations or to expedite the collection process. The RACS function will receive the Form 2859, in most cases via a fax from a revenue officer.
 - (2) For Jeopardy/Termination assessments only, a separate Form 813 and DLN is prepared. Multiple assessments against the same taxpayer can be included on

the same Form 813. In some instances assessments may be telephoned to the site for immediate assessment. Phone requests must furnish the following minimum information:

- a. Affirmative statement that the area director has approved Form 2644, Recommendation for Jeopardy/Termination Assessment
 - b. Name, address and TIN
 - c. Type of tax and taxable period
 - d. Amount of tax, interest and all applicable penalties to be assessed
 - e. Amounts of payment, if any, and balance due
 - f. Types of assessment - Quick, Prompt, Jeopardy or Termination
 - g. Appropriate abstract number
 - h. Transaction codes
- (3) The RACS function will assign a DLN, prepare Form 813, journalize assessments through RRACS, enter the Form 813 information into ANMF system using the Form 813 Block Control screen and stamp Form 813 with the journal number and the 23C date. The account period in RRACS for the assessment should agree with the 23C date.

Example: July 1 assessment date should be journalized in July account period. ANMF processes assessments using current month while RRACS journals according to the 23C date. This causes reconciling items between the ANMF system and RRACS. RACS should provide a copy of Form 8166 or Form 813, showing the posting account period to NMF for balancing purposes.

- (4) The journal entry of NMF daily assessments can be completed on a variety of RRACS windows depending upon the type of assessment (quick, prompt, jeopardy or termination), whether it is current or a deficiency, the tax class and whether it is tax, penalty or interest. The windows that can be used range from 610 through 686. For further instructions on determining which window to use, see IRM 3.17.50.8.1, Submission Processing RRACS Procedures.
- (5) Summary Record of Assessment will be signed and dated by the assessment officer. The requesting office will be informed of the date of signature (23C date) and the DLN of the assessment.
- (6) RACS will forward the Form 813 and the related documents to the NMF function for input to ANMF through the original assessment - daily screen.

3.17.64.7.4
(09-01-2011)
**NMF Weekly
Assessments**

- (1) If the statute of limitations is not imminent or no specific immediate assessment date is requested or required, assessments will be made as a weekly assessment. Recaps with a 23C date, six days or fewer into the new month, will be input as prior month.
- (2) RACS will input the Form 813 information into ANMF using the Form 813 Block Control screen and include the 23C date on Form 813.
- (3) RACS will forward the Form 813 and the related assessment documents, to NMF using the NMF block list as the transmittal.
- (4) After the NMF batch has been journalized, journal number 142, RACS will stamp the Form 813 with the journal number. RACS will then input the journal number to ANMF using the UPDATE Journal screen. Use the transmittal recap of summary.

3.17.64.7.5
(03-11-2016)
**NMF IRC 7804(C)
Assessments
(RRACS Assessment
Window)**

- (1) IRC 7804(c) provides for assessments to be made against officers and employees of the IRS who either embezzle or fail to properly handle and account for money received in connection with the internal revenue laws. These assessments will be addressed under NMF procedures.
- (2) IRM 3.0.167, Losses and Shortages, contains more information regarding 7804(c) assessments.
- (3) Prior to NMF assessment, the embezzled amount will have been journaled to account 7610 and a letter of notice and demand sent.
- (4) If payment is not received within 30 days of the notice, a copy of the letter of notice and demand will be forwarded to RACS for prejournaling the assessment from the responsible accounting campus maintaining account 7610. The letters will be used as the source document.
- (5) Journal entry of assessments can be completed on a variety of RRACS windows depending upon the type of assessment (regular, quick, prompt or jeopardy), whether it is current or a deficiency, the tax class and whether it is tax, penalty or interest. The windows that can be used range from 610 through 686. For further instructions on determining which window to use, refer to IRM 3.17.50.8.1, Submission Processing RRACS Procedures.
- (6) RACS will input the Form 813 information into the ANMF Block Control screen and forward the Form 813 and assessment document(s) to NMF for further processing.
- (7) This journal will be part of the daily 23C certificate.

3.17.64.7.6
(10-01-2013)
**Debit and Credit
Transfers
(RRACS Window 400)**

- (1) Form 2424, Account Adjustment Voucher and Form 3809, Miscellaneous Adjustment Voucher, with related Form 813 are received for manual transfers. Transfers can be made between BMF Account 4120, IMF Account 4220 and NMF Account 4420. When transfers are made through IDRS, the recap from IDRS will be treated as a Form 2424 or Form 3809, as applicable. Separate transfers into like batches, such as IMF to NMF, BMF to NMF or NMF to IMF, etc.
 - a. Review each Form 2424/3809 for completeness. For the NMF side, ensure an ANMF transcript is attached and a Trace ID is present.
Note: All Forms 2424 prepared by accounting must have a manager's signature.
 - b. All forms in one DLN block should balance to the Form 813.
 - c. Prepare Form 8166 for journal entry. Form 8166 should include, at a minimum, DLN and money amount.
- (2) Journalize the Form 2424 or Form 3809.
 - a. Using the RRACS 400 window, which can be found under the Accounting Application Main Menu under Miscellaneous Applications, input the total amount.
 - b. The journal entry will be a debit to either account 4120 (BMF), 4220 (IMF) or 4420 (NMF) and a credit to either account 4120 (BMF), 4220 (IMF) or 4420 (NMF) depending on the documents.

- (3) The journal number must be stamped or written on all supporting documentation.
 - a. Send Form 813 to the Data Control Function for input to SCCF.
 - b. Forward Form 813, Part 1 and documents for MF to Batching for processing.
 - c. RACS will input the Form 813 information of the NMF documents into ANMF using the Form 813 Block Control screen and route the NMF documents to the NMF function for input to ANMF. After successful input to ANMF, the journal will be automatic to the RRACS system with a 141 journal and automatic to SCCF, closing the DLN.
 - d. RACS will then input the journal number to ANMF using the UPDATE Journal screen. Use the transmittal recap of summary.
- (4) If a manual journal entry is needed, NMF will route the recap to RRACS for input.
 - a. Journalize the NMF recap using the RRACS 400 window, which can be found under the Accounting Application Main Menu under Miscellaneous Applications.
 - b. The journal entry will be a debit to either account 4420 (NMF), Account 1321,1322, 1324, 1360, 1371, 1389 or 1830 and a credit to either account 4420 (NMF), account 1321,1322, 1324, 1360, 1371, 1389 or 1830 depending on the recap.
 - c. Reclassify, if necessary, using a 250 window.
- (5) RACS will input the journal number to ANMF using the UPDATE Journal screen. Use the transmittal recap of summary.

3.17.64.7.7
(09-01-2011)

**NMF Subsequent
Transactions Debits and
Credits
(RRACS Window 400)**

- (1) RACS will receive various posting documents with a Form 813. Ensure first a journal entry has been completed.
- (2) RACS will input the Form 813 information into ANMF using the Form 813 Block Control screen and route the NMF documents to the NMF function for input to ANMF system. After successful input to ANMF, the journal will be automatic to the RRACS system with a 141 journal and automatic to SCCF, closing the DLN.
- (3) RACS will then input the 141 journal number to ANMF using the UPDATE Journal screen. Use the transmittal recap of summary.
- (4) If manual journal entry is needed, NMF will route the recap to RACS for input.
- (5) Journalize the NMF recap using the RRACS 400 window, which can be found under the Accounting Application Main Menu under Miscellaneous Applications.
- (6) Depending on the type of document, the journal entry will be as follows :
 - a. Debit document - debit either account 1321,1322, 1324, 1360, 1371, 1389 or 1830 and credit account 4420, NMF.
 - b. Credit document - credit either account 1321,1322, 1324, 1360, 1371, 1389 or 1830 and debit account 4420, NMF.
 - c. Transcribe or stamp journal identification number on related documents.
 - d. RACS will then input the journal number to ANMF using the UPDATE Journal screen. Use the transmittal recap of summary.
 - e. Distribute documents accordingly.

- (7) Debits/Credits from NMF unpostables account 4430 will be processed using normal procedures.
 - a. RACS will receive various posting documents with a Form 813. Ensure first a journal entry has been completed and documents have been distributed accordingly.
 - b. RACS will input the Form 813 information into ANMF using the Form 813 Block Control screen and route the NMF documents to the NMF function for input to ANMF system. After successful input to ANMF, the journal will be automatic to the RRACS system with a 141 journal.
 - c. RACS will then input the journal number to ANMF using the UPDATE Journal screen. Use the transmittal recap of summary.

3.17.64.7.8
(09-01-2011)
**NMF Abatements/Form
2188
(RRACS Window 400)**

- (1) RACS will receive scheduled Form 1331 or Form 1331-B with Form 813 and Form 2188.
- (2) Input Form 813 data to ANMF Form 813 Block Control screen and route the NMF documents to the NMF function for input to ANMF system. After successful input to ANMF, the journal will be automatic to the RRACS system with a 141 journal as a debit to account 4440 (Assessment and Abatement Suspense) and a credit to an NMF Status.
- (3) If a manual journal entry is needed, use a 400 window under Accounting Applications.
- (4) Transcribe or stamp journal identification number on related Form 1331, NMF recap or Form 8166 for audit trail.
- (5) RACS will then input the journal number to ANMF using the UPDATE Journal screen. Use the transmittal recap of summary.
- (6) Transfers from Manual Assessment, Transit account 1600 may be required. The unpaid balance of all manual assessments is initially established in account 1600.
 - a. Input Form 813 data to ANMF Form 813 Block Control screen and route the NMF documents to the NMF function for input to ANMF system. After successful input to ANMF, the journal will be automatic to the RRACS system with a 141 journal.
 - b. Transcribe or stamp journal identification number on source document for audit trail.
 - c. RACS will then input the journal number to ANMF using the UPDATE Journal screen.

3.17.64.7.9
(09-01-2011)
**Transfers Of NMF
Abatement Credits to MF
(RRACS 400 Window)**

- (1) Journalize transfer of NMF abatement credits to the MF suspense accounts. Form 2188 occasionally have Form 2424 or Form 3809 attached for transfer of the abatement credits to a MF account.

If	Then
Form 2424	Journalize using a 400 window and set up on SCCF. Debit account 4420 and credit applicable MF suspense account.
	Work back of NMF Form 813, Part 2 and input to post on NMF TDCS. Journalize as debit to account 4440 and credit to account 4420.
Form 3809	Journalize as a debit to account 4440, credit to applicable MF suspense account. Set up MF DLN on SCCF and input document to post credit to taxpayer's MF account.

3.17.64.7.10
(09-01-2011)

**NMF Accounts
Written-Off
(RRACS Window 400)**

- (1) NMF accounts can be written off systemically or manually if the accounts meet certain criteria.
 - a. Small credits (less than \$1.00) - posts with TC 607.
 - b. Small debits (less than \$5.00) - posts with TC 606.
 - c. Expired Collection Statute accounts except account 1371 and account 1389 are systemically written off to account 6600.
- (2) Systemically written off accounts are completed weekly and the journal will be automatic to the RRACS system with a 141 journal.
 - a. RACS will then input the journal number to ANMF using the UPDATE Journal screen. Use the transmittal recap of summary.
- (3) For manually written off accounts, RACS will receive a posting document (e.g., Form 3177, Form 53, Form 5147)
 - a. RACS will input the Form 813 information into ANMF using the Form 813 Block Control screen and route the documents to the NMF function for input to ANMF. After successful input to ANMF, the journal will be automatic to the RRACS system with a 141 journal.
 - b. RACS will then input the journal number to ANMF using the UPDATE Journal screen. Use the transmittal recap of summary.
- (4) If a manual journal entry is needed NMF will route the recap to RACS for input.
- (5) Journalize the NMF recap using the RRACS 400 window, which can be found under the Accounting Application Main Menu under Miscellaneous Applications.
- (6) Depending on the type of write-off, the journal entry will be as follows :
 - a. Small Debits Cleared - Debit account 6540 and credit not limited to any one NMF account.
 - b. Small Credits Cleared - Credit account 6540 and debit not limited to any one NMF account.
 - c. Status 53 - Debit account 1830 and credit account 13XX NMF Accounts Receivable.
 - d. Reversal of Status 53 -Debit account 13XX and credit account 1830.
 - e. NMF Account Statute cleared - Debit account 6600 and credit account 1830.

- f. Reversal of NMF Account Statute Cleared - Debit account 1830 and credit account 6600.

- (7) RACS will then input the journal number to ANMF using the UPDATE Journal screen.

3.17.64.7.11

(09-01-2011)

NMF Applications From Dishonored Check File (RRACS Window 400)

- (1) RACS will receive the DCF 03 run, which may contain NMF documents.

- (2) NMF applications from the DCF will generate Form 4830.

- (3) RACS will receive Form 4830 with Form 813.

- (4) Balance Form 813 to DCF 03, Transaction Register of NMF applications.

- (5) Journalize Form 4830.

- a. Using the RRACS 400 window, which can be found under the Accounting Application Main Menu under Miscellaneous Applications, input the total amount.
- b. The journal entry will be a debit to 4420 (NMF) and a credit to 1710 (Dishonored Check).

Note: All DLNs for current fiscal year must be reclassified as a debit 2110 and a credit to the revenue receipt tax class.

- c. The journal number must be stamped or written on the DCF 03 run and the supporting documentation.

- (6) RACS will input the Form 813 information into ANMF using the Block Control screen and route the documents to the NMF function for input to ANMF.

- (7) Route Form 813 to Data Control for input to the SCCF.

- (8) After successful input to ANMF, the journal will be automatic to the RRACS system with a 141 journal and automatic to SCCF, closing the DLN.

- (9) RACS will then input the journal number to ANMF using the UPDATE Journal screen. Use the transmittal recap of summary.

3.17.64.7.12

(09-01-2011)

Reversal of Erroneous Abatement

- (1) When it has been determined that an account has been erroneously abated and the period for correcting it on IDRS has expired, the case is routed to the Statute function for controlling and monitoring purposes. Accounting will receive a request for the reversal of an erroneous abatement from Statute. See IRM 25.6, Statute of Limitations and IRM 3.17.46, Automated Non-Master File Accounting for additional information on processing by Statute and NMF.

3.17.64.8

(01-20-2012)

CADE - Customer Account Data Engine

- (1) CADE stopped processing transaction data as of the end of Cycle 201124. All individual taxpayer accounts have been returned to the Individual Master File (IMF). Effective January 2012, IMF began processing all IMF transactions under the CADE 2 processing time-line with daily processing. All general ledger activity is included in the IMF general ledger accounts.

- 3.17.64.8.1
(09-01-2011)
CADE Accounts Receivable
- (1) The following accounts are associated with CADE.
 - (2) The account series generally consists of taxpayer accounts that contain an outstanding balance of monies due and payable to the U. S. Government. Most of the accounts receivable are the results of tax assessments against the various tax classes.
- 3.17.64.8.1.1
(09-01-2011)
Account 1200 IMF Accounts Receivable (Real Account, DR Normal Balance)
- (1) The net total of this receivable account will represent the total taxes assessed and unpaid on the IMF. Included in this account are individual taxpayer accounts in notice status, installment status, TDA status and those individual taxpayer accounts where collection has been suspended temporarily by a hold code.
 - (2) External subsidiary records are those taxpayer accounts on MF, in debit-balance status.
 - (3) Data input will be updated by electronic transmission.
- 3.17.64.8.1.2
(10-01-2013)
Account 1205 CADE Accounts Receivable - Inactive (Real Account, DR Normal Balance)
- (1) The net total of this receivable account will represent the total taxes assessed and unpaid on the CADE file. Included in this account are individual taxpayer accounts in notice status, installment status, TDA status and those individual taxpayer accounts where collection has been suspended temporarily by a hold code.
 - (2) External subsidiary records are those taxpayer accounts on CADE, in debit-balance status.
 - (3) Data input will be updated by electronic transmission.
- 3.17.64.8.1.3
(10-01-2013)
Account 1301 CADE Non-Receiveables - Inactive (Real Account, DR Normal Balance)
- (1) The net total of this receivable account will represent non-tax monies posted on CADE that have an outstanding module balance.
 - (2) Data input will be updated by electronic transmission.
- 3.17.64.8.1.4
(10-01-2013)
Account 1815 CADE Accounts Receivable - Inactive (Real Account, DR Normal Balance)
- (1) This receivable account will be used to record CADE taxes receivable items determined to be uncollectible or where collection activity has been suspended temporarily due to taxpayer's inability to pay. The account also includes items which have been administratively determined too small to warrant collection activity.
 - (2) Items in this account may subsequently be re-opened for collection activity if taxpayer's financial status changes. Refunds for subsequent periods may be offset automatically to satisfy outstanding items in this account.
 - (3) External subsidiary records are those items on CADE marked with the uncollectible status code.
 - (4) Account 1815 will be updated by electronic transmission.

- | | |
|--|---|
| <p>3.17.64.8.1.5
(10-01-2013)
Account 4205 CADE in Transit
CADE to MF-IMF - Inactive
(Real Account, DR/CR Normal Balance)</p> | <p>(1) This is a suspense account for items being returned from CADE to Current Processing Environment (CPE) IMF. In the future, this will also be used for initialization of items going from CPE to CADE.</p> |
| <p>3.17.64.8.1.6
(10-01-2013)
Account 4522 CADE Pre-Payment CR Non-Tax - Inactive
(Real Account, CR Normal balance)</p> | <p>(1) This account represents the sum- total on non-tax accounts with credit balances on CADE. Included in this account are individual accounts with an outstanding balance due.</p> <p>(2) No external subsidiary record is used.</p> <p>(3) The account will be updated by electronic transmission.</p> |
| <p>3.17.64.8.1.7
(10-01-2013)
Account 4530 CADE Pre-Payment CR - Inactive
(Real Account, CR Normal balance)</p> | <p>(1) Recorded in this liability account is the sum- total of all those IMF taxpayer modules that are in credit-balance status. Modules are normally in credit balance status due to pre-payments by estimated tax payments. Modules may also be in credit balance due to hold codes or freeze codes. These amounts are also included in this account.</p> <p>(2) For the purpose of this account, the term pre-payment credits are defined to include all those credit amounts in a module where there is no assessment or debit amount equal to or greater than the credit.</p> <p>(3) No external subsidiary record is used.</p> <p>(4) The account will be updated by electronic transmission.</p> |
| <p>3.17.64.9
(09-06-2017)
Credit Transfers</p> | <p>(1) Credit transfers between NMF and MF accounts and NMF to NMF, within the same campus, will be accomplished by using either a Form 2424 or Form 3809.</p> <p>(2) Credit transfers of NMF credits to NMF campus will be accomplished by using a Form 2158. Form 2158 has a maximum processing cycle of six workdays from the date received in accounting, per IRM 3.30.123, Processing Timeliness: Cycles, Criteria and Critical Dates.</p> |
| <p>3.17.64.9.1
(09-01-2011)
General Ledger Accounts for Credit Transfers</p> | <p>(1) The following are the accounts associated with Credit Transfers.</p> |
| <p>3.17.64.9.1.1
(03-11-2016)
Account 4740 Deposit Funds in Transit
(Real Account, CR Normal Balance)</p> | <p>(1) This liability account will be used to control deposit fund items in the process of being transferred to other campuses. Deposit fund items determined proper for transfer will be recorded in this account upon preparation of Form 2158.</p> <p>(2) Credit transfers remain the accountability of the transfer campus until a receipted copy of the transfer is received and recorded. A maximum processing cycle of six workdays, per IRM 3.30.123, Processing Timeliness: Cycles,</p> |

Criteria and Critical Dates, has been established, where confirmation should be received and posted. This required timeline will be especially beneficial for fiscal year-end closing. Credit transfer may not be rejected by transferee campus. If transfer is not acceptable, re-transfer on Form 2158.

- (3) This account is supported by individual records in the database file marked with the transfer indicator awaiting confirmation. These items in the database make up the external subsidiary record for account 4740 within RRACS. Externally, this account will be supported by Form 2158.

Note: A special effort must be made to clear the items in account 4740 before fiscal year-end.

3.17.64.9.1.2
(03-11-2016)

Account 4900 Revenue Credits in Transit to Other Campuses (Real Account, CR Normal Balance)

- (1) This liability account must be used to record amounts of revenue receipt credits in process of transfer to other offices for application to taxpayer accounts. The balance in this account represents the total of revenue credits in transit on Form 2158, receipt of which has not been acknowledged by the transferee offices.
- (2) Credits transferred to other campuses remain the accountability of the transferer campus. Credit transfers may not be rejected by transferee campus. If transfer is not acceptable, re-transfer on Form 2158. Per IRM 3.30.123, Processing Timeliness: Cycles, Criteria and Critical Dates, a maximum processing cycle of six workdays (from the date received by Accounting) has been established, by which time confirmation should be received and posted. This required timeline will be especially critical for fiscal year-end closing.

Note: A special effort should be made to clear the items in account 4900 before fiscal year-end.

- (3) Externally this account will be supported by a suspense file consisting of copies of Form 2158 identifying each credit being transferred.

3.17.64.9.1.3
(09-01-2011)

Account 6580 Revenue Credits Transferred to and from (Nominal Account, DR/CR Normal Balance)

- (1) This account is used to record the transfer of revenue credits between two separate campuses. Credit may be transferred to MF either manually by use of Form 2158 or systemically.
- (2) Transfers on Form 2158 will be initially recorded in the In-Transit account 4900 in the transferrer campus. These transfers will be recorded in account 6580 of the transferrer campus upon acknowledgement of receipt by the transferee campus. Upon receipt, transferee campus will record the transfer in account 6580.
- (3) Automatic transfers between master file accounts will be reported on the SC Recap and recorded in account 6580, in both the transferrer and the transferee campus, upon receipt of the SC Recap.
- (4) Transfers are recorded as a credit to this account by the transferrer campus and a debit to this account by the transferee campus.

- 3.17.64.9.1.4
(09-01-2011)
Account 6590 Deposit Fund Credit Transferred to and from (Nominal Account, DR/CR Normal Balance)
- (1) This account is used to record accomplished transfers of deposit fund credits between two separate campuses on Form 2158. Transfers of deposit fund credits will be initially recorded in account 4740 by the transferrer campus and moved to this account upon acknowledgement by the transferee campus. Transferee campus will record the transfer in this account upon receipt.
 - (2) Transfer will be recorded as a credit to this account by the transferrer campus and a debit to this account by the transferee campus.
- 3.17.64.9.2
(09-01-2011)
Credit Transfer Out Report (RRACS Report 142)
- (1) This report tracks revenue receipts in transit to campuses through account 4900, by Document-ID and by debits and credits. The Document-ID format is XXXX-XX-XX-XX. The first four digits are the sequence number, the fifth and sixth digits are the campus transferred to, the seventh and eighth digits is the year and the ninth and tenth digits are the campus it is transferred from. See IRM 3.17.21, Credit and Account Transfers, for further information.
 - (2) This report is produced monthly. The current month activity equals the current balance on the Daily Trial Balance Report.
- 3.17.64.9.3
(09-01-2011)
Credit Transfers-Out (Form 2158) (RRACS Window 435/436/437/438)
- (1) Credits and debits applicable to taxpayer accounts in other campuses are often received. Credits and debits on IMF or BMF are offset in the master file posting runs and journalized systemically from the SC Recap. Available credits and debits not on master file will be transferred on Form 2158, Credit Transfer Voucher.

Note: Due to fiscal year-end, the campuses **should not** initiate a credit transfer (Form 2158) after September 15th. For more information see IRM 3.17.21.4, Credit Transfers between Campuses.
 - (2) Source documents for credit/debit transfers may include but is not limited to the following documents:
 - a. Form 3244, Payment Posting Voucher
 - b. Form 2424, Account Adjustment Voucher
 - c. Form 3809, Miscellaneous Adjustment Voucher
 - d. Form 1331, Notice of Adjustment
 - e. Form 4830, IDRS Multi-Purpose Posting Document
 - f. URF 03 run
 - g. DCF 03 run
 - h. Various subsequent transaction documents
 - (3) RACS will receive a Form 2158, with supporting documentation. The Form 2158 must contain which account the debit or credit transfer is coming from and a Trace ID number.
 - (4) The serial number of the Form 2158 will be used as the Doc-Id on RRACS.
 - (5) The journal entry will vary depending upon whether the document is credit or debit money.
 - (6) For a **credit** transfer out, using the RRACS 435 window, which can be found under the Accounting Application Main Menu, Credit Transfer Out, input the amount.

- a. The journal entry will be a debit to either 1710 (Dishonored Checks), 1321,1322, 1324, 1360, 1371, 1389 or 1830 (NMF Statuses), 4420 (NMF), 4430 (NMF Unpostables), 4620 (Unidentified), 6310 (Miscellaneous Fees), 6400 (Miscellaneous Revenue Collections) or 6800 (Excess Collections) and a credit to 4900 (Revenue Credits In Transit to Other Campuses).
 - (7) For a **debit** transfer out, using the RRACS 436 window, which can be found under the Accounting Application Main Menu, credit Transfer Out, input the amount.
 - a. The journal entry will be a debit to 4900 (Revenue Credits In Transit to Other Campuses) and a Credit to either 1710 (Dishonored Checks), 1321,1322, 1324, 1360, 1371, 1389 or 1830 (NMF Statuses), 4420 (NMF), 4430 (NMF Unpostables), 4620 (Unidentified), 6310 (Miscellaneous Fees), 6400 (Miscellaneous Revenue Collections) or 6800 (Excess Collections).
 - (8) Journal identification number will be stamped or transcribed on the Form 2158 and any supporting documentation. Send documents to receiving campus.
 - (9) If the transfer is from the deposit funds (Offer in Compromise, Seized Property and Miscellaneous Deposit Funds), the deposit fund document number must be input. This number must match the deposit fund record in the gaining campus.
 - (10) For a **credit** deposit fund transfer out, using the RRACS 437 window, which can be found under the Accounting Application Main Menu under Credit Transfer Out, input the amount.
 - a. The journal entry will be a debit to either 4710 (Offer in Compromise), 4720 (Seized Property) or 4730 (Miscellaneous Deposit Funds) and a credit to 4740 (Deposit Funds In Transit).
 - (11) For a **debit** deposit fund transfer out, using the RRACS 438 window, which can be found under the Accounting Application Main Menu under Credit Transfer Out, input the amount.
 - a. The journal entry will be a debit to 4740 (Deposit Funds In Transit) and a credit to either 4710 (Offer in Compromise), 4720 (Seized Property) or 4730 (Miscellaneous Deposit Funds).
 - (12) Journal identification number will be stamped or transcribed on the Form 2158 and any supporting documentation. Send documents to receiving campus.
-
- (1) RACS will receive Form 2158, Part 3, from other campuses. Form 2158 must include a Trace ID. Form 2158 is normally used to transfer NMF credits between campuses. In some cases, abatements, debits and deposit funds are also transferred.
 - (2) The serial number of the Form 2158 will be used as the Doc-Id on RRACS.
 - (3) The journal entry will vary depending upon whether the document is credit or debit money.

3.17.64.9.4
(09-01-2011)
**Credit Transfers-In
(Form 2158)
(RRACS Windows
441/442/443/444)**

- (4) For a **credit** transfer in, using the RRACS 441 window, which can be found under the Accounting Application Main Menu under Credit Transfer In, input the amount.
 - a. The journal entry will be a debit to account 6580 (Revenue Credit Transferred To and From) and a credit to either account 4420 (NMF), 6310 (Miscellaneous Fees) or 6400 (Miscellaneous Revenue Collections).
- (5) For a **debit** transfer in, using the RRACS 442 window, which can be found under the Accounting Application Main Menu under Credit Transfer In, input the amount.
 - a. The journal entry will be a debit to either account 4420 (NMF), 6310 (Miscellaneous Fees) or 6400 (Miscellaneous Revenue Collections) and a credit to account 6580 (Revenue Credit Transferred to and from).
- (6) Journal identification number will be stamped or transcribed on the Form 2158 and any supporting documentation.
- (7) If the transfer is to the deposit funds (Offer in Compromise, Seized Property and Miscellaneous Deposit Funds), the deposit fund document number must be input. This number must match the deposit fund record already established on RRACS.
- (8) For a **credit** deposit fund transfer in, using the RRACS 443 window, which can be found under the Accounting Application Main Menu under Credit Transfer In, input the amount.
 - a. The journal entry will be a debit to account 6590 (Deposit Fund Credit Transferred to and from) and a credit to either account 4710 (Offer in Compromise), 4720 (Seized Property) or 4730 (Miscellaneous Deposit Funds).
- (9) For a **debit** deposit fund transfer in, using the RRACS 444 window, which can be found under the Accounting Application Main Menu under Credit Transfer In, input the amount.
 - a. The journal entry will be a debit to either account 4710 (Offer in Compromise), 4720 (Seized Property) or 4730 (Miscellaneous Deposit Funds) and a credit to account 6590 (Deposit Fund Credit Transferred to and from).
- (10) Journal identification number will be stamped or transcribed on the Form 2158 and any supporting documentation.

3.17.64.9.5
(09-01-2011)
**Credit Transfer-Out
(Confirmed Form 2158)
(RRACS Windows
446/447/448/449)**

- (1) Originating campus will receive the confirmation copy of Form 2158 back from receiving campus for confirmation on RRACS. The RACS function will receive confirmed Form 2158, both revenue receipt and deposit fund transfers. Form 2158 cannot be rejected. If credit cannot be processed in the receiving campus, re-transfer on a new Form 2158 per IRM 3.17.21, Credit and Account Transfers.
- (2) The serial number of the Form 2158 will be used as the Doc-Id on RRACS.

- (3) The journal entry will vary depending upon whether the document is credit or debit money.
- (4) For a **credit** confirmation, using the RRACS 446 window, which can be found under the Accounting Application Main Menu under the confirmation drop down menu pick "Rev Rec CR 2158", input the amount.
 - a. The journal entry will be a debit to account 4900 (Revenue Credits in Transit to Other Campuses) and a credit to account 6580 (Revenue Credit Transferred to and from).
- (5) For a **debit** confirmation, using the RRACS 447 window, which can be found under the Accounting Application Main Menu under the confirmation drop down menu pick "Rev Rec DR 2158", input the amount.
 - a. The journal entry will be a debit to account 6580 (Revenue Credit Transferred to and From) and a credit to account 4900 (Revenue Credits in Transit to Other Campuses).
- (6) For a **credit** deposit fund confirmation, using the RRACS 448 window, which can be found under the Accounting Application Main Menu under the confirmation drop down menu pick "Deposit Fund CR 2158", input the amount.
 - a. The journal entry will be a debit to account 4740 (Deposit Funds in Transit) and a credit to account 6590 (Deposit Fund Credit Transferred to and from).
- (7) For a **debit** deposit fund confirmation, using the RRACS 449 window, which can be found under the Accounting Application Main Menu under the confirmation drop down menu pick "Deposit Fund DR 2158", input the amount.
 - a. The journal entry will be a debit to account 6590 (Deposit Fund Credit Transferred To and From) and a credit to account 4740 (Deposit Funds in Transit).
- (8) Journal identification number will be stamped or transcribed on the Form 2158 and any supporting documentation.

3.17.64.10
(09-01-2011)
**Department of Justice
(DOJ)
(Kansas City SPC Only)**

- (1) The Kansas City SPC receives and processes monies collected through the Department of Justice (DOJ) because of court actions and IRS referrals to DOJ for collection.
- (2) Intra-Governmental Payment and Collection (IPAC) provides a standardized interagency fund transfer mechanism for federal program agencies. Monies received by DOJ because of civil litigation are transferred to the IRS via an IPAC 1081, Voucher and Schedule of Withdrawals and Credits. A detailed listing to support transfer of funds is mailed to IRS by DOJ along with the individual payments comprising the total amount transferred via IPAC 1081.

3.17.64.10.1
(09-01-2011)
**General Ledger
Accounts for DOJ**

- (1) The following accounts are used to process IPAC receipts and checks from the DOJ.

<p>3.17.64.10.1.1 (09-01-2011) Account 2355 Federal Court Ordered Restitution (Nominal Account, DR Normal Balance) (TAS 20-3220) (Kansas City SPC Only)</p>	<ul style="list-style-type: none"> (1) This receipt account represents monies collected for court-ordered restitution of fines, penalties and court costs. This also includes court-ordered restitution more than the assessable amount. These payments should be received with information identifying into which category they fall. (2) All payments will be journalized and transferred with the support documentation to Kansas City SPC Accounting function.
<p>3.17.64.10.1.2 (06-25-2015) Account 2915 DOJ Receipts (Real Account, DR Normal Balance) (TAS 20F3844) (Kansas City SPC Only)</p>	<ul style="list-style-type: none"> (1) All DOJ IPAC receipts will be reflected in account 2915. (2) IPAC amount is reported directly to CARS under TAS 20F3844. (3) On the application window, reclassification is necessary from account 2915 to the account series 21XX, 23XX, 24XX and 7002. (4) Due to a two- year statute, BFS has determined that TAS 20F3855.11 is not the proper TAS to hold the DOJ transactions. The receipts will be reported under TAS 20F3844 to track these transactions separately.
<p>3.17.64.10.1.3 (09-01-2011) Account 4975 Liability DOJ Receipts (Real Account, CR Normal Balance) (Kansas City SPC Only)</p>	<ul style="list-style-type: none"> (1) This liability account is used to control unapplied items from DOJ, until research can be accomplished to determine appropriate application or reversal to DOJ. These accounts will be maintained in an external subsidiary file consisting of a copy of the listings, cross-referenced with the applicable journal number. As each item is identified and applied, the supporting subsidiary document should be annotated, and the remaining balance corrected to assist in the monthly reconciliation. (2) Items placed in this account will be subject to expedited research to determine proper application and will be transferred to the proper taxpayer's account upon identification. (3) For large files, a quarterly balancing must be performed to ensure the accountability of the documents. (4) If any items cannot be resolved through research and follow-up with DOJ and have been in the account for over two years, administrative action may be requested. All cases should be fully documented regarding research performed, destruction of records, contacts, related correspondence, etc., to demonstrate that resolution is no longer possible. Once approval has been granted, these items will be transferred to account 6800, Excess Collections. Authority for approving such action may not be delegated below branch level.

- 3.17.64.10.1.4
(03-21-2016)
Account 6400
Miscellaneous Revenue Collections
(Nominal Account, CR Normal Balance)
(Account Active in All Sites)
- (1) This account is used to record the amount of collection received as a result of judgments for fines, penalties or court costs asserted by federal courts incident to evasion of payment of taxes, offers accepted in lieu of such liabilities and other non-assessable specific penalty offers.
 - (2) This account is also used to record miscellaneous collections that are not assessable on the taxpayer's account.
 - (3) This account is used to record all monies/revenue collected for:
 - a. **2305** No longer being used **(20-1060)**.
 - b. **2310** Treaty Country Receipts **(20-3220)**.
 - c. **2320** Miscellaneous receipts not attributable to fees or assessed tax, penalty and interest **(20-3220)**.
 - d. **2325** Misc. Forfeiture Receipt **(20-1099)**.
 - e. **2345** Presidential Election Campaign **(20X5081.1)**.
 - f. **2350** Public Debt **(20X5080.1)**.
 - g. **2355** Federal Court Ordered Restitution for Costs and Penalties **(203220)**.
 - h. **2360** Conscience fund **(20-1210)**.
 - i. **2365** LIFO Payments, Rev Proc 9744 Settlement Payments **(20-3220)**.
 - j. **2370** Mortgage Subsidy Bond Receipt **(20-3220)**.
 - (4) The nine individual accounts mentioned above must be balanced and maintained separately within account 6400 by all campuses.
 - (5) Maintain a listing of all miscellaneous receipts under 20-3220. This information will be used for disclosure in the IRS Consolidated Financial Statement.
 - (6) Prepare a worksheet of the nine individual accounts including the journal number and amount. Initial and date when balanced monthly, forward to manager or lead quarterly for review. manager or lead must initial and date their review quarterly on the worksheet.
- 3.17.64.10.1.5
(09-01-2011)
Account 6950 DOJ Civil Debt Collection Holdback
(Nominal Account, DR Normal Balance)
(Kansas City SPC Only)
- (1) Each year the appropriations act for DOJ authorizes it to retain 3% of all amounts collected, pursuant to DOJ's civil debt collection litigation activities.
 - (2) Account 6950 is used to record and journalize the 3% amount retained by DOJ.
 - (3) Form 3809 are the external subsidiary record.
- 3.17.64.10.2
(09-01-2011)
Deposit of Collections From Civil Judgments (Kansas City SPC Only) (RRACS Window 541)
- (1) The Debt Management Section (DMS) of DOJ will transfer to Kansas City (ALC 2009-0900) any funds collected. All transfers will be made via IPAC.
 - (2) This Intra-Governmental Payment and Collection System Receipt (IPACR) will be supported by a listing showing the debtor's name and SSN, interest computation date, cause of the action, collection office claim number, dollar amount, and a collection office referral number. Upon receipt of the IPACR, Accounting will enter TAS 20F3844 (if not already present) and ensure that the total of the amounts on the listing equals the amount shown on the IPACR.
 - (3) After verification of the amount of IPACR and the support listings, the amount will be journaled into RRACS using a 541 window, which can be found under the Disbursement, IPAC Receipts, IPAC DOJ which will debit account 2915

(IPAC DOJ Receipts) and credit account 4975 (DOJ Liability Receipt). The support listing will be used to determine where the payments should be applied.

- (4) The payments will be reclassified from account 20F3844 to the appropriate receipt account.
- (5) Forward the source documents to the appropriate area for research and balancing. Necessary documents will be prepared and input to apply the payments to the proper taxpayer accounts.
- (6) If the funds were erroneously transferred, the specified DOJ collection officer should be contacted, and DOJ will execute an IPAC to transfer the incorrect item back to DMS.
- (7) If the funds are returned to DOJ, any actions taken in item (3) above must be reversed. The new Intra-Governmental Payment and Collection System Disbursement (IPACD) returning the funds to DOJ is input to RRACS.

3.17.64.10.3 (07-29-2021)

Applying DOJ Payments

- (1) Civil payments can be applied using four different methods:
 - a. Apply to Taxpayer account: RACS will receive Form 2424 to debit account 4975, DOJ Liability account and credit taxpayers account 4220 (IMF), 4120 (BMF) or 4420 (NMF) as appropriate and Form 813 (2) copies.
 - b. Apply to account 6800, Excess Collection: RACS will receive Form 2424 to debit account 4975 DOJ Liability and credit account 6800 Excess Collection with Form 8758 to the Excess Collection File.
 - c. Leave credit in account 4975 DOJ Liability account: prepare Form 2424 to credit account 4975 DOJ Liability.
 - d. FBAR, Form 2424 to debit 4975 and credit 4420 for transfer to Ogden. A Form 2158 is created to debit 4420 and facilitate the transfer.
- (2) Verify to ensure the posting documents balance to the Form 813 total.
- (3) Verify to ensure all Form 813 and other forms prepared balance back to the IPAC document.
- (4) RACS will journal the above documents using a 469 window, which can be found under Accounting Applications, TRACTS Application then IPACR Application. Follow the accounts listed on the posting documents for appropriate accounts.

Note: The Form 2424 must contain the manager's initials or their designee to show that it has been reviewed and approved.

- (5) RACS will also receive a Form 3809 to journal a 3% DOJ collection fee.
 - a. Journal Form 3809 using a 469 window, which can be found under Accounting Applications, TRACS Application, then IPACR Application. The journal entry will be a debit 6950 (DOJ Civil Debt Collection Hold-back) and credit account 4975 (DOJ Liability account).
- (6) Transcribe or stamp journal number on all documentation and file and distribute accordingly.

3.17.64.10.4
(07-29-2021)

**Court Ordered Criminal
Restitution Payments
(Kansas City SPC Only)**

- (1) Restitution is a legal remedy that can be ordered by the court, in a criminal case. A restitution order requires the criminal defendant to pay money or render services to victims to redress the loss the defendant has inflicted. Normally imposed during sentencing, it can be agreed to by the parties in a plea agreement or imposed as a condition of probation or supervised release.
- (2) In a criminal tax case, the offense generally results in the loss of government property, example; the money to which the government was entitled under the tax laws but which the defendant did not pay. Through a restitution order, a court can require a defendant to pay money to the IRS to redress the losses he or she inflicted on the federal treasury.
- (3) In most criminal tax cases involving restitution, the amount of the tax loss is calculated from evidence admitted at trial or from information contained in the plea agreement and presented to the District Court at sentencing.
- (4) The August 16, 2010, law change allows the IRS to assess and collect restitution ordered in a tax case in the same way as if it were a tax.
- (5) Restitution should not be confused with civil tax liability.
 - The amount of the loss a defendant can be ordered to pay as restitution must result from the defendant's criminal activity and that amount generally does not include civil tax penalties.
 - A restitution order does not bar the IRS from determining civil tax liability in an amount greater than the amount ordered payable to the IRS as restitution.
 - A restitution order also does not prevent a taxpayer from challenging the IRS's determination that the civil liability exceeds the amount of the restitution order.
- (6) Judgment and Commitment Orders (J & Cs) normally specify that defendants are to submit restitution payments to the Office of the Clerk of Court in the district in which the defendant was sentenced. This will generally include restitution payments required to be paid to the IRS.
- (7) The Clerk of Court has the responsibility for receiving, processing and recording restitution payments made by defendants. The Clerk of Court will forward the money (Treasury checks, personal checks and/or money order) to the victim(s) listed in the restitution order, which may include the IRS. Criminal restitution payments made to the IRS should be mailed to the address below.
- (8) The Clerk of Court offices will disburse criminal restitution payments to the IRS by issuing Treasury checks to the IRS. Effective October 1, 2009, all criminal restitution payments to the IRS are processed by Kansas City Submission Processing, only. The Clerk of Court offices has been requested to send all criminal restitution payments to the following address:
IRS-RACS
Attn: Mail Stop 6261, Restitution
333 W Pershing Road
Kansas City, MO 64108

Exception: If criminal restitution payments are routed to an IRS office or campus other than Kansas City, they must be transshipped via overnight traceable method per Manual Deposit IRM 3.8.45.7.26, Department of Justice/Criminal Restitution Program Payments (KCSPC Only).

- (9) Inquiries received at other campuses regarding court ordered restitution

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- (10) Personal checks and/or money orders received directly from the taxpayer and not through the 'Clerk of Court' are still considered restitution payments if the payments are being made pursuant to a court order in a criminal case.

3.17.64.10.4.1
(07-29-2021)

Restitution Payment Processing

- (1) Criminal restitution checks are received daily from the courts.
- (2) Some payments received are split payments with partial money going to master file and part to account 6400 (Miscellaneous Revenue Collection).
- (3) RACS will receive Accounting package with Form 3244 and Form 2221, is journaled using 210 window debit 2355 and credit 6400.
- (4) Incoming restitution checks that have been assessed and will be credited to taxpayer modules are pulled by DOJ team process thru RPS system and receive systemic journals. There is no manual journal process for these items.
- (5) Criminal restitution payments can be applied from 6400 account if tax assessment is found. To apply, DOJ team creates Form 2424 and Form 813 that RACS will journal using window 400 to debit 6400 and tax class, credit master file (4120, 4220 or 4420) and 2355 account.

3.17.64.11
(10-01-2013)

Direct Debit Installment Agreements (DDIA)

- (1) DDIA is a collection program. Taxpayers arrange with collection personnel to repay tax liabilities in installments. An agreement is signed allowing IRS to periodically withdraw the installment amount electronically from the taxpayer's bank account. The customer's account is debited only once a month.
- (2) On the expected payment due date Bank of America prepares a paper OTCnet deposit ticket and records it in Collections Information Repository (CIR).
- (3) Bank of America creates and transmits to IRS a tape of all transactions which fail to process properly. These items are supported by debit vouchers which are passed through the Pittsburgh FRB.
- (4) Site responsibilities:
 - a. Monitor the progress of all transactions. EFT 12 and EFT 18 identify all debit and credit transactions, respectively, associated with DDIA. A deposit ticket must correspond with each EFT 12 summary. Likewise, a debit voucher for each EFT 18 summary is required. All EFT 12 and EFT 18 transactions must be included in EFT 16 and EOD 16 Reports on the appropriate dates. EFT 12 and 18 constitute the journal document along with the DT/DV.
 - b. Keeping a log ensures that all processing is completed. Log formats can be established by individual sites. Missing entries and mis-matched dollar amounts will identify discrepancies quickly.
 - c. Verify and balance the deposit ticket with the EFT 12 summary daily. Journalize entries through the deposit control menu.
 - d. Verify and balance the debit vouchers from the memo or confirmed copy, using the date in box 2 to the EFT 18 summary daily and journalize

entries. If the debit voucher is not received at the time the EOD 16 is ready to be journaled, a Form 2424 may be prepared and journalized to debit the proper SCCF account and credit account 1720. Upon receipt of the SF 5515, reverse the entry by debiting account 1720 and crediting account 1710. Reclassify when the EOD 16 run identifies the money as other than tax class 1.

- e. Verify and balance EFT 12 and EFT 18 to EFT 16 and EOD 16 daily. Debit vouchers are processed through the Pittsburgh FRB. If a debit voucher is not received within 10 work-days, call Bank of America to initiate research or call NHQ transfer analyst.
- f. If runs or reports are missing, initiate research with Computer function to determine the reason. Failure to ensure processing of all runs or receipt of all DT/DVs, will result in improper posting to the MF or erroneous entries on RRACS. Bank of America also issues a monthly bank statement to Accounting that includes T/P EIN, money amount, transaction date and other data. This may be used as a research tool. The Bank of America statements should be retained for a period of three years from date of statement.
- g. Close coordination with Collection and Computer functions is necessary to ensure that the payments and tapes were generated to Bank of America.

3.17.64.12
(09-01-2011)
Dishonored Check File

- (1) The Dishonored Check File (DCF) is a separate file within the Integrated Data Retrieval System (IDRS) containing records of all remittances returned to IRS by the depositaries upon which payment has been refused.

3.17.64.12.1
(09-01-2011)
**General Ledger
Accounts for
Dishonored Checks**

- (1) The following accounts are associated with the dishonored check file:

3.17.64.12.1.1
(08-30-2016)
**Account 1510 Other
Receivables
(Real Account, DR
Normal Balance)**

- (1) This receivable account will be used to record amounts of receivables other than taxes collectible. This account represents receivables which have not been collected, assessed or written off as uncollectible. Account 1510 will be supported by copies of bills, debit vouchers or other documents showing the name of each debtor, amounts receivable and details of the transaction creating the indebtedness.
- (2) This account will also be used to clear unresolved debit items from SCCF and unprocessable debits from the DCF. This account will be supported by case history files recording approval of the campus director to remove them from the SCCF. These items will be supported by Form 3809 for non-revenue receipt items and Form 2424 for revenue receipt items.
- (3) Items referenced in (1) and (2) above remaining in this account after the statutory period for assessment has expired will be transferred to account 1840. The statutory period for assessment on unresolved debits from SCCF will be considered to have expired when the general assessment statute period has expired.

Example: When supporting tax documents show the taxable period, then the general statute ruling applies. The general assessment statute period has expired three years from the due date of the return or three years from the time the return

was filed, whichever is later. When supporting tax documents cannot be located, after exhausting every means possible to retrieve them, use the Julian date of the DLN, apply the general assessment statute period (three years) and add one year (for a total of four years) to determine the presumptive statute expiration.

(4) External subsidiary record is the file of paper documents used as described below:

- a. Memo signed by director
- b. Form 2424 or Form 3809
- c. History sheet

3.17.64.12.1.2
(09-01-2011)

Account 1710
Dishonored Checks
(Real Account, DR
Normal Balance)

- (1) This receivable account will be used to record and control dishonored checks or money orders, previously recorded as collections for the IRS.
- (2) Account 1710 serves as a suspense account for these items while research operations are being performed to determine proper application to the taxpayer account. Individual items within the account are controlled and maintained on a magnetic tape file within IDRS.
- (3) After research and proper identification, items are removed from the IDRS file and posted as debits to the taxpayer account. Items remaining on the file after 367 days will be transferred to account 1510.
- (4) After the DCF file is balanced to all related SF 5515, sub-batches are prepared and tapes are run. Entries to RRACS are made from the SF 5515 and tapes. Annotate all journal numbers and amounts on the DCF 03 run. Make sure total of journals balances with total added to DCF file, plus or minus any adjustments or errors, as noted.
- (5) This account will also be used to record deposit discrepancies (losses) related to SF 5515. These items will be entered immediately onto the DCF for control purposes. Necessary research will be performed to determine the proper application of the debit. If, after 90 days, the debit cannot be resolved, it will be transferred to account 7650, Deposit Discrepancies (See IRM 3.0.167, Losses and Shortages, for more information). The case must be documented with all actions taken to resolve the discrepancy. This documentation is needed to request relief of the loss.
- (6) External subsidiary is the DCF on IDRS.

3.17.64.12.1.3
(11-17-2022)

Account 1720
Dishonored Check
Adjustments
(Real Account, DR/CR
Normal Balance)

- (1) This receivable account will be used to record any discrepancies between the SF 5515 and the total of the related dishonored checks associated with the debit voucher.
 - a. When SF 5515 is overstated, debit documents in the amount of the overstatement will be prepared and controlled in this account.
 - b. When SF 5515 is understated, credit documents in the amount of the understatement will be prepared and controlled in this account.
 - c. Items in this account will be cleared upon receipt of a supplemental or adjusting DT or DV.

- (2) The DCF function is responsible for contacting the bank, research and resolution.
- (3) This account will also be used to record EFTPS Electronic Reject/Offset Report (credit) and Electronic Reject/Offset Report (debit) (Ogden SPC Only). The credit amount will be a rejected transmission that is included on a OTCnet deposit ticket. The debit amount will offset a credit amount and will always have a SF 5515 with the Electronic Reject/Offset Report.
- (4) This account will also be used to record ECP & ISRP Electronic Reject or Failed items. The credit amount will be a rejected or failed item that is included on ECP or OTCnet deposit ticket.
- (5) This account will also be used by the RACS team to record Pay.Gov payments until the closing agreement is received.
- (6) This account will be used by the RACS team at the end of month processing to record any debits, or credits not received but are reported on the CIR listing. RACS is responsible for providing documentation for these items.
- (7) External subsidiary record Form 2424 is the file of paper documents prepared individually for each adjustment.

Note: Every effort should be made to work items in this account within 90 days.

3.17.64.12.1.4
(10-28-2016)

**Account 1840 Other
Receivable, Inactive
(Real Account, DR
Normal Balance)**

- (1) This receivable account will be used to record the amounts of unresolved items for which the statutory period of assessments has expired.
- (2) Items in this account will be transferred from account 1510. These case history files will be supported by approval of the campus director.
- (3) Items may also be transferred from account 4810. These case files will be supported by administrative approval delegated no lower than the accounting operation manager.
- (4) Case files will be reviewed at least once yearly to determine the accounts on which the Collection Statute has expired and the manager should sign and date history sheet.
- (5) Upon expiration of the Collection Statute, items should be written off to account 6600.
- (6) External subsidiary records are the case history files.

3.17.64.12.1.5
(11-14-2014)

**Account 6700 Foreign
Check Collection Cost
and Miscellaneous Bank
Charges
(Nominal Account, DR
Normal Balance)**

- (1) This account is used to record charges by the depository banks or by the cash division of the Treasurer's office, for processing foreign checks and other miscellaneous fees (foreign and domestic), including encoding error charges. These charges will normally be made on SF 5515 or returned refund schedule.
- (2) External subsidiary record is the case file.

3.17.64.12.1.6
(08-30-2016)
**Foreign Check
Conversion Rate
Overage/Shortage**

- (1) If a financial institution does not use the original conversion rate when processing a returned foreign check, the difference may result in an overage or shortage.
- (2) Receive SF 5515 from the financial institution.
- (3) Compare the SF 5515 against the original deposit ticket. Determine if the shortage/overage is due to a conversion rate difference or a bank fee.
- (4) Once the item is added to the Dishonored Check File (DCF):
 - a. DR 1710 account/CR 2110 account via the 220 Window.
- (5) If the shortage/overage is due to a conversion rate difference, prepare Form 2424, Account Adjustment Voucher, with the applicable TC reversal (example; 611, 671, etc.).
 - a. DR 6700 account/CR 4220 account for the shortage, via window 400.
 - b. DR 4220 account/CR 6700 account for the overage, via window 400.
 - c. Annotate the SF 5515 number in the comments field.
- (6) If the shortage was a bank fee, see IRM 3.17.10.2.13 Other Dishonored Check Processing Actions.
- (7) External subsidiary record is the case file.

3.17.64.12.1.7
(11-14-2014)
**Miscellaneous Bank
Charges (Foreign and
Domestic)**

- (1) If a refund is returned undeliverable, the amount is returned to the Fiscal Service Regional Finance Center (RFC).
- (2) When the RFC cancels the returned refund, the check or wire transfer is returned to IRS for credit to the appropriate taxpayer's account.
- (3) Occasionally, the financial institution may charge a fee for processing the returned refund.
- (4) Upon receipt of the refund cancellation schedule from BFS:
 - a. Compare the total of the returned refund schedule to the amount of the original refund to determine the difference.
 - b. Verify the shortage is a bank fee or miscellaneous bank charge (via the Payment Detail Record) and note the reason for the returned refund.
- (5) Complete the appropriate journal actions:
 - a. DR 5100 account/CR 4970 account for the returned refund schedule (SF 1098, SF 1091, SF 1184, SF 1185), via window 532.
 - b. DR 6700 account/CR 4970 account for the bank fee or miscellaneous bank charge via Form 3809, Miscellaneous Adjustment Voucher, via window 400. Annotate the returned refund schedule number and bank fee amount in the comments field.
- (6) Prepare Form 3245, Posting Voucher – Refund Cancellation or Repayment (see Exhibit 3.17.80-11, for blocking series).
 - a. Input TC 740 for the original refund amount, with the original refund posting date, of the undeliverable returned refund.

Note: The TC 740 should equal the original refund amount (the returned refund schedule amount plus the miscellaneous bank charge/bank fee).

- (7) Complete the journal action for Form 3245 (400 window):
 - a. DR 4970 account CR 4220 account for amount of the original refund.
- (8) External subsidiary record is the case file.

3.17.64.12.1.8
(06-25-2015)

**Account 7002 Deposit
Fund
Receipts/Disbursements**

- (1) This receipt and disbursement account records the receipt of monies to be placed in the deposit fund pending some subsequent action and to record the disbursement of deposit fund monies. Included in the account are amounts received because of seizure and sale action, amounts received from taxpayers with offers in compromise and miscellaneous receipt items held in this account pending legal action or proper application authority.
- (2) Receipts for this account are recorded upon preparation of OTCnet deposit ticket. The campus director is personally accountable for funds until deposits to the Treasury account are confirmed.
- (3) Deposit fund monies are considered monies held in trust by the government. No interest is paid on deposit fund monies refunded. However, when a sale results in surplus proceeds, interest may be paid on the surplus.
- (4) Individual records are maintained in the database. No external subsidiary record for this account is maintained. Amounts from this account are reported directly to CARS monthly.

3.17.64.12.2
(09-01-2011)

**Dishonored Check
Applications
(RRACS Window
210/220/400/411)**

- (1) RACS will receive the following DCF computer listings and documents from the Dishonored Check Function:
 - a. EOD 16, Pages 9 and 10
 - b. Form 2424
 - c. Form 4028
 - d. Form 4830
 - e. OTCnet - deposit tickets on redeposits or discrepancy washouts
 - f. SF 5515
 - g. DCF 03 and DCF 05
- (2) EOD 16 run and DCF 05 run amounts should balance. These include the DCF applications to the MF accounts, both current and prior fiscal year.
- (3) Journaling should be made from Pages 9 and 10 of EOD 16. Journaling of Current FY applications, Page 6, requires reclassification. The net reclassification to each tax class should be computed before going to the RRACS system for input. IDRS tape processing includes the journal entries of prior and current year DCF applications and related reclassifications for current fiscal year.
- (4) Using the RRACS 411 window, which can be found under the Accounting Application Main Menu under Dishonored Check Apply, DCF/SCCF, journal each entry.
 - a. The journal entry will be a debit to either account 4120 (BMF), 4220 (IMF) or 4420 (NMF) and a credit to account 1710 (Dishonored Checks).

- b. Reclassification will be required. The reclass will be a debit to 2110 (Withholding Revenue Receipts) and a credit to any tax classes involved.
- (5) Restricted applications from the DCF should include corrections to previous input errors or deletions from the DCF because of redeposits. For all redeposits, a deposit ticket will be received and journaled through the RRACS 210 window, which can be found under the Deposit Main Menu under Deposit.
 - a. The journal entry will be a debit to 2110 (Withholding Revenue Receipts) and a credit to 1710 (Dishonored Checks). If the money on the SF 215 is not under tax class 1, a reclass is needed. The reclass would be a debit to the tax class on the SF 215 and a credit to 2110 (Withholding Revenue Receipts).
- (6) SF 5515 debit vouchers will be journaled as follows.
- (7) Using the RRACS 220 window, which can be found under the Deposit Main Menu under Debit Voucher, journal each debit voucher.
 - a. The journal entry will be a debit to account 1710 (Dishonored Checks) and a credit to 2110 (Withholding Revenue Receipts).
- (8) Any Form 2424 or 4028 should be journaled using the RRACS 400 window which can be found under the Accounting Application Main Menu under Accounting Applications.
 - a. Journal according to the accounts stated on the documents.
- (9) Distribute runs and documents to the balancing function in the Accounting DCF Team.
- (10) Corrections to previous input errors will be "V" applies or "Z" applies.

Note: A "V" apply deletes a record completely and "Z" apply changes the amount. These should require no journal entry but should balance the DCF with previously journalized amount.

3.17.64.12.3
(03-04-2020)

Dishonored Checks on Miscellaneous Deposits (RRACS Windows 412/413)

- (1) Dishonored checks may be received on the following:
 - a. Deposit Funds account 7002
 - b. General Funds account 23XX
- (2) Any record on the DCF for one of these accounts should be voided and entries made from DCF 03. Source documents are required for each of these.
- (3) RACS will receive a photocopy of check and DCF worksheet with account number annotated and the document ID number.
- (4) For a deposit fund use the following journal:
- (5) Using the RRACS 413 window, which can be found under the Accounting Application Main Menu under Dishonored Check Apply, DCF/Deposit Fund, input each Doc-Id and amount separately.

- a. The journal entry will be a debit to either account 4710 (Offer in Compromise), 4720 (Sales of Seized Property) or 4730 (Miscellaneous Deposit Funds) and a credit to account 1710 (Dishonored Checks).
 - b. Reclassification will be required. The reclass will be a debit to account 2110 (Withholding Revenue Receipts) and a credit to account 7002 (Deposit Fund Receipts).
- (6) For miscellaneous fees use the following journal:
- (7) Using the RRACS 412 window, which can be found under the Accounting Application Main Menu under Dishonored Check Apply, DCF/MISC Fee, input each amount separately.
 - a. The journal entry will be a debit to account 6310 (Miscellaneous Fees) and a credit to account 1710 (Dishonored Checks).
 - b. Reclassification will be required. The reclass will be a debit to account 2110 (Withholding Revenue Receipts) and a credit to either account 2310 (Treaty Money), 2315 (Arbitrage - Ogden SPC Only), 2320 (Miscellaneous Receipts), 2325 (Forfeiture), 2330 (EP/EO User Fees - Ogden SPC Only), 2340 (Photocopy Fee), 2350 (Public Debt), 2360 (Conscience Fund), 2370 (Mortgage Subsidy Bonds), 2380 (Original Installment Agreement), 2385 (Reinstatement Installment Agreement) or 2395 (OIC User Fee - Brookhaven, Cincinnati and Memphis Only).
- (8) Transcribe or stamp journal identification number on listing and/or documents for audit trail.
- (9) Distribute run and documents accordingly.

3.17.64.12.4
(09-01-2011)
**Dishonored Checks on
Unidentified
Remittances
(RRACS Window 404)**

- (1) RACS will receive from the Dishonored Check Function the DCF 03 daily run.
- (2) RACS will journal from the DCF 03 using a RRACS 404 window, which can be found under Accounting Application, Unidentified Apply, URF/MISC.
- (3) The journal will be a debit to account 4620, Unidentified Remittance and a credit to account 1710, Dishonored Checks. Reclass if necessary, using the same window.
- (4) Transcribe or stamp journal identification number on listing and/or documents for audit trail.

3.17.64.13
(03-25-2016)
**Enterprise Computing
Center, Martinsburg
(ECC-MTB)**

- (1) ECC is primarily responsible for maintenance of the MF records for each taxpayer and for the electronic processing of related inputs and outputs. ECC-MTB will maintain:
 - a. Accounting and data control over BMF and IMF transactional data and accountability reports
 - b. A RACR with each campus
- (2) For each campus, ECC-MTB will prepare a separate SF 1166 or SPS print covering the total amounts of overpayment principal and interest posted to BMF and IMF refund files.
- (3) A designated officer at ECC-MTB will certify each voucher for the account of the applicable campus director. See IRM 3.17.79, Accounting Refund Transactions.

- (4) The BMF and IMF refund media and related certified vouchers will then be transmitted to the Kansas City, Regional Finance Operating Center for issuance of the refund checks (See IRM 3.17.79, Accounting Refund Transactions).
- (5) In the MF posting operations at ECC-MTB, the computer will generate certain accounting adjustments, transactions and abstracts of revenue receipts by type of tax and liability year classifications. These will be inscribed on output files for transmittal to ECC-MTB for posting to RRACS and to the campus for the printing of required registers and summaries.

Note: CADE stopped processing transaction data as of the end of Cycle 201124 All individual taxpayer accounts have been returned to the Individual Master File (IMF) and in January 2012, IMF began processing all IMF transactions under the CADE 2 processing timeline with daily processing. All general ledger activity is included under the IMF general ledger account.

3.17.64.13.1
(09-01-2011)
**General Ledger
Accounts for Enterprise
Computing Center (ECC)**

- (1) The following accounts are associated with ECC.

3.17.64.13.1.1
(09-01-2011)
**Account Series 4000
Liability Accounts**

- (1) This series of accounts records the Service's liability for the various suspense files, inventory files and pre-payment amounts. Credits in these accounts are normally in process for application to a tax liability. This includes pre-payments such as estimated tax, for which no tax assessment has yet been made but a tax liability is anticipated.

3.17.64.13.1.2
(09-01-2011)
**Account 4110 ECC
Suspense for the
MF-BMF
(Real Account, DR/CR
Normal Balance)**

- (1) This liability account records both debits and credits at or sent to ECC for posting to the BMF. Also included are generated posting reported on the SC Recap for post journalizing.
- (2) All MF posting, both campus-processed and MF-generated, are in process until posted to the taxpayer account and a change in the MF account status is reflected.
- (3) While the RACRs are used to ensure the balance in this account, no actual external subsidiary record is maintained. Data input may be updated by electronic transmission.

3.17.64.13.1.3
(09-01-2011)
**Account 4130 ECC
Unpostable
Documents-BMF
(Real Account, DR/CR
Normal Balance)**

- (1) This liability account will be used to record, and control pre-journalized debits and credits returned by ECC as unpostable to the BMF.
- (2) Items in this account failed to meet all the BMF validity checks or failed to match on entity information. Items in account 4130 will be reviewed, corrected and resubmitted to MF processing and reestablished on the SCCF.
- (3) The magnetic tape file of unposted transactions is the external subsidiary record.

- 3.17.64.13.1.4
(09-01-2011)
**Account 4210 ECC
Suspense for the
MF-IMF
(Real Account, DR/CR
Normal Balance)**
- (1) This liability account records both debits and credits at or sent to, ECC for posting to the IMF. Also included are generated posting reported on the SC Recap for post journalizing.
 - (2) All MF posting, both campus-processed and MF-generated, are in process until posted to the taxpayer account module and a change in the MF account status is reflected.
 - (3) While the RACRs are used to ensure the balance in this account, no actual external subsidiary record is maintained.
 - (4) Data input may be updated by electronic transmission.
- 3.17.64.13.1.5
(09-01-2011)
**Account 4215 ECC
Suspense for CADE
(Real Account, DR/CR
Normal Balance)**
- (1) This liability account previously recorded both debits and credits at or sent to, ECC for posting to CADE. Also included are generated posting reported on the SC Recap for post journalizing.
 - (2) All CADE posting before cycle 201125, both campus-processed and MF-generated, were in process until posted to the taxpayer account module and a change in the MF account status is reflected.
 - (3) While the RACRs are used to ensure the balance in this account, no actual external subsidiary record is maintained.
 - (4) Data input may be updated by electronic transmission.
- 3.17.64.13.1.6
(09-01-2011)
**Account 4217 ECC MFT
30 to MFT 29 for CADE
(Real Account, CR
Normal Balance)**
- (1) This liability account was set up to record credits offset at ECC from MFT 30 to MFT 29. These postings are reported on the SC Recap for post journalizing.
 - (2) On the SC Recap, it shows the offset credit transferred to MFT 29 (debit account 4210 X credit account 4217), while another line reflects the credit transferred from IMF (debit account 4217 X credit account 4210).
 - (3) Data input is updated by electronic transmission.
- 3.17.64.13.1.7
(09-01-2011)
**Account 4230 ECC
Unpostable
Documents-IMF
(Real Account, DR/CR
Normal Balance)**
- (1) This liability account will be used to record, and control pre-journalized debit and credit transactions returned by ECC as unpostable to the IMF. Items in this account failed to meet all the validity checks or failed to match on entity information.
 - (2) Items in account 4230 will be reviewed, corrected and re-submitted to the MF processing or nullified and re-established on the SCCF.
 - (3) The magnetic tape file of unposted transactions is the external subsidiary record.
- 3.17.64.13.1.8
(09-01-2011)
**Account 4254 MFT 30 to
MFT 29
(Real Account, CR
Normal Balance)**
- (1) This liability account records credits offset at ECC from MFT 30 to MFT 29. These postings are reported on the SC Recap for post journalizing.
 - (2) Line 23 on the SC Recap shows the offset credit transferred to MFT 29 (debit account 4210 X credit account 4254), while Line 106 reflects the credit transferred from IMF (debit account 4254 X credit account 4210).
 - (3) Data input is updated by electronic transmission.

3.17.64.13.2
(09-01-2011)
**ECC Application Tapes
to ECC
(Mainline and IDRS)**

- (1) IMF and BMF TEP controls are received for MF mainline and IDRS good transactions to tape. The controls may be one or a combination of the following:
 - a. GMF 1545
 - b. SCF 1152
 - c. SCF 1151
 - d. SCF 1340
 - e. GUF 5342
- (2) Enter the debit amount and credit amounts. Enter the net amount. If source document is other than GMF 1545, the net amount must be calculated.

3.17.64.13.3
(09-01-2011)
**Corrected Unpostable
Transactions**

- (1) One of the following corrected unpostable controls may be received: GMF 1545 or GUF 5340.
- (2) Enter the debit amount, the credit amount and the net amount from GMF 1545, corrected unpostables line or from the GUF 5340, total corrected unpostables line.

3.17.64.13.4
(09-01-2011)
**Applications From
Unpostables**

- (1) Documents which are unable to post at ECC come back to the campus as unpostable. Resolution codes 1, 2 and 8 on GUF 5340 nullify the unpostables. Code 1 indicates the record goes back to suspense status, code 2 indicates a voided record and code 8 indicates a record going to Rejects.
- (2) Documents may be perfected and re-input, renumbered to another file or tax class, transferred to another campus or transferred with same DLN to unidentified, deposit fund or general ledger accounts such as account 6800, Excess Collections or account 1510, Other Receivables.
- (3) Receive Unpostable Control Report (GUF 5340). Entries will be made from listings and documents. For amounts being put back in process, entries will be made from the total nullified unpostables line. Journal entries will be from Unpostable accounts (4130 BMF and/or, 4230 IMF) to "In-Process" accounts (4120 BMF and/or 4220 IMF). Subsequent reclassification may be required.
- (4) Credit entries to deposit fund accounts will be made from the individual documents. Documents must have a Doc-Id. Journalize from Unpostable accounts 4130 or 4230 to Deposit Fund accounts (4710 OIC, 4720 Sale of Seized Property or 4730 Miscellaneous DF). It will be necessary to reclassify. Decrease Revenue Receipts account 21XX (credit) and increase Deposit Funds account 7002 (debit).
- (5) Data from GUF 5340 will automatically journal via the RRACS 35 process. This run includes the new, nullified, corrected and reclassified unpostable transactions received from and sent to ECC for MF. If electronic data input is incorrect, a new transmission can be process or the data can be input manually from the hard copy. This manual process can be accomplished through the Accounting Application main menu. Transcribe or stamp journal identification number on control listings and documents, as required for audit trail.

3.17.64.13.5
(09-01-2011)

New Unpostables

- (1) Source documents received when new unpostables are added to the file are:
 - a. IMF Unpostable Controls - Listing number GUF 5340
 - b. IMF Revenue Receipt Control Sheet (RRCS) - Listing number SCF 1340
 - c. BMF Unpostable Controls - Listing number GUF 5340
 - d. BMF Revenue Receipts Control Sheet (RRCS) - Listing number SCF 1340
- (2) Verify that unpostable controls balance with RRCS posting block proof balances with unpostable master control. Entries will be made from unpostable controls total items and amount. Ensure cycle number is available on listing. Net credit on unpostable controls will be an increase (credits ECC Unpostable Documents accounts - IMF 4230 and BMF 4130). Net debit on unpostable controls will be a decrease.
- (3) New unpostables as well as nullified, reclassified and corrected unpostables are journalized from the GUF 5340 by tape processing. RAC 35 is the program which posts the data in a batch environment rather than entering the data manually. RRACS 35R is the program that reverses all posting done by RAC 35. Windows will serve as backup in the event of a tape failure. Transcribe or stamp journal identification number on unpostable listings for audit trail.

3.17.64.13.6
(09-01-2011)

ECC Deletes

- (1) Receive accountability acceptance voucher or locally established documentation of deletes by ECC. Separate entries are required for each MF. Enter related debit or credit amounts deleted by ECC.

3.17.64.14
(09-01-2011)

**Electronic Federal Tax
Payment System
(EFTPS)
(Ogden SPC Only)**

- (1) The Electronic Federal Tax Payment System (EFTPS) allows individuals and businesses to make electronic deposits and payments for federal taxes such as Employment Taxes, Excise Taxes, Corporate Income Taxes and Form 1040 Estimated taxes.

3.17.64.14.1
(09-01-2011)

**General Ledger
Accounts for EFTPS**

- (1) The following accounts are associated with EFTPS.

3.17.64.14.1.1
(09-01-2011)

**Account 4125
EFTPS/FPLP Suspense
for MF BMF
(Real Account, DR/CR
Normal Balance)
(Ogden SCP Only)**

- (1) This liability account is used to record all BMF electronic debits and credits that are in process in the campus for posting to the BMF. Upon receipt in the campus, amounts will be entered in account 4125 and will remain while processing is being accomplished. When processing is complete and items are on magnetic tape for shipment to ECC, they will be removed from this account.
- (2) This account is supported by the EPCF. All items placed in this account must be recorded in detail on the EPCF.

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| <p>3.17.64.14.1.2
(09-01-2011)
Account 4225
EFTPS/FPLP Suspense
for MF IMF
(Real Account, DR/CR
Normal Balance)
(Ogden SPC Only)</p> | <p>(1) This liability account is used to record all IMF electronic debits and credits that are in process in the campus for posting to the IMF. Upon receipt in the campus, amounts will be entered in account 4225 and will remain while processing is being accomplished. When processing is complete and items are on magnetic tape for shipment to ECC, they will be removed from this account.</p> <p>(2) This account is supported by the EPCF. All items placed in this account must be recorded in detail on the EPCF.</p> |
| <p>3.17.64.14.1.3
(09-01-2011)
Account 4425
EFTPS/FPLP Suspense
for NMF
(Real Account, DR/CR
Normal Balance)
(Ogden SPC Only)</p> | <p>(1) This liability account is a suspense account for NMF and will be used to record control items received electronically by the campus for processing to the NMF accounts. The amounts of debits and credits will be cleared from this account upon application of the items to the NMF account.</p> |
| <p>3.17.64.14.1.4
(09-01-2011)
Account 4765
EFTPS/FPLP Misc.
Suspense
(Real Account, DR/CR
Normal Balance)
(Ogden SPC Only)</p> | <p>(1) This liability account is used to hold and control special fund amounts that have been received electronically.</p> <p>(2) The following EFTPS items can be included in account 4765:</p> <ul style="list-style-type: none"> a. Payments for non-revenue accounts, such as user fees, conscience fund and public debt. b. Payments received with an invalid tax type. These are reclassified when the tax type is corrected. c. Payments or reversals determined to be unidentified by the EFTPS financial agent. The financial agent must send an offsetting transaction. d. Batches that are rejected by the EFTPS load and validate program. The amount will be reclassified when the financial agent submits a processable batch. |
| <p>3.17.64.14.1.5
(09-01-2011)
Account 7001
Unclassified
EFTPS/FPLP
(Nominal Account, DR
Normal Balance)
(TAS 20F3820)
(Ogden SPC Only)</p> | <p>(1) This receipt account records the total unclassified EFTPS money amounts received but not yet classified to tax class.</p> |
| <p>3.17.64.14.2
(09-01-2011)
EFTPS Deposit Ticket
Journal (Ogden SPC
Only)
(RRACS Window 210)</p> | <p>(1) Each deposit ticket sent by EFTPS to RRACS is based on the classification provided by the financial agent.</p> <p>(2) Use the DT/DV Summary Report as an index to make sure that all deposit tickets have been received and journalized and to validate the journal totals.</p> <p>(3) The automated journal number is 110. If a manual journal is required, journal using window 210, which can be found under the RRACS Main Menu under</p> |

Deposit. Use a printed copy of the EFTPS deposit ticket to support each journal. The printed deposit ticket lists all the batch numbers that have been included on the deposit.

- a. Debit the appropriate tax class in the account 2100 series or tax class 9, revenue suspense.
- b. Credit one or more of the EFTPS suspense accounts.

Account Number	Account Name
4125	EFTPS Suspense for Master File - BMF
4225	EFTPS Suspense for Master File - IMF
4425	EFTPS Suspense for NMF
4765	EFTPS Miscellaneous Suspense

- (4) Deposit tickets are sorted by settlement date in EFTPS.
 - (5) The deposit ticket does not identify user fees and non-revenue items. Non-revenue deposit items are classified into account 4765, then reclassified.
 - (6) Deposit tickets from the Federal Payment Levy Program (FPLP) are journalized to different accounts because the money is received through IPAC.
 - a. When the money is received on IPAC, a manual journal is prepared to debit account 2910 and credit account 4765.
 - b. The EFTPS journal 114 debits account 4765 and credits account 2910 and debits the account 21XX tax classes and credits the appropriate EFTPS suspense accounts.
 - c. RRACS is programmed to recognize the FPLP deposit ticket journal record by the record code 5. Normal EFTPS deposit tickets contain record code 1.
-
- (1) Each EFTPS debit voucher contains tax classification information provided by the financial agent.
 - (2) Use the DT/DV Summary Report as an index to make sure that all debit vouchers have been received and journalized and to validate the journal totals.
 - (3) Use the printed debit voucher as the source for journal entry.
 - (4) The automated journal number is 111. If a manual journal is required, journal using window 221 to debit the appropriate suspense account and credit the account 21XX tax class.
 - (5) For EFTPS debit vouchers, a manual journal from the IPAC record debits account 4765 and credits account 2910. Then the EFTPS 114 journal debits account 2910 and credits account 4765 and debits the appropriate EFTPS suspense accounts and credits the account 21XX tax classes. The journal record from EFTPS is identified by record code 6.

3.17.64.14.3
(09-01-2011)
**EFTPS Debit Voucher
Journal (Ogden SPC
Only)
(RRACS Window 221)**

3.17.64.14.4
(09-01-2011)
**EFTPS Deposit
Reclassification Journal
(Ogden SPC Only)
(RRACS Automated
Window 112)**

- (1) The source document for the automated reclassification journal number 112 is the EFTPS reclassification summary. Any debit or credit transactions that can be reclassified by the EFTPS system is included on the EFTPS Reclassification summary, including the following types of transactions:
 - a. Any payment or debit record that was mis-classified by the financial agent.
 - b. Any record that was changed to a different tax class or MF by error correction.
 - c. Any record that was changed to a different tax class or MF because of an auto correction during load and validate.
 - d. Batches that have been rejected during EFTPS load and validate. The payment is reclassified to tax class 9, MF 7, until a corrected batch is re-submitted. Because the reclassification program is unable to determine the original MF, the EFTPS reclassification summary will show rejected batches as coming from BMF.
 - e. Special fund payments that were classified as tax class 9, revenue suspense, by the financial agent but were assigned tax type codes that EFTPS can further classify. EFTPS assigns a pseudo tax class, which is printed on the reclassification list. These include:

Tax Type	Pseudo Tax Class	Description
68770	P	Photocopy Fees
01210	C	Conscience Fund
54321	O	Installment Fee New
54323	R	Installment Fee REI
54324	E	OIC User Fee

- (2) Any other reclassification must be completed with a manual journal when the items are deleted from EFTPS suspense.
- (3) The EFTPS Reclassification summary is divided into two parts:
 - a. Part 1 is the tax class reclassification containing the net change in tax classes, as identified by a comparison between the tax type codes and the deposit ticket and by changes in tax types made by error correction or auto correction.
 - b. Part 2 is the MF reclassification based on a comparison between the tax type codes and the MF in the batch header, plus MF changes created by auto correction and error correction.
 - c. Both parts include a net change column that can easily be used to create a reclassification journal.
- (4) The EFTPS reclassification list includes detailed information of the items that are being reclassified.

3.17.64.14.5
(09-01-2011)

**EFTPS TEP Journal
(Ogden SPC Only)**

- (1) A TEP journal record is prepared for each MF as EFTPS records are sent to ECC.
- (2) The automated journal number is 113. If a manual journal is required, use the EFTPS daily trans release summary to prepare journal 417 for BMF and 418 for IMF.
- (3) For the normal credit balance, debit the ECC suspense account and credit the EFTPS suspense account.
 - a. For BMF, debit account 4110 and credit account 4125
 - b. For IMF, debit account 4210 and credit account 4225
- (4) If the report has a debit balance, debit and credit accounts are reversed.

3.17.64.14.6
(09-19-2017)

**Electronic Federal Tax
Payments System
(EFTPS) Accounting
Package (Ogden SPC
Only)**

- (1) The EFTPS accounting package contains the following documents:
 - a. OTCnet deposit ticket
 - b. Tax class summary report
 - c. EFTPS electronic reject/offset report
- (2) EFTPS transmits a file to RRACS. RRACS generates batch journal windows 110, 111, 112, 114 and post to RRACS.
- (3) The accounting technician:
 - a. Verifies the OTCnet deposit ticket and supporting documentation against the EFTPS batch journals
 - b. If all agree, write or stamp the batch journal number on the OCTnet deposit ticket and supporting documentation
 - c. If an error occurs while writing or stamping the EFTPS batch journal number on the deposit ticket (OTCnet) or supporting documentation, you should: put a line through the incorrect journal number, insert your initials, date the document and write or date stamp the correct EFTPS batch journal number on the deposit ticket and supporting documentation
 - d. For discrepancies, submits a KISAM ticket to: BU-CFO-RFM-RA-RS & A
 - e. For batch journals failing to post to RRACS, submits a KISAM ticket to: &IT ACIOAD-RRACS-Developers. The technician may manually journalize a 210 entry
- (4) RRACS produces the EFTPS Error Report (0126) when a problem arises with the EFTPS batch journal.

3.17.64.15
(09-01-2011)

**Electronic
Transmissions**

- (1) The following general ledger accounts are updated by electronic transmission.

3.17.64.15.1
(09-01-2011)

**Account 4510
Pre-payment Credits
BMF
(Real Account, CR
Normal Balance)**

- (1) Recorded in this liability account is the total of all those BMF taxpayer modules which are in credit-balance status. Modules are normally in credit-balance status due to pre-payments. Modules may also be in credit balance due to hold codes or freeze codes. These amounts are also included in this account.
- (2) For this account, the term pre-payment credits is defined to include all those credit amounts in a module for which there is no assessment or debit amount equal to or greater than the credit.

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|--|--|
| | (3) No external subsidiary record is used. |
| | (4) The account will be updated by electronic transmission. |
| 3.17.64.15.2
(06-25-2015)
Account 4520
Pre-payment Credits IMF
(Real Account, DR/CR
Normal Balance) | <p>(1) Recorded in this liability account is the sum- total of all those IMF taxpayer modules which are in credit-balance status. Modules are normally in credit-balance status due to pre-payments by estimated tax payments. Modules may also be in credit balance due to hold codes or freeze codes. These amounts are also included in this account.</p> <p>(2) For the purpose of this account, the term pre-payment credits are defined to include all those credit amounts in a module for which there is no assessment or debit amount equal to or greater than the credit.</p> <p>(3) No external subsidiary record is used.</p> <p>(4) The account will be updated by electronic transmission.</p> |
| 3.17.64.15.3
(09-01-2011)
Account 4521
Pre-payment Credit -
Non Tax
(Real Account, CR
Normal Balance) | <p>(1) This account represents the sum- total of non-tax accounts with credit balances on the MF. Included in this account are individual and business accounts with an outstanding balance due.</p> <p>(2) No external subsidiary record is used.</p> <p>(3) The account will be updated by electronic transmission.</p> |
| 3.17.64.15.4
(09-01-2011)
Account 4950 IMF
Unallowable Deductions
(Real Account, DR/CR
Normal Balance) | <p>(1) This liability account will record debits to taxpayers' IMF accounts, to prevent excess refunds when it has been determined by Exam that an unallowable deduction is claimed on the return. This posts as a debit to the taxpayer's account (TC 576) and a credit to account 4950.</p> <p>(2) Reversal of this debit will be recorded, after the correct tax liability is determined by audit. The reversal transaction is a credit to the taxpayer's account (TC 577) and a debit to account 4950.</p> <p>(3) No visible external subsidiary record exists, however, those taxpayer accounts on the IMF marked with the unallowable deduction transaction code make up the balance of this account.</p> <p>(4) The account will be updated by electronic transmission.</p> |
| 3.17.64.16
(07-08-2015)
Erroneous Refunds | <p>(1) Erroneous refunds resulting from administrative errors such as, misapplied payments, issuing duplicate refunds, direct deposit errors and incorrect tax adjustments are classified as Category "D" Erroneous Refunds and are maintained in the Erroneous Refund function. For additional information on Category "D" refunds, see IRM 21.4.5.4.5, Overview of Category D Erroneous Refunds.</p> <p>(2) The erroneous refunds are controlled in six general ledger accounts; account 1530, Court Case Erroneous Refund; account 1535, CI Court Ordered Restitution Erroneous Refund; account 1540, Non-Court Case Erroneous Refund;</p> |

account 1543, Payment Over Cancellation Erroneous Refunds; account 1545, Identity Theft Erroneous Refunds and account 1547, Return Preparer Misconduct Erroneous Refunds.

- (3) Each case is controlled with a unique document number on Form 3809, Miscellaneous Adjustment Voucher. This document number allows for the tracking of an individual case from its inception to completion. It is a requirement to use the following format for the Doc-Id (case control number), **XXXX-XX-XXXX**, (which consists of calendar year, current ECC-MEM cycle of the erroneous refund and sequence number), on all erroneous refunds in accounts 1530, 1535, 1540 and 1543.
- (4) Cases received through January 31, 2014 with a paper Form 3809 for Identity Theft Erroneous Refunds in account 1545, the Doc Id format will be 15 digits consisting of the DLN of the Form 813 (without sequence number) plus two-digit year plus total volume on Form 813, e.g., 892482619451275. These paper Form 3809s will carry a DLN Blocking Series of 745–749 for a TC 700 and a Blocking Series of 945–949 for a TC 841. Electronic Identity Theft Erroneous Refund cases input via IDRS, the Doc Id format will be 14 digits consisting of the DLN of the transaction with an inflated Julian date, including the sequence number (which should always be 00) plus one digit year, e.g., 89248428940004. The Identity Theft systemic cases will carry a DLN blocking series of 940–999 for both a TC 700 and TC 841. For further RRACS instructions for processing Identity Theft Erroneous Refunds see IRM 3.17.64.16.5, Identity Theft Erroneous Refund New Case Processing and IRM 3.17.64.16.9, Identity Theft Erroneous Refund Cleared.

Note: Any campus receiving new erroneous refunds from a consolidated campus, must include the first letter from that site at the end of the sequence number to identify the initiating campus for 1530, 1535, 1540 and 1543 accounts.

- (5) The erroneous refund RRACS windows 480, 481, 485 and 490 provide for the individual control and journal entry of erroneous refund case files, after a determination is made as to the type of recovery necessary.

3.17.64.16.1
(07-29-2021)
**Erroneous Refund
Report
(RRACS Report 0131)**

- (1) This is a monthly report produced by the RRACS system. The current month activity must equal the current balance on the Daily Trial Balance Report.
- (2) The Erroneous Refund report helps the Erroneous Refund function track erroneous refunds by Doc-Id. This report lists erroneous refunds by accounts 1530 (court cases), 1535 (CI Restitution court cases) and 1540 (non-court cases). Each transaction is listed by Doc-Id, date, beginning balance, adjustment amount and current balance.
- (3) A copy of the RRACS Erroneous Refund Report 0131 should be given monthly to the Erroneous Refund coordinator in the accounting operation; however, a quarterly review should be done by the Erroneous Refund team to ensure the doc-id and amount balances to the account.

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| <p>3.17.64.16.2
(10-28-2016)
Identity Theft Erroneous Refunds Monthly Activity Report (RRACS Report 155A)</p> | <ul style="list-style-type: none">(1) This is a monthly report produced by the RRACS system. The current month activity must equal the current balance on the Daily Trial Balance Report.(2) The Identity Theft Erroneous Refund Monthly Activity report helps the Erroneous Refund function track ID Theft erroneous refunds by Doc-Id. This report lists erroneous refunds in account 1545, ID Theft Erroneous Refunds. Each transaction is listed by Doc-Id, date, beginning balance and current balance.(3) This report will be placed in the DBA icon with the option to save as electronic version.(4) This report will default to not print and user can retrieve it electronically. |
| <p>3.17.64.16.2.1
(09-06-2017)
Identity Theft Erroneous Refunds Summary Report (RRACS Report 155B)</p> | <ul style="list-style-type: none">(1) This is a monthly report produced by the RRACS system. The current month activity must equal the current balance on the Daily Trial Balance Report and the current balance will equal to the Monthly Trial Balance Report.(2) This report will be placed in the SPC Reports Main Menu/Miscellaneous folder. |
| <p>3.17.64.16.2.2
(10-28-2016)
Identity Theft Erroneous Refunds Open Cases Report (RRACS Report 155C)</p> | <ul style="list-style-type: none">(1) This is a monthly report produced by the RRACS system.(2) The Identity Theft Erroneous Refund Open Case report helps the Erroneous Refund function track ID Theft erroneous refunds by Doc-Id. This report lists all open erroneous refunds in account 1545, ID Theft Erroneous Refunds. Each transaction is listed by Doc-Id, date, beginning balance and current balance.(3) This report will be placed in the DBA icon with the option to save as electronic version.(4) This report will default to not print, and user can retrieve it electronically. |
| <p>3.17.64.16.2.3
(09-10-2019)
Matched IDT Erroneous Refund Write-Offs (RRACS Report 155D)</p> | <ul style="list-style-type: none">(1) This is a monthly report produced by the RRACS system.(2) This report lists all IDT erroneous refund cases that have matched. Each transaction is listed by date, doc-id and amount.(3) This report will be placed in the SPC Reports Main Menu/Miscellaneous folder. |
| <p>3.17.64.16.2.4
(09-10-2019)
Unmatched IDT Erroneous Refund Write-Offs (RRACS Report 155E)</p> | <ul style="list-style-type: none">(1) This is a monthly report produced by the RRACS system.(2) This report lists all unmatched IDT erroneous refund cases. Each transaction is listed by doc-id, amount and error code type. Further research must be conducted.(3) This report will be placed in the SPC Reports Main Menu/Miscellaneous folder. |

- 3.17.64.16.2.5
(09-06-2017)
Payment Over Cancellation Erroneous Refund Inventory Report (RRACS Report 0156)
- (1) This is a monthly report produced by the RRACS system. The current month activity must equal the current balance on the Daily Trial Balance Report.
 - (2) The Payment Over Cancellation (POC) Erroneous Refund Report helps the Erroneous Refund function track POC cases by Doc-Id. This report lists erroneous refunds in account 1543, Payment Over Cancellation Erroneous Refunds. Each transaction is listed by Doc-Id, date, beginning balance, adjustment amount and current balance.
 - (3) This report does not need to be printed unless needed or requested; however, a quarterly review should be done by the Erroneous Refund team to ensure the doc-id and amount balances to the account.
- 3.17.64.16.3
(08-31-2018)
Return Preparer Misconduct Erroneous Refund Inventory Report (RRACS Report 0157)
- (1) This is a monthly report produced by the RRACS system. The current month activity must equal the current balance on the Daily Trial Balance report.
 - (2) The Return Preparer Misconduct (RPM Erroneous Refund report helps the Erroneous Refund function track cases by Doc-Id. This report lists erroneous refunds in account 1547, Return Preparer Misconduct Erroneous Refunds. Each transaction is listed by Doc-Id, date, beginning balance, adjustment amount and current balance.
 - (3) This report does not need to be printed unless needed or requested however a quarterly review should be done by the Erroneous Refund team.
- 3.17.64.16.4
(09-01-2011)
General Ledger Accounts for Erroneous Refunds
- 3.17.64.16.4.1
(02-16-2022)
Account 1530 Court Case Erroneous Refund (Real Account, DR Normal Balance)
- (1) This receivable account will be used to record erroneous refund receivables that result in a court case. Account 1530 will be supported by copies of bills, IDRS Letter 510C, court documents and TIGTA reports, debit vouchers or other documents showing the name of each debtor, amounts receivable and details of the transaction creating the indebtedness. This supporting information will be kept in the case file in the Erroneous Refund function.
 - (2) Employee fraud cases are controlled in account 1530. Access should be limited.
 - (3) When setting up the case on RRACS, use the TC 700 transaction date on Form 3809. This transaction date is the date of the erroneous refund (TC 840/846). Form 3809 should be stapled to the left side of the folder with the most current one on top and with a journal number clearly printed on each form.
 - (4) The external subsidiary record for this account is the file of paper documents described above. For maintaining cases in this account refer to IRM 3.17.80.1.14.1, accounts 1530, Employee Fraud and/or Civil Suit Erroneous Refund Court Cases and account 1540, Non-Court Case Erroneous Refunds.
- Note:** Beginning in February 2022, due to a new guideline, hold off journaling from the 25th calendar day to EOM.

3.17.64.16.4.2
(09-01-2011)

**Account 1535 CI Court
Ordered Restitution
Erroneous Refund
(Real Account, DR
Normal Balance)
(Kansas City SPC Only)**

- (1) This receivable account will be used to record erroneous refund receivables that result in a criminal investigation court case. Account 1535 will be supported by copies of Form 3809 and a TXMOD print reflecting the erroneous refund or a copy of the payment voucher received from CI in Ogden. CI will maintain the original case file.
- (2) The external subsidiary record for this account is the Form 3809 described above.

3.17.64.16.4.3
(02-16-2022)

**Account 1540 Non-Court
Case Erroneous Refund
(Real Account, DR
Normal Balance)**

- (1) This receivable account will be used to record erroneous refund receivables that are not court cases. This account represents erroneous refund receivables that have not been collected, resulted in a court case, assessed or been determined uncollectible. Account 1540 will be supported by copies of bills, IDRS Letter 510C, debit vouchers or other documents showing the name of each debtor, amounts receivable and details of the transaction creating the indebtedness. This supporting information will be kept in the case file in the Erroneous Refund function.
- (2) Cases are transferred to account 1530 when it is determined that the case is going to court.
- (3) When setting up the case on RRACS, use the TC 700 transaction date on Form 3809. This transaction date is the date of the erroneous refund (TC 840/846). Form 3809 should be stapled to the left side of the folder with the most current one on top and with a journal number clearly printed on each form.
- (4) See IRM 3.17.80, Working and Monitoring Category D, Erroneous Refund Cases in Accounting Operations for write-off tolerances.
- (5) The external subsidiary record for this account is the file of paper documents described above. For maintaining cases in this account refer to IRM 3.17.80, Working and Monitoring Category D, Erroneous Refund Cases in Accounting Operations.

Note: Beginning in February 2022, due to a new guideline, hold off journaling from the 25th calendar day to EOM.

3.17.64.16.4.4
(02-16-2022)

**Account 1543 Payment
Over Cancellation
Erroneous Refund
(Real Account, DR
Normal Balance)**

- (1) This receivable account will be used to record erroneous refund receivables that are NOT court cases. This account represents erroneous refund receivables that have NOT resulted in court cases nor have been collected, assessed or determined uncollectible. This account is part of director's Accountability. Account 1543 is supported by copies of bills, Letter 510C, debit vouchers or other documents showing the name of each debtor, amount receivable and details of the transaction creating the indebtedness. This supporting information will be kept in the case file in the Erroneous Refund function.
- (2) RACS will receive Form 3809 with a DLN Doc Code of 58 and a Blocking Series of 850-899.
- (3) When setting up the case on RRACS, use the TC 700 transaction date on Form 3809. This transaction date is the date of the erroneous refund (TC 840/

846). Form 3809 should be stapled to the left side of the folder with the most current one on top and with a journal number clearly printed on each form.

- (4) See IRM 3.17.80, Working and Monitoring Category D, Erroneous Refund Cases in Accounting Operations for additional information on processing POC accounts.
- (5) The external subsidiary record for this account is the file of paper documents described above. For maintaining cases in this account refer to IRM 3.17.80, Working and Monitoring Category D, Erroneous Refund Cases in Accounting Operations.

Note: Beginning in February 2022, due to a new guideline, hold off journaling from the 25th calendar day to EOM.

3.17.64.16.4.5
(08-18-2022)
Account 1545 Identity Theft Erroneous Refunds
(Real Account, DR Normal Balance)

- (1) Effective June 25, 2012, this receivable account will be used to record identity theft erroneous refunds. This account represents identity theft erroneous refund receivables which are uncollectible. Account 1545 will be supported by Form 3809. Beginning January 15, 2014, cases that are opened via new IDRS command codes IDT 48 or IDT 58 will be supported by EOD 1640, EOD 1622 and Batch posting 171 report. This account is not under director's Accountability.
- (2) When setting up the case on RRACS, use the journal date for the prepare date. This is only for cases received on paper Form 3809.
- (3) See IRM 3.17.80, Working and Monitoring Category D, Erroneous Refund Cases in Accounting Operations for write-off procedures.
- (4) The external subsidiary record for this account is the Form 3809 or EOD 1640, EOD 1622 and Batch posting 171 report.

3.17.64.16.4.6
(07-08-2015)
Account 1547 Return Preparer Misconduct Erroneous Refunds
(Real Account, DR Normal Balance)

- (1) This receivable account will be used to record return preparer misconduct erroneous refunds and was effective July 1, 2015. This account represents return preparer misconduct erroneous refund receivables which are uncollectible. Cases that are opened via new IDRS command codes RPM48 or RPM58 will be supported by EOD 1640, EOD 1624 and batch posting 172 report. This account is not under director's accountability.

Note: The statute for Return Preparer Misconduct is 5 years.

- (2) The external subsidiary record for this account is the Form 3809, EOD 1640, EOD 1624 and batch posting 172 journal.

Note: Prior to the systemic process, Cincinnati had the paper processing of Form 3809's.

3.17.64.16.4.7
(10-01-2014)
Account 4910 Disbursement Loss
(Real Account, DR Normal Balance)

- (1) This liability account provides internal control for disbursement losses (unrecovered erroneous refunds) from accounts 1530, 1535, 1540 and 1543. Cases will be maintained in this account while relief for the accountable officer is requested. See IRM 3.0.167, Losses and Shortages, for additional information.

- (2) The case documentation will be used to support the relief request to the director of Customer Account Services, the director of Submission Processing or other Service or Treasury officer with authority to afford relief.

- 3.17.64.16.4.8
(08-18-2022)
Account 6905 ID Theft Erroneous Refund Write-Off
(Nominal Account, DR Normal Balance)

 - (1) This account provides internal control for identity theft disbursement losses and was effective on June 25, 2012.
 - (2) When write-off approval is granted this account will be debited to provide credit to account 1545, Identity Theft Erroneous Refunds. Cases will be maintained in this account after write-off approval until fiscal year- end. For additional information see IRM 3.17.80, Working and Monitoring Category D, Erroneous Refund Cases in Accounting Operations.
 - (3) Effective February 2019 write-offs will be done monthly systemically by the 12 work day. The 174 RRACS batch journal and the 155D Matched IDT Erroneous Refund report will be the supporting documentation for this account.

- 3.17.64.16.4.9
(08-31-2018)
Account 6907 Return Preparer Misconduct Erroneous Refund Write-Off
(Nominal Account, DR Normal Balance)

 - (1) This account provides internal control for Return Preparer Misconduct disbursement losses and was effective on July 1, 2015.
 - (2) Write-off for this account will be debited to provide credit to account 1547, Return Preparer Misconduct Erroneous Refunds. The monthly 173 RRACS batch journal will be the supporting documentation for this account.

- 3.17.64.16.4.10
(09-01-2011)
Account 6920 Disbursement Write-Off
(Nominal Account, DR Normal Balance)

 - (1) This account provides internal control and accountability for disbursement losses.
 - (2) When relief is granted this account will be debited to provide credit to account 4910, Disbursement Loss. Cases will be maintained in this account after relief for the accountable officer is granted until fiscal year- end. For additional information see IRM 3.0.167, Losses and Shortages.

- 3.17.64.16.5
(02-16-2022)
New Erroneous Refund Case Processing (RRACS Window 480/481)

 - (1) The RACS function will receive a Form 3809 for each new erroneous refund case to be opened on the RRACS system.
 - a. Review each Form 3809 for completeness including the Doc-Id RRACS account number, taxpayer identification and amount of the erroneous refund.
 - b. All Form 3809 in one DLN block should balance to the Form 813.
 - c. Prepare Form 8166 for journal entry. Form 8166 should include, at a minimum, Doc-Id, DLN, money amount and transaction date.

Note: Each Doc-Id must be listed separately on Form 8166. An alternate work listing (calculator tape) may be used.
 - (2) Journalize Form 3809 to the RRACS system to open each case.
 - a. Using the RRACS 480/481 windows, which can be found under the Accounting Application Main Menu under Erroneous Refund, input each Doc-Id and erroneous refund amount separately.

- b. Use the TC 700 transaction date on Form 3809 when opening the case on RRACS. This transaction date is the date of the erroneous refund (TC 840/846).
- c. The journal entry will be a debit to account 1530, 1535, 1540 or 1543 and a credit to account 4120 (BMF) or 4220 (IMF).

Note: There will only be one journal number for each Form 813 received.

- d. The journal number must be stamped or written on all supporting documentation.
- e. Maintain original debit side of Form 3809 for account 1530/1540/1543 in Accounting. Maintain a copy of Form 3809 in Accounting for account 1535.
- f. Forward credit side of Form 3809 to MF for processing.

Note: Beginning in February 2022, due to a new guideline, hold off journaling from the 25th calendar day to EOM.

3.17.64.16.6
(08-31-2018)

**Identity Theft Erroneous
Refund New Case
Processing Using Form
3809**

- (1) A Form 3809 for a new BMF identity theft could be received at any time. BMF cases will have a doc code 48 or 58 with a blocking of 940-989.
- (2) Beginning August 5, 2014, the RACS function In Cincinnati Only could receive a Form 3809 for a Return Preparer Misconduct (RPM) case. These 3809's will be marked with "RPM erroneous refund" in the remarks section and will also be a debit to the 1545 account. RPM cases will have a doc code 48 or 58 with a blocking of 930-939.
- (3) Beginning February 1, 2017, the RACS function, in Cincinnati only, could receive Form 3809 for Non Master File (NMF) (Beginning October 1, 2018 Kansas City).

Note: If an IMF IDT case was opened systemically via IDRS command codes IDT48 (TC 841) or IDT58 (TC 700), follow the instructions in section 3.17.64.16.6.1 Identity Theft Erroneous Refund New Case Processing Systemically Journalled.

- a. Each pack of work received will consist of four copies of Form 813 and three copies of Form 3809 (destroy third copy) under cover of Form 3210. Form 3210 will include DLN(s) of the Forms 813 that are being sent. RACS will review the Form 3210 and acknowledge receipt ensuring date of receipt is annotated.

Note: There will be no more than 75 items per Form 813.

- (4) Within 24 hours of receipt, the RACS function will assign a Doc-Id, and prepare a Form 8166 using the Doc-Id and item count, listing each money amount separately from the Form 3809. The total amount listed on the Form 8166 must equal the total on the Form 813. Form 3809 received for BMF IDT or BMF RPM or NMF (KCSC Only) for account 1545, the Doc Id format will be 15 digits consisting of the DLN of the Form 813 (without sequence number) plus two-digit year plus total volume on Form 813, e.g., 172482619301475.
- (5) Journal the total amount of each Form 813 listed on the Form 8166, using a 480 window to debit account 1545 and credit either account 4120 (BMF) or 4420 (NMF).

Note: For the prepare date on RRACS, use the date of the journal.

- a. Stamp or write the 480 journal number on Forms 3809 and/or Forms 813.
- b. Forward the debit side of Form 3809 and a copy of Form 813 to the Erroneous Refund technician. The Form 3809 should be maintained in account 1545 file and use in balancing.
- c. If 3809 is for RPM (CSC Only), these 3809's should be kept separately from the IDT cases.
- d. Hand carry one copy of Form 813 to Data Conversion for DLN set up on SCCF.

Note: At campus discretion, the DLN may be established in the Data Control Unit.

- e. Hand carry, the next morning, the credit side of Form 3809 and one copy of Form 813 to Batching for processing under cover Form 3210.
- f. For NMF input the Form 813 information for the credit side into ANMF using the Form 813 Block Control screen and route to the NMF function for input to the ANMF system.

3.17.64.16.6.1
(02-19-2019)

**Identity Theft Erroneous
Refund New Case
Processing Systemically
Journaled**

- (1) Beginning January 15, 2014, ID Theft Erroneous Refunds cases (TC 841 and TC 700) are input via IDRS by the originating function using two new command codes IDT48 (TC 841) and IDT58 (TC 700), using CMODE if necessary, to post to General Ledger account 1545.
- (2) Beginning January 20, 2016, Child Support Identity Theft Offsets will be input via IDRS by the originating function using two new command codes CSO48 (TC841) and CSO58 (TC700), using CMODE if necessary, to post to General Ledger account 1545.
- (3) Beginning January 3, 2019, BMF Identity Theft Erroneous Refunds cases will be input via IDRS.
 - a. Normal Identity Theft Erroneous Refunds will become blocking series 940-989 and Identity Theft Child Support Offsets blocking series will now be 990-999.

Note: If RACS receives any paper Form 3809's after January 31, 2014, contact the CFO RACS analysts for guidance.

- (4) The systemic processing will produce a daily automated Batch Journal 171 to RRACS which will debit account 1545 and credit account 4220/4120. The EOD 1640 will produce the summary (total amount and volume) of the transactions and a new report EOD 1622, which lists the detailed information (DLN, TIN, MFT, tax period, transaction code and money amount) of each transaction, will also be available on Control D, under *EOD 1622*.

Note: Beginning May 20, 2014 the EOD 1622 will include the additional taxpayer information listed above.

- (5) RACS must balance daily.

- a. Print EOD 1640 (summary) from Control D– There is not a separate page for Identity Theft.
- b. Print EOD 1622 (detail) from Control D.
- c. Balance the total on the RRACS Batch journal 171 to the dollar amount of the EOD 1640 and EOD 1622. They should agree.
- d. If a discrepancy is found in c above, contact CFO RACS analyst immediately.
- e. If totals agree, write/stamp 171 journal on both EOD runs.
- f. Forward both EOD runs to the appropriate accounting function that maintains the 1545 account. File the EOD 1640 and EOD 1622 by date for further use.

- (6) The Accounting area that maintains the 1545 account should scan the EOD 1622 and flag those items that have expired daily. The expired items (if posted on IDRS) can be added to the monthly extract listing to be written-off before end of month.

Note: If a campus chooses to maintain two separate files at their own discretion, then both files **MUST** be updated.

Note: If there were no systemic records that EOD processed, The EOD 1622 will produce a header record stating there were no records processed. This should be printed and kept for records. Also, the RRACS system will produce a 171 transaction failure stating: there were NO DETAIL RECORDS to process for Cycle: YYYYDD

Note: Use OFP 710-01047 on time spent on IDT.

3.17.64.16.6.2

(08-30-2016)

Return Preparer Misconduct Erroneous Refund Systemic Journal (New Cases)

- (1) Beginning July 1, 2015, Return Preparer Misconduct Erroneous Refund cases (TC 841 and TC 700) are input via IDRS by the originating function using two new command codes RPM48 (TC 841) and RPM 58 (TC 700), using CMODE if necessary, to post to general ledger account 1547.

Note: If RRACS receives paper Form 3809's after June 30, 2015 contact the CFO RACS analysts for guidance.

- (2) The systemic processing will produce a daily automated batch journal 172 to RRACS, which will debit account 1547 and credit account 4220. The EOD 1640 will produce the summary (total amount and volume) of the transactions. A new report EOD 1624, which lists the detailed information (DLN, TIN, MFT, tax period, TC and money amount) of each transaction, will also be available on Control D, under *EOD 1624*.

- (3) Balance RRACS daily.

- a. Print EOD 1640 summary from Control D (There is not a separate page for Return Preparer Misconduct Erroneous Refund).
- b. Print EOD 1624 detail from Control D.
- c. Balance the total on the RRACS batch journal 172 to the dollar amount of the EOD 1640 and EOD 1624. (They should agree)
- d. If a discrepancy is found in (c) above, contact CFO RACS analyst immediately.
- e. If totals agree, write/stamp 172 journal on both EOD runs.

- f. Forward both EOD runs to the appropriate accounting function that maintains the 1547 account. File the EOD 1640 and EOD 1624 by date for further use.

Note: If a campus chooses to maintain two separate files at their own discretion, then both files **MUST** be updated.

Note: If there were no systemic records that EOD processed, the EOD 1624 will produce a header record stating there were no records processed. This should be printed and kept for records. If there were no records done systemically, the RRACS system will also produce a 172 transaction failure stating: No Detail Records to process for Cycle: YYYYDD

Note: Use OFP 710–01048 on time spent on RPM.

3.17.64.16.6.3
(08-31-2018)
**Monthly Balancing
Procedures - ID Theft
and Return Preparer
Misconduct**

- (1) Balancing ID Theft:
 - a. Run paper Form 3809s as usual, using the Doc Id and the total money amount.
 - b. Run EOD 1622 total for each day for systemically journaled cases.

Note: It is important to ensure if a reversal or write-off was done, to use the adjusted dollar amount and adjusted volume.
 - c. Monthly trial balance should equal the RRACS Monthly GL 1545 account and RRACS report 155B.
- (2) Balancing Return Preparer Misconduct:
 - a. Run paper Form 3809s (Kansas City SPC only), using the Doc ID and the total money amount on the trial balance.
 - b. Run EOD 1624 total for each day on the trial balance for systemically journaled cases.

Note: It is important to ensure if a reversal or write-off was done, to use the adjusted dollar amount and adjusted volume.
 - c. Monthly Trial balance should equal the RRACS Monthly GL 1547 account and RRACS report 0157.

Note: Use OFP 420-75830 for monthly balancing of accounts.

3.17.64.16.7
(09-06-2017)
**Repayment or Partial
Repayment of Erroneous
Refund
(RRACS Window
480/481)**

- (1) A repayment or partial repayment of erroneous refund will close the case in accounts 1530/1535/1540/1543 or reduce the debt owed to IRS.
- (2) RACS will receive a Form 3809 for each repayment or partial repayment of an erroneous refund case open on the RRACS system.
 - a. Review each Form 3809 for completeness including the Doc-Id, RRACS account number, taxpayer identification and amount of the erroneous refund.
 - b. All Form 3809s in one DLN block should balance to the Form 813.
 - c. Prepare Form 8166 for journal entry.

Note: Each Doc-Id must be listed separately on Form 8166. An alternate work listing (calculator tape) may be used.

- (3) Journalize Form 3809s to the RRACS system to close or reduce the balance of each case.
 - a. Using the RRACS 480/481 window, which can be found under the Accounting Application Main Menu under Erroneous Refund, input each Doc-Id and payment amount separately. For prepare date use the current date.
 - b. The journal entry will be a debit to account 4120 (BMF) or 4220 (IMF) and a credit to account 1530,1535, 1540 or 1543.

Note: If you receive an error code, see IRM 3.17.64.4.4, Error Conditions, for the explanation.

- c. The journal number must be stamped or written on all supporting documentation.
- d. Maintain original credit side of Form 3809 in Accounting Erroneous Refund Team for the 1530/1540/1543 accounts and associate with original debit Form 3809 that opened the case. For account 1535, maintain a copy of Form 3809 in Accounting Erroneous Refund Team and associate with Form 3809 that opened the case. Send original Form 3809 with journal number back to originator.

3.17.64.16.8
(09-06-2017)
**Erroneous Refund
Non-Payment
(RRACS Window 485)**

- (1) When an erroneous refund is determined to be uncollectible, the ERSED date has expired or the case is below the tolerance of \$50, the case will be transferred from account 1530/1535/1540/1543 to account 4910, Disbursement Loss. Documentation kept in the case file will explain why the case is determined uncollectible. A relief request will be prepared by the Erroneous Refund function requesting relief for the accountable officer.
- (2) RACS will receive a Form 3809 for each erroneous refund case being sent for relief.
 - a. Review each Form 3809 for completeness; including the Doc-Id, RRACS account number and amount of the erroneous refund.
 - b. Prepare Form 8166 for journal entry.

Note: Each Doc-ID must be listed separately on Form 8166.

- (3) Journalize Form 3809s to the RRACS system to transfer each case sent for relief to account 4910, Disbursement Loss.
 - a. Using the RRACS 485 window, which can be found under the Accounting Application Main Menu under Non-Payment of Erroneous Refund, input each Doc-Id and amount separately. For prepare date use the current date.
 - b. The journal entry will be a debit to account 4910, Disbursement Loss and a credit to account 1530,1535, 1540 or 1543.

Note: If you receive an error code, see IRM 3.17.64.4.4, Error Conditions, for the explanation.

- c. The journal number must be stamped or written on all supporting documentation.

- d. Maintain debit side (account 4910) of Form 3809 in the RACS function and associate with original Form 3809 that opened the case. Send credit side of Form 3809 back to originator.
- (4) If the taxpayer makes a payment while the case is journaled to account 4910, awaiting relief, RACS will receive a Form 3809 for each payment made.
 - a. Review each Form 3809 for completeness; including the RRACS account number, taxpayer identification and amount of the payment.
 - b. Prepare Form 8166 for journal entry.
 - c. The end result will be a journal to debit account 4120 (BMF) or 4220 (IMF) and to credit account 4910, Disbursement Loss. This will require using both the 480 and 485 windows, which can be found under the Accounting Application Main Menu.
 - d. The journal number must be stamped or written on all supporting documentation.
 - e. Debit document will be sent for processing and Credit document will be maintained in Accounting Erroneous Refund Team and will be associated with original Form 3809 that opened case.

3.17.64.16.9
(01-13-2014)
**Erroneous Refund
Cleared
(RRACS Window 490)**

- (1) An erroneous refund is considered “cleared” once relief is granted to the accountable officer.
- (2) RACS will receive a copy of the erroneous refund relief request signed by either the Director of Customer Account Services, the Director of Submission Processing or other Service or Treasury officer with authority to afford relief.
 - a. Review listing for valid signature and date.
 - b. Prepare Form 8166 for journal entry.
- (3) Journalize the signed relief request to the RRACS system to clear the cases from account 4910.
 - a. Using the RRACS 490 window, which can be found under the Accounting Application Main Menu under Clear Erroneous Refund, input the total amount of the write-off listing.
 - b. The journal entry will be a debit to account 6920, Disbursement Write-off and a credit to account 4910, Disbursement Loss.
 - c. The journal number must be stamped or written on all supporting documentation.
 - d. RACS function will keep a copy of relief request and the original will be sent back to originator.
- (4) If the erroneous refund is repaid after relief has been granted, RACS will receive a Form 3809 for each payment made.
 - a. Review each Form 3809 for completeness; including the RRACS account number, taxpayer identification and amount of the payment.
 - b. Prepare Form 8166 for journal entry.
 - c. Using the RRACS 400 window, which can be found under the Accounting Application Main Menu under Miscellaneous Applications, input the total amount.
 - d. The journal entry will be a debit to account 4120 (BMF) or 4220 (IMF) and a credit to account 6920, Disbursement Write-Off.

Note: Credit account 9998 for prior fiscal year reversals. 6920 is a nominal account and at the end of fiscal year will roll to 9998. For example, if the case was granted relief in FY 2020 and a payment was received in FY 2021, account 9998 would be credited.

- e. The journal number must be stamped or written on all supporting documentation.
- f. Debit document will be sent for processing and Credit document will be maintained in Accounting Erroneous Refund Team and will be associated with original Form 3809 that opened case.

3.17.64.16.10
(10-02-2019)

**Identity Theft Erroneous
Refund Cleared
(RRACS Window 490)**

- (1) Since there is no accountable officer for identity theft erroneous refunds, authority for “clearing” this type of erroneous refund may not be delegated below the accounting operation level.
- (2) Due to the systemic process an extract listing is no longer received monthly.
- (3) If a case has expired and was not included in the systemic process it must be done thru the manual process.
 - a. Prepare an excel listing of all expired cases. Prepare and submit the memorandum (s) along with the excel listing for IDT theft cases for approval and signature from the accounting operation manager.
 - b. The ERRT team will forward the signed memorandum (s) and excel listing to the RACS Team for journaling.
 - c. RACS will receive from the ERRT team the memorandum (s) signed by the accounting operation manager and the excel listing.
 - d. If a revise memo is needed for any reason, annotate revised on top of new memo and staple revised memo to front of original memo.

Note: This information must be kept in the GAO audit file along with the information in 4(f) above.

Note: Identity Theft Erroneous Refunds have a 5- year erroneous refund statute expiration date (ERSED) and cannot be written off to the GL 6905 until the five years have passed.

- (4) Journalize the extract to clear the cases from account 1545 using the Doc-Id from the original journal.

Note: If more than 75 Doc-Ids are included on the extract, more than one journal number will be needed.

- a. Using the RRACS 490 window, which can be found under the Accounting Application Main Menu under Clear Erroneous Refund, input each individual Doc-Id and money amount from the extract.

Note: OFP 710-01047 should be used to report the hours spent on journaling however the volumes of journals are reported to 410-37900.

- b. The journal entry will be a debit to account 6905, ID Theft Erroneous Refund Write-Off and a credit to account 1545, ID Theft Erroneous Refunds.

Note: In the event an incorrect doc id was entered in a completed journal, it is not necessary to reverse the entire journal. Window 480 should be utilized to

make the correction journal of the ONE doc id. Two 480 journals will be necessary for the correction (set-up and closed).

- c. The prepare date will be the date the memorandum(s) was signed by the accounting operation manager.
- d. Stamp/write the 490 journal numbers on the excel listing and memorandum (s).
- e. Forward a copy of the memorandum(s) and excel listing to the function maintaining the documents, if not RACS, for balancing and GAO audit file as a closed case.

Note: The journal entry for each month must be completed by end of month processing.

Note: Campuses should retain the excel listing with original signed memo for one year after the account has been written off to 6905, then retire to FRC.

3.17.64.16.11
(10-02-2019)
Identify Theft Erroneous Refund Systemic Write-Offs

- (1) IDT write-offs is systemic and will be done through a RACS batch journal by the 10th workday of the month. The batch journal number will be 174 and will include the Doc-id. This will credit the account 1545 and debit account 6905.
- (2) Two new reports were created and will be placed under the Miscellaneous option on RRACS.
 - a. 155D Matched Identity Theft Erroneous Refund Write-offs will record the date, doc-id and money amount and a grand total of monthly amount and item count. Copy of report should be kept in a separate folder by month and fiscal year.
 - b. 155E Unmatched Identity Theft Erroneous Refund Write-offs will record doc-id, money amount and error code.
 - c. The following error codes exists in the RRACS system. AG update amount is greater than the outstanding amount and NF document was not found.
 - d. Research must be done on items placed on the 155E report.
 - e. A copy with notations must be kept in a separate file by month and fiscal year.
- (3) A copy of the journal print #174 and the 155D and 155E should be released to the area that maintains the account.
- (4) Any cases that have expired and were not included in the systemic process can be written off manually. Prepare an excel listing with the information and a memorandum following IRM 3.17.64.16.10 procedures.

Note: Identity Theft Erroneous Refunds have a 5 year erroneous refund statute expiration date (ERSED) and cannot be written off to the GL 6905 until five years has passed.

3.17.64.16.12
(08-19-2020)
Return Preparer Misconduct Systemic Write-Offs

- (1) RPM write-offs is systemic and will be done through a RACS batch journal on the 15th of the month. The batch journal number will be 173 and will include the Doc-Id. This will credit the account 1547 and debit account 6907.

Note: Return Preparer Misconduct Erroneous Refunds have a 5 year erroneous refund statute expiration date (ERSED) and cannot be written off to the GL 6907 until five years has passed.

- (2) If a case included on the batch tape was opened by paper processing (CSC only), adjust the copy of the transfer memo and annotate "write-off" and journal number next to the money amount and adjust total volume. For the new systemic process on the EOD 1624 for the corresponding day of TC 841/700, locate the DLN, annotate the EOD 1624 "write-off" and journal number, subtract the amount of the write-off from the listing total and the volume count. An alternative work listing (spreadsheet) may be used but must include adjustments, journal numbers, volume and monies and must be attached to original EOD 1624.
- (3) Any cases that have expired and were not included in the systemic process can be written off manually use window 490. Prepare Form 3809 or a copy of the EOD 1622 to debit the 6907 and credit the 1547 account.
- (4) To balance the 6907 accounts, use the 173 journal and Form 3809s, if applicable.

Note: Use OFP 710–01048 for time spent on RPM.

3.17.64.16.13
(08-18-2022)

Reversals of TC 841/700

- (1) Forms 3809/3245 will be prepared for any account requiring a reversal of TC 841/700 on an account opened by either a paper Form 3809 or the systemic process.

Note: Every effort should be made to process the forms within 10 working days.

- (2) Accounting procedures for reversals where the original case was opened from a paper Form 3809 will not change.
 - The Form 813 will be modified to show the case(s) that were pulled. The item count and the money amounts must be adjusted on the Form 813. The campus has the option of using an alternative method, such as a spreadsheet, to document the adjustments that are made to the money and item count for each block. If an alternative method is used in lieu of documenting the Form 813, you must ensure that all pertinent information is maintained, and it must be attached to the Form 813.
 - Annotate on the Form 813 or alternative method "Reversal" and the journal number.
- (3) When a Form 3809/3245 is received for a reversal of a TC 841/700 which was opened by the systemic process or paper process, research the DLN (Doc ID) on the RRACS database to ensure the case is still open.
 - a. If open and the money agrees, complete the closing journal action to debit 4220 and credit 1545/1547.
 - b. If not found or money does not agree, reject back to originator.

Note: If the item has been written off for current fiscal year, credit account 6905/6907 and 9998 for prior fiscal year.

- (4) On the EOD 1622 for the corresponding day of TC 841/700, locate the DLN, TIN, MFT and Tax Period and annotate on EOD 1622 "reversal" and journal number and subtract the amount of the reversal from the listing total and the volume count.

Note: For IDT when a reversal must be done and the original case was opened systemically from January 14 through May 19, 2014, the EOD 1821 (Form 5147) from the date of the original TC 841/700 should be printed from Control-D. (This can be done by searching the DLN. It is not necessary to print ALL Form 5147's for the entire day.) A copy of the Form 5147 should be stapled to the EOD 1622 to prove the correct account is being reversed. An alternative work listing (spreadsheet) may be used but must include adjustments, journal numbers, volume and monies and must be attached to original EOD 1622.

- (5) For RPM on the EOD 1624 for the corresponding day of TC 841/700, locate the DLN, TIN, MFT and Tax Period and annotate on the EOD 1624 "reversal" and journal number and subtract the amount of the reversal from the listing total and the volume count. **CSC Only-** for paper processing use transfer memo to annotate reversal. An alternative work listing (spreadsheet) may be used but must include adjustments, journal numbers, volume and monies and must be attached to original EOD 1624.
- (6) Stamp or write journal number on Form 3809/3245 and Form 813(s).
- (7) Debit side of Form 3809/3245 with Form 813 will be sent to Batching and a Form 813 to SCCF.
- (8) Credit side of Form 3809 will be stapled to EOD 1622/1624.

Note: Due to the validity checks that have been instituted in the command codes IDT48/RPM48 and IDT58/RPM58, most unpostable issues should be eliminated. However, if a TC 841 or TC 700 input via IDRS should go unpostable, it will be identified with a UPC 138-4 for IDT and 138-0 for RPM.

Note: Use OFP 710-01047 on time spent on IDT and OFP 710-01048 for time spent on RPM.

3.17.64.16.14
(06-17-2016)
Duplicate or Invalid TC 841 (UPC138-4) or (UPC138-0)

- (1) Accounting will receive Form 3809 and Form 4028 for a TC 841 (UPC 138-4) and (UPC 138-0) which will not post due to being duplicate or invalid.
- (2) When Form 3809 is received for a reversal of a TC 841 which was opened by the systemic IDT/RPM process, research the DLN (Doc ID) on the RRACS database to ensure the case is still open.
 - a. If open and the money agrees, complete the closing journal action to debit 4220 and credit 1545/1547.
 - b. If not open or money does not agree, contact the Unpostable team for further research.
- (3) On the EOD 1622 for the corresponding day of TC 841/700, locate the DLN, TIN, MFT and Tax Period and annotate on EOD 1622 "reversal" and journal number and subtract the amount of the reversal from the listing total and the

volume count. An alternative work listing (spreadsheet) may be used but must include adjustments, journal numbers, volume and monies and must be attached to original EOD 1622.

Note: For IDT when a reversal must be done and the original case was opened systemically on May 20, 2014 and prior, the EOD 1821 (Form 5147) from the date of the original TC 841/700 should be printed from Control-D. (This can be done by searching the DLN. It is not necessary to print ALL Form 5147's for the entire day.) A copy of the Form 5147 should be stapled to the EOD 1622 to prove the correct account is being reversed.

- (4) For RPM on the EOD 1624 for the corresponding day of the TC 841/700, locate the DLN, TIN, MFT and Tax period and annotate on EOD 1624 "reversal" and journal number and subtract the amount of the reversal from the listing EOD 1624 total and the volume count. An alternative work listing (spreadsheet) may be used but must include adjustments, journal numbers, volume and monies and must be attached to original EOD 1624.

Note: These will show as UPC 138-0.

- (5) Stamp or write journal number on Form 3809 and Form 4028.
- (6) Credit side of Form 3809 will be stapled to EOD 1622/1624.

Note: Use OFP 710-01047 for time spent on IDT and OFP 710-01048 for time spent on RPM.

3.17.64.17
(08-24-2023)
**External Leads
Processing (ELP)
Kansas City CFO RACS
Only**

- (1) Return Integrity and Verification Operation (RIVO) - external leads receives leads from financial institutions as well as internal leads from business units throughout the IRS. External leads involve questionable federal tax refunds from financial institutions and various other sources. External leads may involve Treasury checks, direct deposit/ACH, refund anticipation loans or checks and pre-paid debit cards.
- (2) There are two ways the IRS receives refund repayments for external leads.
 - a. Paper Check Deposit Processing
 - b. Electronic Processing via the Collections Information Repository (CIR) Credit Gateway
- (3) The external leads program processes returned refunds identified as potentially fraudulent. RIVO-external leads complete the research to identify affected taxpayers using command code ELP45 (IMF) or preparing Form 3245, Posting Voucher-Refund Cancellation or Repayment (BMF), for application to the appropriate taxpayer account, then forwards BMF only to the accounting operation for processing.
- (4) All deposits tickets must be logged into Submission Processing Accounting SharePoint for External Bank Leads at: <https://organization.ds.irsnet.gov/sites/SPATPBranch/External%20Leads%20Deposit%20Tracking/Forms/AllItems.aspx>
- (5) Items a-g below should be log in SharePoint with money amount and journal number:
 - a. Form 813 (s) total from Form 3245 (s)

- b. Unpostables reversals
- c. Manual refunds
- d. Form 1098s
- e. Debit voucher
- f. Form 3809 (Reversals TC722)
- g. Journal print 155 and 156

3.17.64.17.1
(12-07-2012)

**Account 4971, Unapplied
External Leads
Real Account, Credit
Normal Balance**

- (1) This account is used to record and control unapplied external leads prior to research for proper application.
- (2) The items included in this account also include unapplied external leads which cannot be applied directly to MF.
- (3) Journal using a 210 window with the original deposit ticket number in the Document # field on the screen.
- (4) The external subsidiary file documents are Form 3809s.

3.17.64.17.2
(02-07-2014)

**Account 6801, Expired
External Leads
Real Account, Credit
Normal Balance**

- (1) This account is used to record, and control expired external leads after research for proper application. The items included in this account are only those expired external leads which cannot be applied directly to MF.
- (2) If any items over two years from the deposit date cannot be resolved through research and follow-up with RIVO-external leads, prepare Form 3809 to debit account 4971 and credit account 6801 for the remaining amount for each Doc-Id (DT Number) in account 4971.
- (3) In the remarks field of the Form 3809, include the original deposit ticket number and date of deposit.
- (4) Attach a copy of the memo from RIVO showing the amount remaining in the 4971 account to the credit side of the Form 3809 (For account 6801).
- (5) Journal using a 400 window using the original deposit ticket number in the RS# field on the screen.
- (6) The credit side of Form 3809 (account 6801) should be kept in a file by journal date until the next fiscal year is over, then send to FRC.
- (7) The debit side of Form 3809 (account 4971) should be put in the closed file of the 4971 account with all supporting documentation from deposit ticket.
- (8) On the Accounting SharePoint, add the money moved to account 6801 and the journal number.
- (9) The external subsidiary file documents are Form 3809s, 132B RRACS Report or 156 journal print transferring monies from account 4971 to account 6801.

3.17.64.17.3
(08-18-2022)

**Unapplied External
Leads Report
(RRACS Report 132)**

- (1) This is a monthly report produced by the RRACS system. The current month activity must equal the current balance on the Daily Trial Balance Report.
- (2) The Unapplied External Leads Report helps the Accounting functions track the status of the external leads deposits and applications. External leads are listed on the report by Deposit Ticket number. This report lists external leads in

account 4971, Unapplied External Leads. Each transaction is listed by Doc-Id, date, beginning balance, adjustment amount and current balance.

- (3) This report should be reviewed quarterly and signed by manager.

3.17.64.17.4
(01-03-2018)
**Unapplied External
Leads Report (RRACS
Report 132A)**

- (1) This is a monthly report produced by the RRACS system. The current month activity must equal the current balance on the Daily Trial Balance Report and the current balance will equal to the Monthly Trial Balance Report.
- (2) This report is in the SPC Reports Main Menu/Miscellaneous folder.

3.17.64.17.5
(01-03-2018)
**External Leads Systemic
Write-offs Report
(RRACS Report 132B)**

- (1) This is a monthly report produced by the RRACS system. The current month systemic write-offs must equal the current balance on the Daily Trial Balance Report and the current month ending balance must equal to the Monthly Trial Balance Report.
- (2) The External Leads Systemic Write-offs Report will contain the items that expired on the 25th month on the 10th day. This report will list external leads in account 4971 that have expired and systemically moved to the 6801 account. It will include each transaction by doc-id (deposit ticket), deposit date and current balance the bottom of report will list prior month ending balance, total current month systemic write-off and current month ending balance.

3.17.64.17.6
(05-09-2022)
**Paper Check Deposit
Processing
Kansas City Only**

- (1) RACS receives Accounting package, including deposit ticket, copies of checks and spreadsheet, from Receipt and Control Operation. Review that the checks balance to the deposit ticket.
- If there is a discrepancy in deposit, notify Manual Deposit and RIVO.
 - Continue with process; bank should provide a credit or debit adjustment.

Note: Effective July 15, 2013, the Trace ID number must have a "12" as the System ID.

- (2) RACS forwards the entire Accounting package to the appropriate Accounting function to:
- Log the deposit ticket into the External Lead Processing (ELP) log found on the Submission Processing, Accounting and Tax Branch SharePoint, see IRM 3.17.64.17 for link to SharePoint.
 - Prepare a one-sided Form 3809 (credit to GL account 4971), using the same amount of the deposit ticket.
 - In the explanation field of the Form 3809 include **ELP, DT #XXXXXX, the date of DT and source (i.e., Bank Name, Original deposit entity)**. If no spreadsheet, notate "no listing."
 - Copy of deposit ticket will be maintained in the account 4971 file.
 - Forward the deposit ticket, Form 3809 and a copy of the spreadsheet to RACS within 24 hours.
- (3) RACS will balance and journal to the appropriate General Ledger accounts, via the RRACS system using a 210 window:
- Debit account 2410 (TAS 20x0903) and credit account 4971, unapplied external leads.
 - On the debit side, Treasury number will be the deposit ticket number.

- c. On the Main Transaction window, scroll down and highlight unapplied external leads.
 - d. On the credit side, (Main Source Journal) the Document # input must be the deposit ticket number.
 - e. On the Summary Screen, verify the accounts, money and both document numbers are the same as the deposit ticket number.
 - f. Stamp the journal number on the Form 3809 and DT.
- (4) Using Form 3210, RACS will send the Form 3809 and a copy of the spread-sheet to the appropriate Accounting function to:
- a. Update the ELP log to include the first journal found on the Submission Processing, Accounting and Tax Branch SharePoint.
 - b. Maintain the Form 3809 in case file for account 4971.

3.17.64.17.7
(08-24-2023)

**Electronic Payment
Processing
Kansas City CFO RACS
Only**

- (1) Log into Collections Information Repository (CIR) to retrieve and print External Lead Processing (ELP) deposit ticket(s) and Automated Clearing House (ACH) detail report.
- (2) Send a copy of the deposit ticket and the ACH detailed report via email to your Return Integrity and Verification Operation (RIVO)-external leads contacts
EXCEPTION: If RACS receives a spreadsheet before the deposit is retrieved from CIR, continue with step 5 below.
- (3) RIVO-external leads will research and email the spreadsheet(s) from the bank that equals the deposit within 24 hours.
- (4) If RIVO-external leads verify there is no spreadsheet, RIVO-external leads will prepare and send a supporting documentation letter to Accounting within 24 hours, stating the originating deposit entity, deposit ticket number and deposit total. This documentation will have a brief statement that no external leads were available for this deposit. These items will remain in account 4971. Accounting will file the RIVO-external leads letter with the Form 3809 to substantiate the account 4971 account balance, proceed to next step.
- (5) Print spreadsheet(s) and compare deposit ticket total to the total of the spreadsheet(s) received in email from RIVO-external leads. These totals should match.
- (6) Assign a TRACE ID number to the deposit ticket (DT) using the Batch Block Tracking System (BBTS). Effective July 15, 2013, the Trace ID number must have a "12" as the System ID.
- (7) Forward a copy of the deposit ticket with Trace ID and journal number assigned to RIVO-external leads.
- (8) Forward the original deposit ticket and corresponding spreadsheet (if available) to the appropriate Accounting function to:
 - a. Log the deposit ticket into the external leads processing (ELP) log found on the Submission Processing, Accounting and Tax Branch SharePoint, see IRM 3.17.64.17 for link to SharePoint.
 - b. Prepare a one-sided Form 3809 (credit to GL account 4971) for the same amount of the deposit ticket.

- c. In the explanation field of the Form 3809 include **ELP, DT #XXXXXX, the date of DT and the source (i.e., Bank Name(s), Original deposit entity).**
 - d. If RIVO-external leads letter is received, log in SharePoint and maintain in account 4971.
- (9) Forward the deposit ticket, Form 3809 and a copy of the spreadsheet (if available) to RACS within 24 hours of receipt.
- (10) RACS will balance and journal to the appropriate General Ledger accounts, via the RRACS system using a 210 window:
 - a. Debit account 2410 (TAS 20x0903) and credit account 4971, unapplied external leads.

Note: The TAS for any external lead deposit will always be 20X0903, even if the CIR deposit ticket does not show it.

 - b. On the debit side, Treasury number will be the deposit ticket number.
 - c. On the Main Transaction window, scroll down and highlight unapplied external leads.
 - d. On the credit side, (Main Source Journal) the Document # input must be the deposit ticket number.
 - e. On the Summary Screen, verify the accounts, money and both document numbers are the same as the deposit ticket number.
 - f. Stamp the journal number on the Form 3809 and DT.
- (11) Using Form 3210, RACS will send the Form 3809 and a copy of the spreadsheet (if available) to the appropriate Accounting function to:
 - a. Update the ELP log to include the first journal found on the Submission Processing, Accounting and Tax Branch SharePoint, see IRM 3.17.64.17 for a link to SharePoint.
 - b. Maintain the Form 3809 case file for account 4971.

Note: Some deposits may not receive a Form 3245 to be applied to an account. The deposit amount will stay in account 4971. As supporting documentation, RIVO-external leads will provide a letter with deposit information, a list and total amount of leads where no Form 3245 was prepared. This will be maintained in account 4971 account file with the Form 3809 and the research checklist that RIVO-external leads provide per deposit lead.

3.17.64.17.8
(08-18-2022)
Processing of Form 3245, Posting Voucher (BMF) - Refund Cancellation or Repayment for ELP

- (1) RACS team will receive Form(s) 3245 after RIVO has completed needed research of the taxpayer information. RACS will obtain DLN from Off-Line BBTS DLN Generation with Doc Code 45 and Blocking Series 200-299. Use the Julian Date of the Deposit Ticket in the DLN. Stamp the DLN on the Form 3245 and prepare Form 813. Ensure the Trace-ID number is from the original OTCnet/CIR deposit ticket. RACS should contact RIVO for any questions.

Note: Form(s) 3245 should be balanced, journaled and released to Batching within six working days of receipt.

- a. Ensure each Form 3245 includes the DT number and TRACE ID.
- (2) Ensure the Form 813 balances to the Form(s) 3245.

(3) Ensure the Form 813 and Form(s) 3245 balance to original deposit ticket.

Note: Some deposit tickets will not be completely resolved and the deposit will remain in GL 4971. Supporting documentation for these monies remaining in GL 4971 will be supplied by RIVO-external leads and maintained in the account 4971 account file with the Form 3809.

If	And	Then
All Form(s) 3245 are received	Equal the amount of the original deposit	Prepare a one-sided Form 3809 (debit to GL account 4971) for the total of the Form(s) 3245 and Form 813
All Form(s) 3245 are received	Does not balance to original deposit ticket amount	Contact RIVO-external leads for guidance/resolution
Partial Form(s) 3245 are received	Less than the amount of the original deposit ticket	Prepare a one-sided Form 3809 (debit GL account 4971) for the total of the Form(s) 3245 and Form 813 <ol style="list-style-type: none"> Run an adding machine tape to subtract the amount received from the original Form 3809 Attach a copy of the adding machine tape to the one-sided Form 3809 Continue this process with all closing Form 3809(s) until there is no money left open for that deposit ticket number (see Note above).
Partial Form(s) 3245 are received	The deposit ticket amount has been previously reduced and there is enough money remaining in the deposit ticket total	Prepare a one-sided Form 3809 (debit to GL account 4971) for the total of the Form(s) 3245 and Form 813 <ol style="list-style-type: none"> Run an adding machine tape to subtract the amount received from the remaining balance on the original Form 3809 Attach a copy of the adding machine tape to the one-sided Form 3809 Continue this process with all closing Form 3809(s) until there is no money left open for that deposit ticket number (see Note above).

If	And	Then
Form 3245 with RIVO-external leads letter received together	Voucher plus letter equal to deposit ticket	a. File letter in account 4971 b. Prepare Form 3809 for amount of voucher
Only RIVO-external leads letter	RIVO-external leads letter equal to deposit ticket	File RIVO-external leads letter in account 4971.

- (4) In explanation field of Form 3809, include "ELP", the 1st journal 210xxxxxxxxxxx and DT#XXXXXX.
- (5) Using Form 3210, send the Form 813, Form(s) 3245 and Form 3809 to RACS technician.
- (6) RACS technician will balance Form(s) 813 to Form(s) 3809 and journal to the appropriate General Ledger accounts via the RRACS system.
 - a. Debit 4971 and credit 4120 (SCCF) via RRACS 400 window. Make sure the ORIGINAL deposit ticket number is used in the RS# field on the screen.
 - b. In message on RRACS cross reference the 1st journal 210xxxxxxxxxxx and the DT#.
- (7) RACS will forward:
 - a. Form(s) 3245 with Form 813 to Batching in a brown folder
 - b. The duplicate Form 813 and Form 3809 to appropriate Accounting function
- (8) Establish the Form 813 DLN on SCCF.
- (9) The following day Data Control will verify the DLN, count and money to SCF1142 against Form 813.
- (10) Update the ELP log with the second journal, attach closing Form 3809 with adding machine tape, if applicable, to original Form 3809. Maintain the Form 3809 in case file as closed.

3.17.64.17.9
(08-24-2023)

**External Lead Payments
Systemically Journalled**

- (1) Beginning January 2, 2018, external leads cases (TC720) are input via IDRS by the originating function using command code ELP45, using CMODE if necessary, to post to General Ledger account 4971. If after 19 working days and Accounting has not received vouchers or a memo, Accounting should contact RIVO in their campus.

Note: If RACS receives any paper Form (s) 3245 dated after January 2, 2018, it will be rejected for IMF, BMF will be processed manually.

- a. External lead transaction will be assigned DLN with a, Tax Class 2, Doc Code 45, Inflated Julian, Block Series 700-799.
- (2) The daily systemic processing will produce the following:
 - a. A daily automated batch journal 155 to RRACS which will debit account 4971 and credit account 4220.

- b. The EOD 1740, which is a summary (total amount and volume) of the transactions.
- c. The EOD 1721 detail report, which lists the detailed information (DT, DLN, TID, TIN, MFT, tax period, transaction code and money amount) of each transaction.

Note: Both runs will be available on Control D, under *EOD 1721* and *EOD 1740*. Transaction failures must be researched daily and resolved within 3 business days.

Note: If CMODE is not used by the originator when inputting to CC ELP45, the site will receive a transaction failure on RRACS. A credit Form 2158 will be prepared by the site that has the doc-id of record and sent to the site where the transaction error occurred. Once journaled scan or email the Form 2158 and follow normal procedures for the Form 2158 in IRM 3.17.21.

Note: Losing site can only be Kansas City. Contact CFO RACS analyst if you need assistance.

(3) Daily RACS must balance:

- a. Print 155 journal number.
- b. Print EOD 1740 from Control D.
- c. Print the EOD 1721 from Control D.
- d. Balance the total on the RRACS Batch journal 155 to the total dollar amount of the EOD 1721. They should agree.
- e. If a discrepancy is found in d above, contact CFO RACS analyst immediately.
- f. If totals agree, write/stamp 155 journal number on EOD 1740 and each page that includes the summary for deposit ticket and report summary from the EOD 1721.
- g. Forward both EOD runs to the appropriate accounting function that maintains the 4971 account.

(4) Daily, the accounting area that maintains the 4971 account will:

- a. Separate the EOD 1721 by deposit ticket number.
- b. File EOD 1721 in case file, ensure the journal number is stamped/written on the report.
- c. File the original EOD 1740 by date.

Note: Some deposit tickets will not be completely resolved and the deposit will remain in GL 4971 with supporting documentation for these monies. A memo will be supplied by RIVO-external leads and maintained in the 4971 account file with the EOD 1721.

If	And	Then
All Batch posting 155.	Equal the amount of the original deposit.	File the EOD 1721 in case file.

Partial Batch posting 155.	Less than the amount of the original deposit ticket.	File the EOD 1721 in case file. a. Run an adding machine tape to subtract the amount received from the EOD 1721. b. Attach a copy of the adding machine tap to the EOD 1721. c. Continue this process with all EOD 1721 until there is no money left open for that deposit ticket number (see NOTE above).
Partial Batch posting 155.	The deposit ticket amount has been previously reduced and there is enough money remaining in the deposit ticket total.	File the EOD 1721 in case file. a. Run an adding machine tape to subtract the amount received from the EON 1721. b. Attach a copy of the adding machine tape to the EOD 1721. c. Continue this process with all closing EOD 1721 until there is no money left open for that deposit ticket number (see NOTE above).
Batch Posting 155 and RIVO-external leads memo/letter received.	EOD 1721 plus memo/letter equal to deposit ticket.	a. File memo/letter in account 4971. b. File EOD 1721 in case file.
Only RIVO-external leads memo/letter.	RIVO-external leads memo/letter equals to deposit ticket.	File RIVO-external leads memo/letter in account 4971.

Transaction Failure		Contact RIVO-external leads for guidance/resolution
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- (5) Update the ELP log with the second journal number, attach closing EOD 1721 with adding machine tape, if applicable, to original EOD 1721. Maintain the EOD 1721 in case file as closed.

Note: If there were no systemic records that EOD processed, the EOD 1740 will produce a header recorded stating there were no records processed. This should be printed and kept for records. Also, if there were no records done systemically, the RRACS system will also produce a 155 transaction failure stating: there were NO DETAIL RECORDS to process for cycle: YYYYDD.

3.17.64.17.10
(08-31-2018)
Monthly Balancing of ELP

- (1) A monthly trial balance spreadsheet is required for GL account 4971.
- Use the opening amount of each Form 3809 if no applications have been made; or
 - Use the remaining balance left on each opening Form 3809 (which would be found on your adding machine tape totals).
 - When reporting on the Form 3997, the volume should be the number of Form 3809s still open in account 4971.
- (2) A monthly trial balance spreadsheet is required for GL account 6801.
- Use the amount of each Form 3809 and/ or 156 journal print.
 - When reporting on the Form 3997, no volume is required for account 6801.

3.17.64.17.11
(06-26-2018)
Reversal of external leads funds

- (1) When it is determined by RIVO-external Leads that external leads funds were given to IRS in error, Accounting will receive a Form 3809, with a TC 722 to reverse the TC 720 posted to the taxpayer's account. Form 3809 must include the original deposit ticket number and the general ledger account (4971) to be credited. Ensure there is a TC 720 posted to the taxpayer account to be reversed.

Note: If the funds from the TC 720 are prior to December 10, 2012, Accounting will receive a Form 8758. A TC 722 should be used to add to account 6800, Excess Collections.

- (2) Forward Form(s) 3809 to the Accounting function for numbering and journaling.
- (3) Accounting will number Form 3809 (debit side) using a 48 doc code and a 509 blocking series, prepare Form 813.
- (4) Journal using a 400 window as a debit to account 4120/4220 and a credit to account 4971.

Note: If crediting account 4971, ensure the ORIGINAL deposit ticket number is used in the RS# field on the screen if the original deposit is still open. If the

original deposit is closed out of account 4971, ensure the ORIGINAL deposit ticket number and date example;111111 01012012 is used in the RS# field on the screen.

Note: If the bank lead has expired, credit 6801 for current fiscal year and 9998 for prior fiscal year.

- a. Stamp or write journal number on all Form(s) 3809 and Form 813.
 - b. Hand carry the debit side of Form(s) 3809 and Form 813 to Batching under cover Form 3210.
 - c. Forward second copy of Form 813 to Data Control for input to SCCF.
 - d. Forward credit side of Form(s) 3809 to the Accounting function maintaining account 4971 for filing.
- (5) Once the Form 3753 is prepared by RIVO-external leads and processed, the Accounting Function maintaining the account 4971 will receive a copy of Form 3753 to associate with the Form 3809, closing the item.

Note: If the original external lead has not been applied to a taxpayer account, Accounting will not receive a Form 3809 for a TC 722, they will only receive a Form 3753 for the manual refund with the backup documentation (see IRM 3.17.79.3.1, General Ledger Account - Types of Refunds) and a new memo from RIVO-external leads.

Note: If this refund is returned from the bank via Form 1098 Refund Cancellation schedule, a Form 3245 will be routed to the maintainer of the 4971 account. The maintainer of the 4971 account will alert RIVO via email of the refund check cancellation. If the bank issues a debit voucher and it has not been added to the DCF file, alert RIVO via email to determine if the funds are still available. If RIVO determines that the funds are still available, prepare one side Form 3809 to debit the 4971 account. The Debit voucher can be journaled to wash the original deposit. If the funds have been applied, RIVO must prepare Form 3809 to debit the taxpayer.

3.17.64.17.11.1
(08-24-2023)

**Reversal of Credit
Gateway external leads
(Within 48 Hours of
Receipt)**

- (1) When it is determined by a bank that a CIR deposit was made to the IRS in error, an email will be sent to the Accounting Point of Contact (POC) in Kansas City from the bank, requesting that the funds be returned.

Note: The Kansas City Accounting POC is Christine Moreno 559-454-7122.

- (2) If the request is made within 48- hours of receipt, the Accounting POC will initiate a reversal for the whole or partial amount of the original deposit using the Credit Gateway ACH Return Form which can be found on the BFS website.

Note: If the request was made after the 48- hour timeframe, follow the instructions above in 3.17.64.17.11 Reversal of external leads.

- (3) Follow instructions on the Credit Gateway ACH Return Form and email the request to Customer.Care@usbank.com.
- (4) Once the request is processed, Accounting will see a debit voucher in CIR and if applicable, a new deposit ticket for the new amount.

- (5) Accounting will journal the original deposit ticket, debit voucher and new deposit ticket (if applicable).
- 3.17.64.17.12
(03-11-2016)
**Posted external leads
Causing Unpostable TC
740 or TC 841 (Not
related to Identity Theft)**
- (1) When it is determined that a posted TC 720 is causing a TC 740 or TC 841 (not related to Identity Theft) to be unpostable, Accounting will receive a Form 3809, with a TC 722 to reverse the TC 720 posted to the taxpayers account. Form 3809 must include the original deposit ticket number, date and the general ledger account (4971 or 6800) to be credited. Ensure there is a TC 720 posted to the taxpayer account to be reversed.
- Note:** If the funds from the TC 720 are prior to December 10, 2012, Accounting will receive a Form 8758 to add to account 6800, Excess Collections.
- (2) Accounting will number Form 3809 (debit side) using a 48 doc code and a 509 blocking series, prepare Form 813.
- (3) Journal using a 400 window as a debit to account 4120/4220 and a credit to account /4971 or 6800.
- Stamp or write journal number on all Form(s) 3809 and Form 813.
 - Hand carry the debit side of Form(s) 3809 and Form 813 to Batching under cover Form 3210.
 - Forward second copy of Form 813 to Data Control for input to SCCF.
 - Forward credit side of Form(s) 3809 to the Accounting function that maintains the account.
- 3.17.64.17.13
(10-01-2013)
**Resolving an
Unpostable TC 720 With
a TC 841 Posted**
- (1) The Erroneous Refund team will verify TC 841 on taxpayer's account.
- (2) The Erroneous Refund team will prepare a Form 3245 for a TC 843 to debit the TP account. A DLN needs to be assigned using a 45 Doc Code and a 540-549 blocking series to the debit portion. Prepare Form 813.
- (3) A Form 3809 will be prepared for the credit side to the RRACS GL Account, include the TP TIN, money and transaction date and in explanation field include Doc-Id. Prepare Form 813 and forward to RACS.
- Note:** Research will need to be done to determine which GL account the TC 841 money is journaled to (account 1545, 6905, 9998).
- Debit the taxpayer (account 4120/4220) account using from Form 3245.
 - Credit either account 9998, 6905 or 1545 accounts using the Form 3809.
 - RACS will journal using a 400 window for account 9998 or account 6905 and a 480 window for account 1545.
- (4) Stamp or write the 400/480 journal number on Form 3425 and Form 3809 and Form 813.
- (5) RACS will hand carry Form 3245 and Form 813 to Batching under cover of Form 3210 so that the Form 3245 can be batched and sent to ISRP for transcription.
- (6) RACS will give the Form 3809 credit side to the area maintaining the General Ledger account on the credit side of the document.

- (7) The Erroneous Refund team will monitor daily for TC 843 posting to TP account and ensure TC 470 or STAUP actions are taken to stop an incorrect notice.
- (8) Once the TC 843 has posted then re-input the document for processing.

3.17.64.17.14
(08-31-2018)

External leads Systemic Write-Offs

- (1) Effective January 2018, any remaining funds in the 4971 account that are 2 years old or older from the original deposit date (the 10th day of the 25th month) will be moved systemically to the 6801 account, (expired external leads) (DR 4971 CR 6801) via batch tape journal number 156. This report will be placed at the SPC report main menu.

Note: External leads have a two- year expiration date and cannot be written off to the GL 6801 until two years has passed.

- (2) RACS will forward copy of the 156 journaled print and RRACS report 132B to the area that maintains the 4971 account.
- (3) The accounting area maintaining the 4971 account will keep a copy of the 156 journaled print and RRACS report 132B with file cases.
- (4) On the Accounting Share Point, add the money moved to account 6801 and the journal number.
- (5) The external subsidiary file documents are the 156 journaled print showing the transferring monies from account 4971 to account 6801.
- (6) Any cases that have expired and were not included in the systemic process can be written of manually. Prepare Form 3809 to debit the 4971 and credit the 6801 account.
- (7) To balance the 6801 account use the 156 journal and Form 3809s, if applicable.

3.17.64.18
(09-01-2011)

Fund Adjustments Reclassifications

- (1) Any transfer of amounts between funds or within the same fund, requires re-classification. Transactions requiring reclassification are:
 - a. Transfers of revenue receipts from one tax class to another (source documents are Form 2424, Form 813 and IDRS recap, Page 4)
 - b. Credits classified incorrectly on deposit tickets (source documents are OTCnet, Form 813 and IDRS recap, Page 3)
 - c. Dishonored check application (source documents are DCF03, DCF05 and EOD 16, Page 6)
 - d. Manual refunds from general fund accounts (source document is SF 1166)
 - e. Rejects and nullified unpostables renumbered to different tax classes or different funds.
 - f. Refund repayments deposited as revenue receipts.
 - g. Reclassification of child support payments.
 - h. SCCF adjustments involving a change in tax class (source documents are Form 4028; SCF-11-41, Adjustment Control Record List Items with Control Record Source Code J; and SCF-11-47, Control Record Renumber Reclassification Summary).

- i. ECC generated reclassification of posted corrected unpostables (source document is the Control Data Run 02 Project 160 - See reference to RRACS Input Reconciliation Sheet below).
 - j. Adjustments between budget clearing accounts and refund repayment receipts or revenue receipts.
 - k. Reclassification of anti-drug special funds.
- (2) If entries are made from source documents, journalize from prior window input or Form 8166. If entries are after a journal input on another window, the journal number of the prior window will be used as Doc-Id number for this window. If journal number is not used for Doc-Id, input journal number in the message. This builds in an audit trail. The adjustment to the various fund receipt accounts is summarized in the Deposit Ticket Classification Report.
- (3) Transcribe or stamp journal identification number on listings to provide sufficient audit trail.

3.17.64.19
(09-01-2011)
**Insolvency
(Ogden SPC Only)**

- (1) Bankruptcy law is the prevailing authority when a taxpayer files bankruptcy. Bankruptcy laws are separate from tax laws and coordination is necessary to comply with both. Insolvency, a part of the Collection function for the SB/SE Operating Division of the IRS, is responsible for administering that coordination.

3.17.64.19.1
(09-01-2011)
**General Ledger
Accounts for Insolvency**

- (1) The following accounts will be used to process insolvency deposits and payments.

3.17.64.19.1.1
(10-01-2013)
**Account 4625
Insolvency Suspense
(Real Account, CR
Normal Balance)
(TAS 20F3820)**

- (1) This liability account is used to hold, and control amounts received from court trustees for making payments before classification. These payments will be recorded and controlled by document number as unclassified receipts (account 7009).
- (2) Once the Insolvency Unit has entered the data to AIS, which creates a posting document, Receipt and Control will post the credit to the taxpayer's account via IDRS.
- (3) RACS will use the Area Office Remittance Register (AORR) journal sheet to remove the money from account 4625 and classify to the correct tax class.
- (4) When a payment is not processable, the Insolvency Unit will send documentation to move this money to the unidentified account to be refunded.
- (5) This account is supported by individual records in RRACS. Application must not exceed the credit available in the individual record. The external subsidiary file is a listing of the checks with the case number.

- 3.17.64.19.1.2
(09-01-2011)
**Account 7009
Insolvency
(Real Account, DR
Normal Balance)
(TAS 20F3820)**
- (1) This account will represent those amounts that have been received from trustees on a deposit ticket but not yet reported as classified by IRS.
 - (2) The AORR will be used to classify these receipts to the appropriate tax classes.
- 3.17.64.19.2
(09-01-2011)
**Insolvency Suspense
Report
(RRACS Report 139)**
- (1) This report tracks insolvency receipts by document number that are unclassified and waiting to be applied to the correct tax classes. This report lists the receipts in the Suspense account 4625. Each transaction is listed by Doc-Id, beginning balance, adjusted amounts and current balance.
 - (2) This report is produced monthly. The current month activity equals the current balance on the Daily Trial Balance Report.
- 3.17.64.19.3
(08-31-2018)
**Insolvency Processing
(Ogden SPC Only)
(RRACS Window
210/498)**
- (1) Insolvency checks are received in the Philadelphia Campus Support function. The checks are scanned into OTCnet, and electronically transmitted to the FRB for deposit. The deposit ticket will be retrieved via OTCnet the following morning by the Ogden Accounting function.
 - (2) Each deposit will have a unique Doc-Id. The Doc-Id is created by using the Trace ID.
 - (3) Philadelphia (Campus Support) will:
 - a. Daily, scan received checks into the PCC computer (information will be transmitted to FRB at the end of the day). These payments will be run on Ogden's ALN and included in their deposit.
 - b. The following day, fax Form 784 with the Doc-Id noted to Ogden's Accounting Function at (801) 620-6198/6856.
 - (4) Ogden (Accounting) will:
 - a. Daily, Insolvency technician will access OTCnet and retrieve all electronic deposit tickets and debit vouchers associated with payments input by Philadelphia.
 - b. The technician will print 2 copies of the deposit ticket and create spreadsheet for that deposit.
 - c. Accounting Technician will journal the deposit ticket to RRACS using window 210, found under Deposit, debit account 7009 and credit account 4625.
 - (5) Debit side - Deposit (Apply) (Add):
 - a. Input deposit ticket number in Treasury field.
 - b. Input deposit date (settlement date from the ticket).
 - c. Source code must be IDRS (add).
 - d. Debit account 7009.
 - (6) Credit side - (scroll down to Insolvency (Add)):
 - a. Input Doc-Id number in document number field.
 - b. Input deposit ticket date.
 - c. Input "4625 INSOL" in deposit ticket number field.
 - d. Credit account 4625.

- e. Check summary.
- f. Post to generate 210 journal number.
- g. Write or stamp journal number on deposit ticket and its copy.
- h. Place the original deposit ticket in bin for CIR technician.

(7) Processing debit vouchers:

- a. Print two copies of the debit voucher.
- b. Retrieve a copy of the dishonored check (using CIRA feature on OTCnet, query the unique ID from the debit voucher).
- c. Hand carry copy of debit voucher to DCF to be added to the DCF file.
- d. Journalize the debit voucher to RRACS.
- e. Fax a copy of the debit voucher, detail report and dishonored check to the CIO at Philadelphia.

(8) The AORR generated daily reflects the Form 3244 and/or listing information input via command code PAYMT. Perform the normal balancing routine by comparing the amounts on the Form 3210, Doc-Id order and spreadsheet, against the AORR to ensure the amounts match.

Note: The amount of the AORR should equal the deposit ticket(s), as there should not be any additional types of area office deposits/payments input at the Philadelphia campus.

(9) AORR EOD 1640 NOTE: If the AORR has more than one Doc-Id, note each Doc-Id and the amount to be journalized from each number.

- a. PSC will fax Form 3210 for all Form(s) 3244/listing input through CC PAYMT. The Doc-Id will be listed on both forms for Insolvency technicians to balance.
- b. Debit account 4625 - use amount from AORR associated with each Doc-Id.
- c. Credit MF accounts 4120 and/or 4220 found on EOD 1640, Page 6 and tax class tape totals from EOD 1640 (NMF items will need to be transferred to Kansas City).
- d. Reclass using same 498 journal - Input money amount to 7009 then use EOD 1640 to debit the tax class.

(10) Use 498 Recover Insolvency window (accounting application; recover insolvency)

- a. Use insolvency number as input into the Doc-Id number field.
- b. Prepare date is the date of AORR (add).
- c. Debit account 4625 (if more than one Doc-Id, click okay and input next Doc-Id, date of AORR and money amount for that id).
- d. Credit in RS field- the insolvency number input on the debit side should systemically generate (add) Credit 4120 and/or 4220, as appropriate.
- e. Reclass account 7009 and tax class (use Form 813-A for appropriate tax class). NMF items should be transferred to Kansas City.
- f. Write or stamp journal number on AORR.
- g. Insolvency unit will pull AORR from Control D.
- h. Send original AORR to Data Control.
- i. Send copy of AORR to insolvency technician.
- j. Maintain AORR folder in Accounting.

- (11) Maintaining suspense account:
- Using the supporting backup, input the deposit ticket and check information onto the Excel Insolvency Suspense spreadsheet. Input the Julian date, DT number and DT date. List each check separately under the deposit column on the spreadsheet. The spreadsheet currently allows for a maximum of seven checks. Input the journal number of the DT (210 journal number).
 - File tickets in date order in folder.
 - The Insolvency function will prepare the substitute Form 3244 used to apply the payments to the taxpayer's account via CC PAYMT. The Campus Support Team will be responsible for inputting the information via CMODE/PAYMT, using the Form 3244s. This information will be reflected in the AORR. The information will be balanced back to the documents and checks and journalized by the RACS unit. This will be journalized as a debit to account 4625.
 - When all checks have been applied using an AORR run, note 'Closed' on the spreadsheet.
 - Initiate follow-up with Campus Support for any case that is not closed within 15 days.
- (12) Each Monday morning, email the Insolvency Suspense spreadsheet, which includes all journals up to and including the prior Friday, to the Campus Support Team manager.

Note: Each Friday the Insolvency Report (RRACS 0139) should be balanced back to the Insolvency Suspense spreadsheet, prior to emailing the report. The RRACS DBA will provide this report.

- (13) Each month, a trial balance must be completed for the Insolvency Suspense account 4625. This will ensure that all cases are closed out timely. Only open case files are reflected on trial balance. The net figure for account 4625 will always be a credit or zero balance since all cases are opened as a credit to the account.
- (14) Backup reports to support the trial balance will include:
- RRACS Report 004 - Monthly General Ledger Trial Balance showing the cum debit and credit figures for account 4625, as well as the net amount remaining on the account.
 - RRACS Report 0139 - Insolvency Suspense Report listing all cases for the current month ending stamped on the report. This list includes all cases from the prior month that did not close until current month ending.
 - Print of the Insolvency Suspense Report that corresponds to the month being balanced.
- (15) Complete the trial balance spreadsheet (showing debits without brackets and credits with brackets):
- Input the debit from RRACS Report 004 as a positive amount for RRACS 051 DR-AMT-CUM figure.
 - Input the credit from the RRACS Report 004 as a negative amount for the RRACS 051 CR-AMT-CUM figure.
 - Under the source document column, list the Doc-Id for all open case files. Use the actual case files to determine which cases remain open. The

spreadsheet can be used to confirm open cases, however, the actual case file (document) must be used to run the trial.

- d. In the column, next to each Doc-Id, list the remaining balance for each case file as a negative figure.
- (16) When all open case files have been listed, the remaining balance should be zero. If there is an imbalance:
- a. Check the RRACS Report 0139 for 210 journals under the beginning balance column that may not have a case file or check the adjusted amount column for a 498 journaled that may not have been used to close out a check on a particular case file.
 - b. As a secondary check, mark each remaining balance on the insolvency suspense spreadsheet against the current balance on the RRACS Report 0139 to ensure they match.
- (17) Forward the balanced trial to management for approval and initialization. The original trial and all backup should be forwarded to the Form 3997 Technician in the RACS function. A copy of the trial with all backup should also be provided to the Data Control Team 103. Maintain another copy of the trial and backup documents in the front of the closed case file folders for that month.

3.17.64.20
(01-20-2012)
Losses and Shortages

- (1) The following are the four types of Losses and Shortages accounts:
 - a. Account 7610 Embezzlement, Thefts and Negligence
 - b. Account 7620 Unexplained Losses
 - c. Account 7649 ECP Deposit Discrepancies
 - d. Account 7650 Deposit Discrepancies
- (2) These accounts are supported by individual records in the Losses and Shortages file within RRACS. Each individual record requires its own Doc-Id.
- (3) Unless known to be otherwise, tax class will always be 2.
- (4) Source documents related to losses and shortages are:
 - a. Form 3244
 - b. Memoranda granting relief for losses or shortages other than by payment.
 - c. Memoranda or letters stating losses or shortages.
 - d. Form 2424
- (5) Journal entries are made from individual documents and Form 813. If entry is a debit, a new Doc-Id is required. If entry is a credit, the Doc-Id must be the same as the individual loss or shortage case already established on RRACS. If there are any discrepancies with the Doc-Id, request journal research.

3.17.64.20.1
(10-25-2012)
**Loss and Shortage
Recovery Support
Report (RRACS 0577)**

- (1) This is a monthly report produced by the RRACS system. It shows all open embezzlement, deposit discrepancies, undeposited collections (only used for transfer of director's accountability) and unexplained losses. The total money amount must equal the open case files.

- 3.17.64.20.2
(06-16-2015)
Electronic Check Processing (ECP) Deposit Discrepancy Support List (RRACS 0576 Report)
- (1) This is a monthly report produced by the RRACS system. It shows all open ECP (Lockbox) Deposit Discrepancies. The total money amount must equal the open case files.
- 3.17.64.20.3
(09-01-2011)
General Ledger Accounts for Losses and Shortages
- (1) The following accounts are used for processing and closing loss and shortage cases.
- 3.17.64.20.3.1
(09-01-2011)
Account 6900 Adjustment or Correction of Revenue Receipts (Nominal Account, DR Normal Balance)
- (1) This account is for adjustments or corrections of revenue receipts and for reclassification of revenue receipts to and from other general ledger accounts.
- (2) This account records relief granted by the Service or Treasury for losses and shortages of collections without reimbursement (See 31 USC. Secs. 3527 and 3528).
- (3) This account also addresses special cases for adjustments or corrections in revenue receipts. These would include shortages that have been assessed against an employee or former employee, under Section 7804(c) of the Code and payment was reported as tax instead of relief from shortages.
- (4) This account may also be used for other items authorized by Treasury or CFO RACS, such as reclassification of funds between the revenue receipt accounts, Anti-Drug Special Fund and the Informant Reward Special Fund.
- (5) No external subsidiary record is maintained, however, documentation supporting each entry must be on file.
- 3.17.64.20.3.2
(01-20-2012)
Account 6901, ECP Adjustment of Revenue (Nominal Account, DR Normal Balance)
- (1) This account represents adjustments to revenue for ECP deposit discrepancies. The Submission Processing (SP) campus director(s) will not be accountable for these adjustments.
- (2) When approval is granted by the field director, Submission Processing, this account will be debited to provide credit to account 7649, ECP Deposit Discrepancies.
- (3) This account will be credited when an ECP deposit discrepancy is repaid after approval has been granted. Credit account 9998 for prior fiscal-year reversal.
- 3.17.64.20.3.3
(09-01-2011)
Account 7610 Embezzlement and Thefts (Real Account, DR Normal Balance)
- (1) This asset account is used to record cash shortages of collections, losses from robbery or theft, embezzlement of collections and counterfeit bills. The balance in this account represents the total amount of such losses or shortages for which restitution or reimbursement may be obtained or for which relief may be granted.
- (2) This account is supported by reports and case history files covering the details of each recorded collection loss or shortage. Case history files will include complete documentation as detailed in IRM 3.0.167, Losses and Shortages. This account is included in the accountability of the accountable officer.

- (3) When opening a new case in account 7610, the case file number and the Doc-Id input to RRACS should be the same number. Both numbers should be the case number provided by TIGTA on the initial memo received from TIGTA.

Note: No TIGTA memo will be received for counterfeit bill cases. When opening the case on the RRACS system into account 7610, use the Trace ID number (located on the debit voucher) plus the letter (C). If no debit voucher is received, use the Trace ID on the original deposit ticket plus the (C).
Example: 89252009292001C

- (4) All monies applied to this account will no longer be reflected on the SF 224 under TAS 200110. However, if it is re-classified it will show on the SF 224 under the re-classification TAS.

3.17.64.20.3.4
(09-01-2011)
Account 7620
Unexplained Losses
(Real Account, DR
Normal Balance)

- (1) This asset account is used to record unexplained losses. An unexplained loss includes deposit discrepancies that cannot be collected under the Federal Claims Collection Act. When the Service cannot establish the bank's liability for a deposit discrepancy, the loss is considered unexplained. Unexplained losses of \$10,000 or more require Treasury's approval. For additional information on unexplained losses refer to IRM 3.0.167, Losses and Shortages.
- (2) This account is supported by reports and case history files covering the details of each recorded collection loss or shortage. Case history files will include complete documentation, as detailed in IRM 3.0.167, Losses and Shortages. This account is included in the accountability of the accountable officer.
- (3) All monies applied to this account will no longer be reflected on the SF 224 under TAS 200110. However, if it is re-classified it will show on the SF 224 under the re-classification TAS.

3.17.64.20.3.5
(01-20-2012)
Account 7649 ECP
Deposit Discrepancies
(Real Account, DR
Normal Balance)

- (1) This asset account is used to record amounts of ECP deposit discrepancies which are discovered by the lockbox depositories only. These items are considered true deposit shortages for accountability purposes. The balance in this account represents the total amount of such losses or shortages for which reimbursement may be obtained or for which approval may be granted.
- (2) Account 7649 is supported by reports and/or case history files covering the details of each recorded collection loss or shortage. Case history files will include complete documentation, as detailed in IRM 3.0.167. This account is NOT included in the accountability of the accountable officer.

Note: Treasury will now become the accountable officer for any unresolved lockbox deposit discrepancy, instead of the lockbox financial institution. The Submission Processing (SP) campus director(s) will not be accountable for these discrepancies.

- (3) All monies applied to this account will not be reflected on the SF 224 under TAS 200110. However, if it is re-classified it will show on the SF 224 under the re-classification TAS.

3.17.64.20.3.6
(09-01-2011)

**Account 7650 Deposit Discrepancies
(Real Account, DR Normal Balance)**

- (1) This asset account is used to record amounts of deposit discrepancies which are discovered by the depositories. This account may also be used when the Payment Tracer function has unresolved encoding errors, where extensive research has been completed and the credit cannot be located. These items are considered true deposit shortages for accountability purposes. The balance in this account represents the total amount of such losses or shortages for which restitution or reimbursement may be obtained or for which relief may be granted.
- (2) Account 7650 is supported by reports and case history files covering the details of each recorded collection loss or shortage. Case history files will include complete documentation, as detailed in IRM 3.0.167, Losses and Shortages. This account is included in the accountability of the accountable officer.
- (3) All monies applied to this account will no longer be reflected on the SF 224 under TAS 200110. However, if it is re-classified it will show on the SF 224 under the re-classification TAS.

3.17.64.20.4
(09-01-2011)

**New Embezzlement or Loss Case Processing
(RRACS Window 306)**

- (1) The receipt loss coordinator in Accounting will receive a memorandum from TIGTA identifying the injured taxpayer.
- (2) Receive Form 2424 or Form 3809 and Form 813 with the injured taxpayer's information and amount of loss. Include on the Form 2424 or Form 3809 the TIGTA case number. All information can be found on the memorandum received from TIGTA.
- (3) Prepare Form 8166 for journal entry. Form 8166 should include, at a minimum, Doc-Id, DLN, money amount and date of loss.
- (4) Journalize Form 2424 or Form 3809 to the RRACS system to open the case.
 - a. Using the RRACS 306 window, which can be found under the Loss Main Menu under Loss, Embezzlement and Theft, input each Doc-Id and loss amount separately.
 - b. Use the date of loss as the action date when opening the case on RRACS. Use the TIGTA Case number as the Doc-Id on RRACS.
 - c. The journal entry will be a debit to account 7610 and a credit to account 4120 (BMF) or 4220 (IMF).
 - d. The journal number must be stamped or written on all supporting documentation.
 - e. Maintain original debit Form 2424 or Form 3809 in the case file maintained by the receipt loss coordinator.
 - f. File and distribute Credit documents and Form 813 accordingly.

3.17.64.20.5
(09-01-2011)

**Repayment or Relief Granted of Embezzlement or Loss
(RRACS Window 309)**

- (1) Receive payment posting document (either Form 3244, Form 2424, Form 3809 or IPAC from Beckley Finance Center via RRACS) with repayment amount of loss or the amount of relief granted.
- (2) Prepare Form 8166 for journal entry. Form 8166 should include, at a minimum original Doc-Id, money amount and date of payment or relief.
- (3) Journalize to the RRACS system.

Note: The original Doc-Id used to open the case originally must be used when posting a partial repayment or when relief is granted.

- a. Using the RRACS 309 window, which can be found under the Loss Main Menu under Recover, Embezzlement and Theft, input each Doc-Id and loss amount separately.
- b. The journal entry will be a debit to either account 4120 (BMF), 4220 (IMF) or Account 6900 (Adjustment or Correction of Revenue Receipts) and a credit to account 7610.
- c. The journal number must be stamped or written on all supporting documentation.
- d. File and distribute documents accordingly.

3.17.64.20.6
(09-01-2011)

New Unexplained Case Processing (RRACS Window 307)

- (1) Receive Form 2424 or Form 3809 for processing.
- (2) Prepare Form 8166 for journal entry. Form 8166 should include, at a minimum, Doc-Id, DLN, money amount, date of original deposit and the accountable officer at the time of the loss.
- (3) Journalize Form 2424 or Form 3809 to the RRACS system to open the case.
 - a. Using the RRACS 307 window, which can be found under the Loss Main Menu under Loss, Unexplained Loss, input Doc-Id and amount separately.
 - b. Use the date of original deposit as the action date when opening the case on RRACS. Use the original deposit ticket number as the Doc-Id on RRACS.
 - c. The journal entry will be a debit to account 7620 and a credit to account 4120 (BMF), 4220 (IMF).
 - d. The journal number must be stamped or written on all supporting documentation.
 - e. Maintain original debit Form 2424 or Form 3809 in the case file maintained by the receipt loss coordinator.
 - f. File and distribute Credit documents and Form 813.

3.17.64.20.7
(11-01-2016)

Repayment or Relief Granted of Unexplained Loss (RRACS Window 310)

- (1) Receive payment posting document with repayment amount of unexplained loss or the amount of relief granted.
- (2) Prepare Form 8166 for journal entry (optional). Form 8166 should include, at a minimum original Doc-Id, money amount and date of payment or relief.
- (3) Journalize to the RRACS system.

Note: The original Doc-Id used to open the case originally must be used when posting a partial repayment or when relief is granted.

- a. Using the RRACS 310 window, which can be found under the Loss Main Menu under Recover, Unexplained Loss, input each Doc-Id and loss amount separately.
- b. The journal entry will be a debit to either account 4120 (BMF), 4220 (IMF) or account 6900 (Adjustment or Correction of Revenue Receipts) and a credit to account 7620.
- c. The journal number must be stamped or written on all supporting documentation.
- d. File and distribute documents accordingly.

- 3.17.64.20.8
(01-20-2012)
New Deposit Discrepancy Case Processing (RRACS Window 308)
- (1) Receive Form 2424 or Form 3809 for processing.
 - (2) Prepare Form 8166 for journal entry. Form 8166 should include, at a minimum, Doc-Id (debit voucher number), DLN and money amount.
 - (3) Journalize Form 2424 or Form 3809 to the RRACS system to open the case.
 - a. Using the RRACS 308 window, which can be found under the Loss Main Menu under Loss, Deposit Discrepancy, input Doc-Id and amount separately.
 - b. The journal entry will be a debit to account 7650 or Account 7649 (if ECP deposit discrepancy) and a credit to account 4120 (BMF), 4220 (IMF), 1710 (Dishonored Checks) or 1720 (Dishonored Check, Adjustment).
 - c. The journal number must be stamped or written on all supporting documentation.
 - d. Maintain original debit Form 2424 or Form 3809 in the case file maintained by the receipt loss coordinator.
 - e. File and distribute credit documents and Form 813.
- 3.17.64.20.9
(01-20-2012)
Repayment, Approval to Write-Off or Relief Granted of Deposit Discrepancy Case (RRACS Window 311)
- (1) Receive payment posting document with repayment amount of unexplained loss, the amount of relief granted, or the amount approved by the field director, Submission Processing for write-off to the 6901.
 - (2) Prepare Form 8166 for journal entry. Form 8166 should include, at a minimum original Doc-Id, money amount and date of payment or relief.
 - (3) Journalize to the RRACS system.
- Note:** The original Doc-Id used to open the case must be used when posting a partial repayment or when relief is granted.
- a. Using the RRACS 311 window, which can be found under the Loss Main Menu under Recover, Deposit Discrepancy, input each Doc-Id and loss amount separately.
 - b. The journal entry will be a debit to either account 4120 (BMF), 4220 (IMF), 1710 (Dishonored Check), 1720 (Dishonored Check Adjustment) Account 6900 (Adjustment or Correction of Revenue Receipts) or Account 6901 (ECP Adjustment of Revenue) and a credit to account 7650 (Deposit Discrepancy) or account 7649 (ECP Deposit Discrepancies).
 - c. The journal number must be stamped or written on all supporting documentation.
 - d. File and distribute documents and Form 813.
- 3.17.64.21
(05-21-2012)
National Security Checks Processing Procedures (Kansas City SPC Only) (RRACS Window 210)
- (1) National Security checks are sent in a sealed envelope from the Department of Defense to the Kansas City Director, Compliance Services, along with a memo listing each check. The sealed envelope along with the memo will be picked up from the director, Compliance Services Director by the Submission Processing (SP) Planning and Analysis (P&A) analyst.
 - (2) The SP P&A analyst will prepare a Form 3244 for each check received. On each Form 3244 it will be indicated in the remarks field that these payments are for 'account 6400'.

- (3) The SP P&A analyst will hand carry the checks and Form 3244s to Receipt and Control, Deposit Function.
- (4) Deposit Function will prepare OTCnet deposit ticket and Form 2221 with appropriation symbol 20X3220.
- (5) Deposit will notify the SP P&A analyst who will hand carry the OTCnet deposit ticket and Form 2221 from Receipt and Control to Accounting for the journal entry.
- (6) RACS will journal using a 210 window, found under Deposit, as a debit to account 2320 (Miscellaneous Receipts) and credit to account 6400 (Miscellaneous Revenue Collections). Make sure the Trace ID is also input to RRACS.
- (7) Transcribe or stamp journal number on all documents.
- (8) SP P&A analyst will make copies of the checks, journals, deposit ticket and Form 2221, stamp them "Copy" along with the original memo listing the checks and hand carry back to the director, Compliance Services.
- (9) Accounting will file original Form 3244s, SF 2221 with copies of the checks in account 6400.

Note: These are security sensitive checks and must be hand carried to each area. In the event they need to be locked up, they must be locked in a secured cabinet.

3.17.64.22
(01-13-2014)
**Over the Counter
Network (OTCnet)**

- (1) OTCnet is a secure web-based application. OTCnet was released to IRS on March 19, 2011. The OTCnet system integrated the functionality of Paper Check Conversion (PCC) and Treasury General Account Deposit Network (TGAnet).
 - a. OTCnet will upgrade paper check conversion processing, so that it can be done end to end over the internet without the need for special software.
- (2) Designated employees in the accounting operation RACS function will be agency viewers. As an agency viewer, you will be able to retrieve and print the confirmed deposits and adjustments, view and search prior deposits and adjustments and view business reports. A viewer may not be assigned any other roles in OTCnet.
- (3) All OTCnet users must complete the web based training provided on the BFS OTCnet web site prior to being given access to OTCnet.
 - a. A web based site to provide guidance and training can be found at the BFS OTCnet website at: <https://www.fiscal.treasury.gov/otcnet/training.html>.
 - b. The OTCnet website will be the source of your training. The OTCnet Agency Viewer Job Aid should be used for instructions on accessing OTCnet, searching adjustments and viewing reports.
 - c. For questions or assistance using OTCnet, you may contact your local security administrator or the Treasury OTC Support Center at:
Phone: (866) 945-7920 (Toll Free).
Email: http://www.fms.otcchannel@citi.com.

Note: The training web site is for all agencies using OTCnet and is not customized for any one agency.

3.17.64.22.1
(09-01-2011)
Accessing OTCnet

- (1) If you have been identified as an OTCnet user, your local security administrator (LSA) will need to create your profile for OTCnet. After completion of the online training course, each user must complete the OTCnet User Authorization Form.

- The OTCnet User Authorization Form captures information needed to set up an employee as an agency user in OTCnet.

Note: Original signature required on form.

- The OTCnet User Authorization and Rules of Behavior forms can be obtained from your Campus LSA.
- Your manager will submit your OTCnet User Authorization Form to your LSA to be granted access to OTCnet.

- (2) Once you have been assigned OTCnet permission, you will receive an email containing your user ID, temporary password and permission assigned in OTCnet. After you receive a user ID and temporary password, you must login to the TWAI to change your temporary password and provide answers to your secondary authentication questions.

- (3) All training material and instructions for accessing OTCnet can be found at <https://www.fiscal.treasury.gov/otcnet/training.html> including specific guidance on the following procedures:

- All user procedures
- Initial sign in
- Password maintenance
- Password rules
- Agency viewer procedures
- View reports

3.17.64.23
(09-01-2011)
Receivables

- (1) The following are general ledger receivable accounts.

3.17.64.23.1
(09-01-2011)
**Account Series 1000
Accounts Receivable**

- (1) This account series is generally taxpayer accounts which contain an outstanding balance of monies due and payable to the U.S. Government. Most accounts receivable are the results of tax assessments against the various tax classes. However, dishonored checks, account transfers and other receivables are also included in this series.

3.17.64.23.2
(09-01-2011)
**Account 1100 BMF,
Accounts Receivable
(Real Account, DR
Normal Balance)**

- (1) The net total of this receivable account will represent the total taxes assessed and unpaid on the BMF. Included in the total of this account are taxpayer accounts in notice status, installment status, TDA status and those taxpayer accounts on which collection has been suspended temporarily by a hold code.
- (2) External subsidiary records are those taxpayer accounts on MF, in debit-balance status.
- (3) Data input will be updated by electronic transmission.

3.17.64.23.3
(09-01-2011)
**Account 1300 Non-Tax
Receivables
(Real Account, DR
Normal Balance)**

- (1) The net total of this receivable account will represent non-tax monies posted on MF that have an outstanding module balance.
- (2) Data input will be updated by electronic transmission.

3.17.64.23.4
(01-13-2014)
**Account 1550 Injured
Spouse Claims Allowed
Receivable
(Real Account, DR
Normal Balance)**

- (1) This receivable account records and tracks receivables due IRS from BFS for injured spouse claims.
- (2) Injured spouse claims are the result of the Treasury Offset Program (TOP). A refund offset of an outstanding child support or other federal agency debt that is made after 1-11-1999 is referred to as a TOP. See IRM 21.4.6, Refund Offset.

3.17.64.23.4.1
(10-31-2022)
**DMF 1550 Injured
Spouse Claims
Reconciliation Monthly
Procedures**

- (1) Background information: The DMF 1550 account is used to identify each Individual Master File (IMF) Service Center Recap (460-43-22 report) for Transaction Code 766 (IRS TOP Offset Reversal) and 767 (Rejected TOP Offset Reversal) that post through the batch process daily by cycles in Redesign Revenue Accounting Control System (RRACS). Additionally, Intra-Governmental Payment and Collection (IPAC) payments and collections are automatically journalized into the 1550 account through RRACS. The journals listed below are used for research purposes.

- a. IMF Recap report for TC766 is a debit and TC767 is a credit (162 batch posting journal)
- b. IPAC payments or collections (760 journal)
- c. Manual process (400 journal)

Note: BMF recap (108 batch posting journal) should not post in the 1550 account. When there are erroneous BMF batch posting in the 1550 account, send an email to &CFO CA1550 group for research.

- (2) The RACS DBA will receive the Monthly Account balance sheet by the 13th workday of the month from Accounts Management (AM) and must be reconciled within five work days after receipt.

- (3) Prepare the Monthly 1550 Reconciliation spreadsheet using the RACS 004 Monthly General Ledger trial balance and the AM Monthly Account balance sheet.

- a. Column A - accounting period
- b. Column C - use account 1550 net amount from RACS 004 Monthly General Ledger trial balance report.
- c. Column E - use the ending balance amounts from the AM Monthly account balance sheet.
- d. Column G - is the difference between column C and column E. If zero, no need to input column I or K.
- e. Column I - when there is a discrepancy from column G, research 1550 account future general ledger for TC 766/767 not journalized, for example AM Monthly Account balance sheet report will show the cycle through 20YYCC (i.e. 201704) when TC 766 and 767 are journalized through cycle 201703. Add the balance for cycle 201704 amounts as TC 766/767 not journalized as future cycle and input that money amount on

worksheet. Any manual journal money amount will also be input on worksheet. If AM balance sheet did not capture a cycle that posted to RRACS, input amount on column K. The report is balanced when column G and I or G and K are equal.

Note: If unable to balance, email &CFO CAS1550 group and on the subject line indicate 1550 account OOB & month.

- f. Column K - use current month general ledger posted but was not included on AM balance sheet.
 - g. Column L - enter Note as "Cycle 20YYCC not journalized" if there is data on in column I.
 - h. Column M - any out of balance amount will automatically show here.
 - i. Column N - if there is data on column K input "Cycle 20YYCC not captured"
 - j. Column O - Initials
 - k. Column P - Date
- (4) The reconciliation process must be completed and balanced within five work days after receipt. Once worksheet is reconciled and balanced, uploaded a copy to RACS Share Point. at:https://organization.ds.irsnet.gov/sites/CFOfm/RACS/_layouts/15/start.aspx#/. Also notify the RACS Analyst thru the mail box at &CFO:FM:CFM RACS Analyst.

3.17.64.23.5

(09-01-2011)

**Account 1810 BMF
Account Receivable -
Inactive
(Real Account, DR
Normal Balance)**

- (1) This receivable account will be used to record BMF taxes receivable items determined to be uncollectible or on which collection activity has been suspended due to taxpayer's inability to pay. The account also includes items which have been administratively determined too small to warrant collection activity.
- (2) Items in this account may subsequently be re-opened for collection activity if taxpayer's financial status changes. Refunds for subsequent periods may be offset automatically to satisfy outstanding items in this account.
- (3) External subsidiary records are those items on the BMF marked with the uncollectible status code.
- (4) Account 1810 will be updated by electronic transmission.

3.17.64.23.6

(09-01-2011)

**Account 1820 IMF
Accounts Receivable -
Inactive
(Real Account, DR
Normal Balance)**

- (1) This receivable account will be used to record IMF taxes receivable items determined to be uncollectible or on which collection activity has been suspended due to taxpayer's inability to pay. This account also includes those items on which it has been administratively determined the amount is not large enough to make collection effort cost effective.
- (2) Items in this account may be subsequently re-opened for collection activity, if taxpayer's financial position changes. Refunds for subsequent tax years may be offset automatically to satisfy outstanding items in this account.
- (3) External subsidiary records are those items on the IMF marked with the uncollectible status code.
- (4) Account 1820 will be updated by electronic transmission.

3.17.64.24
(01-20-2012)
**Reciprocal Accounting
Control Record (RACR)**

- (1) The automated Reciprocal Accounting Control Report (RACR) is the cumulative accounting record maintained by ECC for each Submission Processing Campus.
 - a. The RACR reflects the monetary value of data input and generated to each master file (IMF and BMF).
 - b. The RACR is prepared daily by ECC for each Submission Processing Campus for IMF. The RACR is also prepared weekly by ECC for each SPC for BMF.
 - c. The RACR should be prepared as soon as all related processing is completed (i.e., unpostables, accounts register, AAV summaries, resequencing, cancelled/undeliverable refunds, etc.).
 - d. At the close of the cycle (may be other than Wednesday, if a holiday is involved), there will be one Recap and RACR, which will be tagged with a "H", indicating the last daily which includes the weekly transactions.
- (2) The monthly closing of the RACR is made at the end of the last posting cycle for that month. RACRs are programmed to print "Last entry for the Month of _____" message on the last cycle of the month.
 - a. This is the last weekly posting cycle of the month for BMF processing.
 - b. For IMF, this would be the final daily RACR, which will also contain the activity for the weekly transactions.
- (3) The monthly RACR is used by the Submission Processing Campuses to reconcile their general ledger accounts.
- (4) Items posted to the RACR are the same items that have been journalized to the Submission Processing Campus general ledger accounts.
- (5) ECC has developed ADP programs which assist in preparation of the RACR. Refer to local Statistical Analysis System (SAS) procedures in using these programs.
- (6) A copy of each daily and weekly RACR is available to the SPCs via Control D. PVS will no longer forward copies of these reports to the SPCs.
- (7) Copies of the RACR are filed separately for each Submission Processing Campus in chronological sequence along with the associated AAV's for those cycles.

Note: CADE stopped processing transaction data as of the end of Cycle 201124. All individual taxpayer accounts have been returned to the Individual Master File (IMF) and in January 2012, IMF will process all IMF transactions under the CADE 2 processing timeline with daily processing. All general ledger activity is included under the IMF general ledger account.

3.17.64.24.1
(06-09-2017)
**Master File
Reconciliation**

- (1) It is necessary to ensure that the total of the monetary balance of the appropriate general ledger accounts in each site can be reconciled to the balance of each MF account. This is accomplished by using Form 5199A, RACR, which is maintained at ECC for each campus and transmitted to the campuses at the end of each month. The appropriate general ledger accounts are reconciled to the RACR by each site.

- (2) Each Form 5199A will be closed out near the end of each month, at the end of the final posting cycle. Generally, if the last day of the month falls on Wednesday through Saturday, that week's posting cycle will be included on the RACR for that month. All entries for one posting cycle should be included in the same month's RACR. ECC's RACR will be forwarded to each site within five workdays after the Reconciliation of MF Balance has been completed for the last cycle included in the RACR.
- (3) Complete Form 6168, Current Month Report. Reconciling items should be shown in a manner to facilitate the verification by ECC. Debits and credits should be in the proper columns. Use brackets to identify reversals. The ECC RACR items should be identified by page and line number or by a brief description similarly shown on Form 5199A. The general ledger items should be listed by individual file and identified by the cycle, site file and work group number. Miscellaneous items should be identified by a brief description and date or cycle number. Questionable or problem entries will be identified by an asterisk (*) in the action column. Separate lines will be included on the Form 6168, for aged reconciled and unreconciled amounts.
- (4) The campuses will post all entries to the appropriate general ledger accounts promptly, including entries which reflect the transfer of the accountability between the site and ECC. To compute the general ledger balance, use the general ledger accounts listed on the monthly trial balance for the type of RACR being balanced. Run the net amount figure. Verify last month's RACR closing balance with this month's opening balance on Form 5199A when received from ECC.

Note: Due to a programming change in March 2016 for accounts 1300 and 4521, you will now need to use the running total of the 162 journals dated March 4, 2016 and forward.

- (5) On the general ledger account listing for each MF, annotate each ledger entry with the cycle of the TEP, new unpostables, corrected and reclassified unpostables, schedule number of the 1098, 1185 and 145, Z listings and cycle of refunds. Obtain a GOALS II listing for your cycle information. SC Recap states the cycle, so no notation is needed. The 051 RRACS Report and the 004 RRACS Report will be used weekly from RRACS. Check the pending reconciliation items on last month's Form 6168 with the ECC RACR for:
 - a. Entries posted to last month's RACR on this month's general ledger.
 - b. Entries posted to last month's general ledger on this month's RACR.

To prevent any 'aged' items, investigate immediately any new items appearing on the previous month's Form 6168 and not checked off for the new month.

- (6) After checking off all figures on the prior month reconciliation sheet Form 6168, continue comparing the current month's RACR and general ledger as follows:
 - a. Accountability Acceptance (AA) vouchers from ECC - Using the cycle and day total from each MF AA voucher, check off general ledger debits and credits for the same cycle and day. If there is more than one general ledger entry per day, add these entries together for the total of that day. The corrected and reclassified unpostables are journalized as separate items but are included on the AA vouchers in the total for that day. The total debits and credits are shown separately on the voucher for the cycle and must all be checked off to a general ledger entry. The site totals on

- the bottom of the AA vouchers should agree with the AA voucher line of Form 5199A by cycle. Journal numbers will be 100 for unpostables, 102 for GMF TEP and 4XX for window entries.
- b. SF 1098, 1185, 145 and Z listing from GOALS - The amount on the RACR Form 1098 line will equal the total of the amounts for the applicable schedule numbers on the general ledger. TRACS journal numbers 4XX, Form 1098, Form 1185, Form 145 journal numbers 5XX.
 - c. SCRS unpostables -The debit and credit net figure on the RACR will equal the separate amount on the general ledger.
 - d. Refunds generated - Shown as a separate amount cycle on the general ledger. If your site processes IMF EFT use the net of the EFT refund line and CID TC 841 line from the next cycle extracted from the RACR. Journal number 512 BMF and 513 IMF.
 - e. The RACR net total of the A/R less refunds, plus accounts to and from other sites, plus credits to and from other sites will equal the net total of the site recap amounts on the general ledgers for the same cycle. For IMF on the general ledger use IMF recap entries as described, plus one BMF item for the previous recap cycle. Journal numbers for SC recaps will be 108 BMF, 107 Semi-Annual IMF and 162 CADE 2.
 - f. M-4496 Data Adjustment Voucher - Journalized as a separate amount on the general ledger for each adjustment voucher, journal numbers are 4XX.
 - g. Any item not checked off from the RACR, list on the top half of Form 6168 'Entries posted to RACR not posted to the General Ledger'.
 - h. Any item not checked off from the general ledger, list on the bottom half of Form 6168 under 'Entries posted to General Ledger not posted to the RACR'.
 - i. The net of the above items will be entered on the net reconciling amount line of Form 6168. The general ledger balance computed in (4), plus or minus the net reconciling amounts, should equal the RACR balance closing entry line.
 - j. Journal numbers will be 100 for unpostables, 102 for GMF TEP, 107 IMF SC recap, 108 BMF SC recap and 162 CADE 2 recaps all are automated tape. Journals input manually are 512 and 513, 506 Cycle Refunds, 534 and 535 are 1098, 1185 and 145 Schedules, 4XX other manual journals.

Note: Beginning of the year - Due to the dead cycles at the beginning of the year use cycle 1 - 3 for the BMF RACR, cycle 1 - 4 for your first IMF RACR, then weekly afterwards.

- (7) The IMF RACR, Form 6168, will be balanced weekly and monthly. The BMF RACR should be balanced weekly to ensure that any out-of-balance situations are reconciled before EOM processing.
- (8) Upon receipt of Form 6168, with ECC RACR from the campuses, ECC-MTB will verify the correctness of the debit and credit amounts for each reconciling item shown. If any questionable or unidentifiable item is shown, the appropriate site personnel will be contacted for an explanation and both copies of the Form 6168 report will be notated.
- (9) ECC-MTB will return any RACRs back to the campuses that do not meet the balancing and reporting procedures.

3.17.64.25
(04-22-2022)
**Reconciliation of
General Ledger
Accounts, Form 3997**

- (10) Email the IMF Form 6168 weekly. Email the monthly IMF and BMF Forms 6168 no later than the 15th of the month. Attach a monthly copy of the IMF and BMF monthly and include the General Ledger Account page to each Form 3997.

- (1) The Form 3997 is a manual report which is prepared by each campus monthly to report the balancing of the subsidiary accounts to the general ledger accounts. This report must not be altered. All accounts must remain on this form and filled in even if there are zero balances. All open fields on the report must be filled in, including the applicable accounts under the expired statute count column. The expired statute count should be taken from the case files for each general ledger account.

Note: The reporting period on the Form 3997 should be the last day of the reporting month. For example, January month end it should be 01/31/2016, for February month end it should be 02/29/16 and September it should be 09/30/2016.

Note: Case files deemed “uncollectible” or “below tolerance” should not be included in this count.

- (2) This report will be used to alert the campus and Submission Processing Headquarters of any imbalances between the accounts and any processing discrepancies within the site.

- (3) Balance sheets must include the following:

- Journal number or doc-id with money amount
- Item count and expired statute count (if applicable)
- Reconciled total clearly identified
- Aged total clearly identified
- Unreconciled total clearly identified
- Total balance for each subsidiary account sheet must equal general ledger

- (4) A comprehensive status report is required for any account reported as either aged reconciled, unreconciled or both. It must contain the following information, as appropriate:

Note: The Status Report requirement for the Form 3997 is used to provide detailed background information on aged and unreconciled items for the CFO RACS analysts.

Note: All comprehensive status reports prepared must be reviewed and initialed by the Data Control manager, prior to submitting to CFO RACS analyst.

- a. Campus, report month, account number and total amount at the top of the report.
- b. Item count and money amounts making up the total amount, with a clear and detailed explanation for the imbalance.
- c. Attempts made and methods used, to correct imbalances should be noted for each item. Follow-up attempts for correction should be made and documented monthly.

- d. Last accounting period through which the account is completely reconciled on a current basis (i.e., had none of the present aged items in it).
 - e. Estimated date the account will be reconciled.
 - f. Any existing discrepancies that may prevent reconciliation.
 - g. Identifying information that is pertinent for items that make up the imbalance, such as: Doc-Id, cycle, tape journal, etc.
- (5) Additional information:
- If there is more than one item for the same account and the explanation is the same, one explanation is sufficient but list the money amounts for each item.
 - If there is more than one item and the explanations are different, list the amount and explanation separately.
 - If the problem is systemic (a file or tape run) and there are numerous items, put the total amount with the explanation.
 - Use information that identifies the items, such as, IPAC-id, Doc-Id, cycle, tape journal, etc.
- (6) All credit amounts on Form 3997 and the comprehensive reports, must be bracketed.
- (7) Ensure Form 3997 reflects the correct accounting period and money amounts.
- (8) Definition of Terms on Form 3997:
- a. **Reconciled** - When a variance exists between RRACS and the subsidiary accounts and the corrective action is a journal action to RRACS or a correction to the subsidiary ledger that was identified after the month has ended. If the report is a July 31 month-end and the item is journalized in August to get the account reconciled, it would show in the reconciled column.
 - b. **Aged Reconciled** - If the same item previously listed as reconciled has not been completed by the next month end, then it becomes an aged reconciled item. See Note below.

Note: Any aged reconciled item appearing on the Form 3997 for the first time will result in a yellow scorecard.
 - c. **Unreconciled Item** - If there is an out-of-balance condition that cannot be identified or the way to correct it is undetermined (an adjustment to RRACS/subsidiary), then it will be reported as an unreconciled item.

Note: If this item is reconciled by the following month end but actions required were not completed by end of month, then it must be reported under aged reconciled, which will result in a yellow scorecard.
 - d. Reconciling items reported on Form 3997 must be cleared by month end to prevent reporting any items as "Aged Reconciled" the following month. See IRM 3.17.15.6.16.1, Accounting Reports Analyst-Responsibilities for review of cleared reconciled items.
- (9) Form 3997 must be digitally signed by the field director, the accounting operation manager, the manager of the team preparing the form and the accounting reports analyst.

- (10) Form 3997 will be supported by balancing sheets maintained in the campuses. The following documentation must be attached to Form 3997 when uploaded to the *Submission Processing SharePoint*.
- Copies of the BMF and IMF Form 6168
 - Comprehensive status reports as described above
 - Summary page from the spreadsheet used to balance the subsidiary accounts which includes the monthly totals and volume, expired statute count (if applicable).
 - Balance sheets are not required for zero accounts if it is always a zero.
 - RRACS report 004 Monthly General Ledger Trial Balance
 - Upload a copy of email showing that the Form 3997, Form 6168 and comprehensive reports were uploaded to the Share Point on or before the 25th of the following month.
- (11) Original of Form 3997, with all the back-up, will be maintained in the GAO file by the campus.
- (12) Timeline and procedures for reports analyst review is as follows:
- A complete F3997 package must be sent to &CFO:FM CFM RACS Reports Analyst five business days prior to the due date of the Form 3997.
 - A reports analyst will conduct a comprehensive review and return a signed Form 3997 with feedback regarding the F3997 package two business days prior to the due date.
 - Any subsequent changes made to Form 3997 in the two business days prior to the due date may be signed by any reports analyst without further review.
- (13) No later than the 25th of the following month, a copy of the digitally signed Form 3997, Form 6168s, the comprehensive status reports and the summary page from the spreadsheet used to balance the subsidiary accounts which includes the monthly totals and volume, should be uploaded to the *Submission Processing SharePoint*. The uploaded copies must reflect the same figures and account information as the signed copy maintained in the GAO file. After the signed Form 3997 and all supporting documentation has been uploaded, the site should email &CFO:FM:CFM RACS Analyst confirmation of their Form 3997 submission. If discrepancies occur and if this time requirement cannot be met, a request should be no lower than a manager to contact CFO RACS analyst for further instructions. An out-of-balance condition is not justification for this report to be submitted late. The Form 3997 is no longer reported on the SP/CFO and Treasury Scorecard.
- Note:** "If corrections are made after the original submission, the updated signed or re-signed Form 3997 should be uploaded to the Share Point along with any updated back up documentation. This will ensure that the documentation retained in the GAO file and the Share Point concur."
- (14) Additional reminders for Form 3997:
- The Quarterly Form 3997 is to be completed and digitally signed for the months of December (1st quarter), March (2nd quarter), June (3rd quarter) and September (4th quarter) and emailed along with the monthly Form 3997 to CFO RACS analyst.

- b. Keep a copy of your email showing that the Form 3997, Form 6168 and comprehensive reports were uploaded to the SharePoint on or before the 25th of the following month behind your original documents that are kept in your GAO file.
- c. The monthly Form 5199A (maintained by ECC and available on Control D) must be included as supporting documentation in front or behind the Form 6168 maintained in the GAO file by the campus.
- d. A copy of the monthly 3997 Scorecard should be provided by the accounting operations and be retained in the 3997 GAO file.
- e. Maintain a copy of Delegation of Authority for signers of the Form 3997 (operations and director Level)
- f. Your completed Form 6168 must display the General Ledger Account page. Do not use the hide accounts feature button.

Note: Employees who balance accounts and prepare the monthly Form 3997 should be rotated periodically to mitigate the risk of fraud that could occur to the financial records.

3.17.64.25.1
(12-10-2018)
Form 3997 Remediation Plan

- (1) The Remediation Plan is a memorandum for the Director of Revenue Accounting Operations from the accounting operation manager, for any scorecard criteria with a "yellow" or "red" score on the Form 3997.
- (2) The Remediation Plan outlines not only the error but the measurable steps the campus will take to prevent imbalances in the future. It must contain the following information, as appropriate:
 - a. Detailed explanation of the imbalance(s)
 - b. Attempts made and/or methods used to correct imbalance(s)
 - c. Estimated/Actual date the account will be corrected
 - d. Explanation of late submission of report
 - e. Detailed explanation of incomplete/inaccurate data
 - f. Explanation of missing signature
 - g. Future preventative actions

Note: The Remediation Plan memorandum must be signed by the campus field director or designee.

- (3) The signed Remediation Plan should be attached to the Form 3997 in the GAO file.

3.17.64.26
(09-01-2011)
Refund Reversals

- (1) The following documents can be received for refund reversals:
 - a. SF 1098 Schedule of Canceled or Undelivered Checks
 - b. SF 1184 Unavailable Check Cancellation
 - c. SF 1185 Schedule of Unavailable Check Cancellation Credits
 - d. SF 1081 Voucher and Schedule of Withdrawals and Credits
- (2) SF 1081 will also be received from Regional Resources Management division for relief of losses. A reclassification is necessary to increase receipts (account 21XX) and decrease or credit refund appropriations (account 2410).

3.17.64.26.1
(10-28-2016)
**Account 4970 Unapplied
Refund Reversal
(Real Account, DR/CR
Normal balance)**

- (1) This liability account is used to record, and control canceled refund checks prior to research for proper application. The items included in this account are only those checks generated manually or through IDRS, which cannot be input by the disbursing office directly to MF or any record that goes unpostable.
- (2) This account is used to control refund (45 doc code) items that are received due to mismatch of money amounts. Resolution of these items may require contact with the Regional Finance Center (RFC) and the Fiscal Service. Discrepancies under \$5.00 will be resolved by preparing Form 3809 and using account 6540, Small Debit and Credits Cleared, requesting a journal action.
- (3) If any items cannot be resolved through research and follow-up contact with RFC and BFS and have been in the account for over two years, administrative action may be requested. Administrative approval to charge unapplied refund reversal credit amounts to account 6800, Excess Collections and charge debit items to account 1840, Other Receivables, may be granted. Authority for approving such action may not be delegated below the accounting operation level. All cases should be fully documented regarding research performed, destruction of records, contacts, related correspondence, etc., to ascertain that resolution is no longer possible.
- (4) This account is used to control Limited Pay Cancellations received via IPACD or IPACR until the tapes are processed at ECC or manual documents are prepared. Individual records will be maintained for each IPAC document. Individual records that result as Unpostable will be journaled back into account. See IRM 3.17.79.11.3.

Note: Individual records that resulted as Unpostable should be resolved depending on the reason it unposted. Every effort should be made to resolve Unpostable conditions within 4 weeks of receipt.

- (5) Items placed in this account will be subject to expedite research to determine proper application and will be transferred to the proper taxpayer's account upon identification. See IRM 3.17.63, Redesigned Revenue Accounting Control System.
- (6) Refunds and cancellations transferred from this account to a miscellaneous fund must be reclassified.
- (7) The external subsidiary file documents are Form 3809 associated with SF 1098 and IPAC TRACS.

3.17.64.26.2
(09-01-2011)
**Standard Form 1098
Schedule of Cancelled
or Undelivered Checks**

- (1) SF 1098 may have an input document, Form 3245, or the form may indicate a tape was forwarded to ECC and the journal entry will be made to IMF or BMF. If Form 3245 is received, Form 813 (2-part) should be associated.
- (2) Entry will be made from SF 1098 for appropriation amount and from Form 813 (2-part) or tape for SCCF suspense account.
- (3) If SF 1098 indicates tape was posted directly to MF, entries will be made from SF 1098 only. A cycle number is required and it must agree with the cycle number on the RACR received from ECC.

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|---|---|
| <p>3.17.64.26.3
(09-01-2011)
Standard Form 1184</p> | <p>(1) SF 1184 will be received with input documents, Form 3245 and Form 813 (2-part). Form 813, Part 1 and Form 3245 will be forwarded to Batching for processing. Part 2 will balance with SF 1184 amount. Input will be made from SF 1184 and duplicate Form 813.</p> |
| <p>3.17.64.26.4
(09-01-2011)
Miscellaneous Refund Check Cancellation</p> | <p>(1) Deposit fund refund checks which are canceled will be posted from the SF 1098 or SF 1184.</p> <p>(2) General Fund, Off-Shore Oil Fund and Anti-Drug Special Fund refund checks which are canceled will be posted from the SF 1098 or SF 1184 and reclassified.</p> |
| <p>3.17.64.26.4.1
(01-13-2014)
Account 6565 Refund Cancellation Credits Allowed (Nominal Account, DR Normal Balance)</p> | <p>(1) The monies posted to this account are indicative of the processing which allows a refund cancellation credit (TC 841) to post to a taxpayer's account when a refund was issued but never negotiated by the taxpayer.</p> <p>(2) IRS is legally obligated to re-credit the taxpayer's account for amount of the check if BFS either cannot return a credit to IRS under the terms of the competitive equality Banking Act of 1987 (Limited Payability) or has returned a credit but IRS cannot locate the credit.</p> <p>(3) The case file accompanying Form 3809 must contain adequate documentation to clearly demonstrate that one of the specified criteria for use of account 6565 has been met. This includes records of all contacts made with BFS, both written and oral that have been made in effort to resolve the case. It must also include an account transcript or TXMOD print showing all control base activity and history items. These case files will be maintained by category 1, 2, 3 or 4. See IRM 21.4, Refund Inquiries, for explanations of these codes. Refunds issued based on category 3 require the operation manager's signature.</p> <p>(4) External subsidiary record is the file of paper documents used as described above.</p> |
| <p>3.17.64.26.4.2
(09-01-2011)
Account 6910 Correction of Misc. Revenue (Nominal Account, DR Normal Balance)</p> | <p>(1) This account represents the total amount of reimbursement for miscellaneous revenue.</p> <p>(2) This account also represents the total amount of reimbursement to lockbox banks for losses that were not their responsibility.</p> <p>(3) The external subsidiary is the case file supporting this transaction.</p> |
| <p>3.17.64.26.5
(05-10-2013)
Reporting of SF 1081</p> | <p>(1) As part of Treasury's Central Accounting Reporting System (CARS), formerly GWA, SF 1081 are reported as receipts and disbursements in CARS.</p> |
| <p>3.17.64.27
(07-29-2021)
Remittances</p> | <p>(1) Remittances received by the field office or foreign operation district (FOD) for application to taxpayer accounts are deposited to the credit of the campus director via OTCnet. Remittances are also received at the site. The related returns or documents are controlled by:</p> <ul style="list-style-type: none"> a. OTCnet deposit ticket b. Form 813 (2-part) c. Form 813A |

- d. Remittance processing system transaction registers
- (2) Taxpayer Assistance Centers must upload the accounting package documents to the Field Office Over the Counter Deposit (FOOD) site: <https://irs.gov.sharepoint.com/sites/WIFOOD>.
 - a. For daily balancing of cash deposits in Taxpayer Assistance Centers (TAC), compare the total of dollars deposited by the TAC reflected on the OTCnet System to the dollar total credited to taxpayer accounts on the AORR also known as the EOD 2421 Report for the same TAC. If the TAC is out of balance, then immediately contact the TAC manager, for a digitally signed Form 2424-A, Account Adjustment Voucher. The TAC manager ensures the correction is provided within 24 hours via secure email. If the signed Form 2424-A, Account Adjustment Voucher, requires processing by another area, then Accounting will complete the required posting voucher to ensure the correction is done. Copy the Area Office analyst for remittances for the servicing Field Assistance (FA) Area.
 - b. TACs with couriers each have a unique 3- digit number that display on the AORR. If there is an out of balance, identify the TAC by this 3 digit number.
- (3) The campus prepares separate deposit tickets for its own deposits. These documents are used as the basis for journal entry and subsequent posting to the general ledger controls. Remittances received by area offices and FODs are processed and deposited to the credit of the campus director, as prescribed. Dishonored checks on above remittances are received at the site with SF 5515. For detailed information, see IRM 3.17.10, Dishonored Check File (DCF) and Unidentified Remittance File (URF).
- (4) All DT/DVs must be date stamped once they are received in Accounting.

3.17.64.27.1
(11-22-2019)
**Taxpayer Assistance
Center (TAC) Courier
Deposits**

- (1) Taxpayer Assistance Centers (TACs) may have approved couriers pick up and deposit cash payments collected over the counter into OTCnet. These courier deposits are applied to tax accounts through IDRS and deposited to the credit of the accountable campus director using OTCnet. HQ Field Assistance (CARE organization) manages TAC couriers and the courier deposit process in partnership with the Fiscal Service (BFS).
- (2) The related returns or documents for TAC courier deposits are:
 - a. OTCnet deposit ticket
 - b. EOD 1640
 - c. Remittance Processing System Transaction Registers (EOD 2421, Area Office Remittance Register)
 - d. Form 809 Receipt for Payment of Taxes

Note: Effective October 1, 2019, the TACs stop using a Smart Safe to collect cash payments of whole dollars and coins. Austin or Kansas City RACS might experience late confirmation. During the last week of the month deposit tickets are held from journaling until they are confirmed.

3.17.64.27.1.1
(08-18-2022)
**Daily Balancing of TAC
Cash Deposits**

- (1) Each TAC must reconcile and balance cash collections daily to the penny. Accounting will print the TAC office cash deposit tickets from OTCnet.

- (2) Effective October 1, 2018, all TAC's will submit the accounting package via the Field Office Over the Counter Deposit (FOOD) site at <https://irs.gov.sharepoint.com/sites/WIFOOD> to Campus Accounting for review, balancing and journaling. These documents will be retained and available for audit for seven years. Campus Accounting users gain access to the site with approval of their department manager. Department manager may send an approved request for access with the employee name and SEID to HQ Accounting Services at 855-225-1552.
 - (3) Using the information on the OTCnet deposit ticket, retrieve the cash accounting package documents from the SharePoint site for the date of deposit. SharePoint categories are:
 - Submission Processing Center
 - Field Assistance Area
 - TAC Name (alphabetically by city)
 - Fiscal Year of Deposit
 - Month of Deposit
 - Date of Deposit
 - (4) There will be two files listed for each date of deposit.
 - Form 809 receipts for the deposit date (The Form 809 receipts are for Receipt and Control daily use. Accounting can access these on an as needed basis.) The file will be named by the OTCnet deposit Ticket date (mm.dd.yyyy) 809. Example: 10.29.2018 809
 - PYBAL sheet, Form 2424-A (if applicable) and Memorandum of explanation regarding any out of balance condition (if applicable). The file will be named by the OTCnet deposit ticket date (mm.dd.yyyy) PYBAL. Example: 10.29.2018 PYBAL

Note: If Accounting contacts a TAC for a new or revised Form 2424-A Account Adjustment Voucher, then the Form 2424-A digitally signed by the TAC manager will also be uploaded to the FOOD SharePoint by the TAC. This file for the subsequent Form 2424-A will be named by the OTCnet deposit ticket date (mm.dd.yyyy) Form 2424-A. Example: 10.24.2018 Form 2424-A. The TAC will Inform Accounting when the Form 2424-A has been posted to the SharePoint.
- Note:** If the Accounting FOOD SharePoint experiences an outage, generally the TAC will upload the documents when it becomes available. If it is two days before the end of month or sooner, the TAC will email the scanned documents to the RACS email box at the servicing site. The subject line of the email will include "SharePoint down, TAC Location and OTCnet deposit date."
- (5) Campus Accounting must review each cash deposit daily to confirm that the TAC is in balance before journaling.
 - a. If the exact dollar amount of the OTCnet deposit ticket matches the exact dollar amount of payments credited to tax accounts on the EOD 2421 to the penny, then the TAC is in balance. If the breakdown of the tax class

totals results in an out of balance condition from the EOD 1640 and the deposit ticket, RACS should reclass the money.

- b. If the exact dollar amount of the OTCnet deposit ticket does not match the exact dollar amount of payments credited to tax accounts on the EOD 2421 to the penny, then the TAC is out of balance. Occasionally, the TAC offices will c-mode to the incorrect FLC and this will cause the payment and deposit ticket to be separated causing SCCF to be out of balance. The site that receives the deposit will have to transfer the money following Form 2158 procedures to the gaining site. Every effort should be made to complete the necessary actions before end of month. The accounting technician will take the following steps:

Step	Action
1	Compare the exact total of dollars deposited to the OTCnet System for the TAC to the exact total of dollars credited to tax accounts on EOD2421, for that TAC. Payments will be posted by unique TAC ID number.
2	If the exact dollar amount of the OTCnet deposit ticket matches the exact dollar amount of payments credited to tax accounts on the EOD 2421 to the penny, then the TAC is in balance. If the TAC is in balance, then journal the deposit. If the TAC is not in balance, then see step 3.
3	Determine if there is an overage or a shortage by the money amount of the deposit. A shortage occurs if the dollar amount of the deposit is less than the amount credited to the tax accounts on the EOD 2421 report.
4	<p>Notify the TAC manager via secure email. In the subject of the email state the deposit ticket number out of balance, mm/dd/yyyy, requesting F2424-A for the out of balance with response due within 24 hours. Copy the Area Office analyst for remittances for the servicing Field Assistance (FA) Area.</p> <ul style="list-style-type: none"> • FA 1 – Kenneth Bosley@irs.gov • FA 2 – Kenneth Bosley@irs.gov • FA 3 – Angel R Patton@irs.gov • FA 4 – Angel R Patton@irs.gov <p>If sending an out of balance issue to a TAC, then also copy the HQ Field Assistance analyst Aliya Buckshot and HQ Accounting and Deposit Analyst Edna Banks and Cindy Webster. Record all out of balance condition on the SP Deposit Monitoring Spreadsheet</p>
5	If the out of balance condition is not resolved by the following business day, then follow up with the Area Office analyst for remittances.

Step	Action
6	Record all responses to out of balance conditions on the SP Deposit Monitoring Spreadsheet. If there are any unresolved out of balance conditions, unconfirmed bank deposits or any unresolved issue by the 4th Wednesday of the month, then provide a copy of the SP Deposit Monitoring Spreadsheet or email with the unresolved issue to the HQ Submission Processing analyst for Field Office Payment Processing for assistance to ensure resolution by the end of the month.
7	Refer to IRM 3.0.167 Losses and Shortages for reporting requirements if cash losses, not just balancing issues are identified. If reporting a loss or shortage, inform the campus remittance security coordinator (RSC). A list of remittance security coordinators is at the following link: http://win.web.irs.gov/SP/Security_Info_&_Internal_Control/Remittance_Security_coordinators.htm

3.17.64.27.1.2 (03-14-2014)

Rejected TAC Cash Deposits

- (1) The following procedures list different scenarios that are to be followed if a TAC deposit ticket is journaled and then rejected by the bank.
- (2) If a new deposit ticket is prepared and submitted for the same amount in the same month:
 - a. Print new deposit ticket and rejected deposit ticket from OTCnet.
 - b. Modify both Treasury Number and date.
 - c. Attach the original deposit ticket copy and rejected copy behind the new deposit ticket.
 - d. Stamp the original journal number and modification journal number (window 902) on the new deposit ticket.
- (3) If a new deposit ticket is prepared and submitted for the same amount for a different month:
 - a. Print new deposit ticket and rejected deposit ticket from OTCnet
 - b. Manually confirm rejected deposit ticket on window 211 and on message block on window input rejected ticket and new ticket number issued.
 - c. Prepare in-house debit voucher. Journal using window 221, debit 1720 and credit 2110. Reclass journal will be debit 2110 and credit 2120. Cross Reference the original 210 journal number.
 - d. On new deposit ticket, cross reference the rejected deposit ticket number and journal new deposit ticket on window 210 as a debit 2120 and credit 1720.
- (4) If a new deposit ticket is prepared and submitted for a different amount and Form 2424-A is provided for the difference:
 - a. Print new deposit ticket and rejected deposit ticket from OTCnet.
 - b. Manually confirm original deposit ticket on window 211 and message block on window input rejected ticket and new ticket number issued.

- c. Prepare in-house debit voucher. Journal using window 221, debit 1720 and credit 2110. Reclass journal will be debit 2110 and credit 2120. Cross Reference the original 210 journal number.
 - d. On new deposit ticket, cross reference the rejected deposit ticket number. Journal using window 210 as debit 2120 and credit 1720/ 4120/4220 or 4620.
 - e. Assign DLN to Form 2424-A and prepare Form 813. Journal using window 400.
 - f. Stamp journal number on Form 2424-A and Form 813 and distribute documents accordingly.
- (5) If the deposit ticket is rejected by the bank due to counterfeit bill and taxpayer can be identified:
- a. Print rejected deposit ticket from OTCnet.
 - b. Manually confirm the original deposit ticket on window 211 and in message, input rejected ticket due to counterfeit bill.
 - c. Retrieve information from EOD 1621 to prepare Form 2424-A to debit taxpayer. (Taxpayer must be positively identified).
 - d. Assign DLN to Form 2424-A and prepare Form 813. Journal using window 400.
- Note:** If taxpayer cannot be positively identified, follow counterfeit bill procedures in IRM 3.0.167, Losses and Shortages.
- e. Prepare in-house debit voucher. Journal using window 221, debit 4120/ 4220 and Credit 2110. Reclass journal will be debit 2110 and Credit 2120. Cross Reference the original 210 journal number.
 - f. Stamp journal number on Form 2424-A and Form 813 and distribute documents accordingly.

3.17.64.27.2
(09-01-2011)
**Collections Revenue
Receipts IDRS
Accounting Package
(RRACS Window 210)**

- (1) The IDRS accounting package contains OCTnet deposit ticket, IDRS Remittance Register and IDRS Recap (AORR, EOD 16).
- (2) Each OTCnet deposit ticket will be journaled individually using window 210, under Deposit. The RRACS window validity checks will verify total amount to the sum of all tax class amounts. It is essential that the correct amount be placed in the proper tax class fields because these amounts are posted to the database as revenue receipts.

- (3) All accounting packages received in RACS must be journalized within two business days.

Note: You must NOT wait for the confirmed deposit ticket before journalizing.

- (4) Any losses or shortages associated with the deposit tickets being input will have proper documentation.
- (5) Entries to the SCCF suspense accounts will be made from the IDRS Recap (AORR, EOD 16).
- (6) Deposit tickets and the IDRS Recap must be cross-referenced with the journal number for audit trail purposes.
- (7) All DT/DVs must be date stamped when they are received in Accounting.

3.17.64.27.3
(08-18-2022)

**Regular Accounting
Package and Cash
Conversion
(RRACS Window 210)**

- (1) The regular accounting package is received with the following documents (all DTs must be date stamped when they are received in Accounting):
 - a. OCTnet deposit ticket
 - b. Form 813 (duplicate for MF and original or third copy for NMF)
 - c. Form 813-A
 - d. Form 3460
 - e. NMF subsequent payments with duplicate Form 813
- (2) Each Form 215-A will be journaled individually using window 210, under deposit. The RRACS window validity checks will verify total amount to the sum of all tax class amounts. It is essential that the correct amounts be journalized in the proper tax class fields because these amounts are posted to the database as revenue receipts.
- (3) If it is found that the detail of amount by tax class has been omitted or is more or less than the total thereof on the original deposit tickets released to the depository, the depositing office is authorized to change the office copies in pen and ink to include the error amount on line two as individual income tax-other. The reclassification window will be used to reclassify the discrepancy amount to the correct tax class. The total amount and the date on the DT must never be changed. **EXCEPTION:** On the ISRP deposit ticket, certain conditions may necessitate a date change. With ISRP processing, the deposit ticket is generated with the current date. During peak, processing is also done on weekends, but deposits are not made until the following regular business day (Monday). The bank will not accept a deposit with a previous day's date. Whenever this occurs, the date must be changed on all copies of the deposit ticket before the deposit is released to any area.
- (4) Losses and shortages related to deposits will be documented and input with the related deposit ticket.
- (5) The deposit tickets and Form 813 must be cross-referenced with the journal number, as applicable.
- (6) The campus must not wait for the confirmation of the deposit ticket before journalizing the accounting packages in RRACS and all DT must be date stamped once they are received in Accounting.

3.17.64.27.4
(08-18-2022)

**Deposit Tickets and
Debit Vouchers**

- (1) DT/DV must be date stamped once they are received in Accounting.
- (2) The total amount and the date on the DT/DV must never be changed.

3.17.64.27.5
(09-01-2011)

**Accounting Package
From Electronic Fund
Transfer (EFT) System
Deposit
(RRACS Window 210)**

- (1) The EFT accounting package is received with the SF 215-C and the appropriate backup, according to the EFT payment type.
- (2) Each SF 215-C will be journaled individually using a 210 window under deposit. Amounts will be input as total amount and tax class amount. Tax class amounts will be determined by the EFT message reflected on the Treasury Financial Communication System support listing.

3.17.64.27.6
(02-03-2021)
**ISRP via Electronic
Check Process**

- (1) ISRP paper check processing system now process checks electronically through Treasury OTCnet System.
- (2) Processing sites began the ISRP electronic check process in November 2020 and December 2020. The Receipt & Control operations will send electronic check images and corresponding data through the OTCnet system to the Federal Reserve Bank of Cleveland.

Note: Fresno SPC continues to process hard copy remittances through US Bank

- (3) Accounting package contains the following documents:
 - a. OCTnet deposit ticket
 - b. IMF and BMF SCCF listings
 - c. ISRP remittance register
 - d. ISRP general ledger account number list for each deposit ticket
- (4) ISRP:
 - a. Transmits a file to RRACS
 - b. Generates a batch journal window 170.
 - c. Post transaction to RRACS.
- (5) The accounting technician:
 - a. Verifies the batch journal 170 to the OTCnet deposit ticket and supporting documentation.
 - b. If all agree, write or stamp the batch journal number on the OTCnet deposit ticket and supporting documentation.
 - c. If an error occurs while writing or stamping the 170 batch journal number on the deposit ticket (OTCnet) or supporting documentation, you should: put a line through the incorrect journal number, insert your initials, date the document and write or date stamp the correct 170 batch journal number on the deposit ticket and supporting documentation.
 - d. For discrepancies, submits a Knowledge Incident/Problem Service Asset Management (KISAM) ticket to: BU-CFO-RFM-RA-RS & A.
 - e. For batch journals failing to post to RRACS, submits a KISAM ticket to: &IT ACIOAD-RRACS-Developers. The technician may manually journalize a 210 entry.
- (6) RRACS produces the ISRP Error Report (0150) when a problem arises with ISRP batch journal.

3.17.64.27.6.1
(02-03-2021)
ISRP Rejected Items

- (1) If Accounting receives a rejected item then:
 - a. Manually confirm the original batch deposit ticket
 - b. Create a dummy debit voucher with the same Trace ID for the ISRP rejected portion. Journal action: window 221 debit 1720 and credit 2110. Reclass if needed, debit 2110 and credit 21XX.
 - c. The appropriate accounting function must research the account and if the account is in credit status input a TC 570 to hold any refunds.

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- d. The appropriate accounting function will prepare the Form 2424 to debit the taxpayer; obtain DLN and prepare Form 813.
- e. RACS journal action: window 400 debit SCCF and credit 1720.
- f. Process the Form 2424 as a walkthrough to prevent an erroneous refund.
- g. If there is a separate deposit ticket for the rejected portion, manually journal the second deposit ticket from OTCnet using window 210 and the new Trace ID number.

Note: The Dummy debit will not be processed through DCF file.

Note: See IRM 3.17.10.2.2.3 Integrated Submission and Remittance Processing for the Electronic Check Process

3.17.64.27.7 (09-19-2017) **Lockbox Deposits via Electronic Check Processing (ECP)**

- (1) Electronic Check Processing (ECP) is used for lockbox processing as of July 2011. The lockbox sites will send electronic check images and corresponding data through the ECP system to the Federal Reserve Bank of Cleveland (FRB-C). The FRB-C is the bank of first deposit for all lockbox payments. FRB-C will handle the CIR deposit, return and adjustment reporting.
- (2) Lockbox electronically transmits files to the MCC or TCC computing center. The file generates the batch journal 180 and the batch journal posts to RRACS.
- (3) The accounting technician:
 - a. Verifies the batch journal 180 to the OTCnet deposit ticket and supporting documentation.
 - b. If all agree, write or stamp the batch journal number on the OTCnet deposit ticket and supporting documentation.
 - c. If an error occurs while writing or stamping the 180 batch journal number on the deposit ticket (OTCnet) or supporting documentation, you should: put a line through the incorrect journal number, insert your initials, date the document and write or date stamp the correct 180 batch journal number on the deposit ticket and supporting documentation.
 - d. For discrepancies, submits a Knowledge Incident/Problem Service Asset Management (KISAM) ticket to: BU-CFO-RFM-RA-RS & A.
 - e. For batch journals failing to post to RRACS, submits a KISAM ticket to: &IT ACIOAD-RRACS-Developers. The technician may manually journalize a 210 entry.
- (4) If there is a problem with lockbox batch journal RRACS will produce the Lockbox Error Report (0151).

3.17.64.27.7.1 (09-10-2019) **ECP Rejected Items**

- (1) If Accounting receives a rejected item then:
 - a. Manually confirm the original batch deposit ticket
 - b. Create a dummy debit voucher with the same Trace ID for the ECP rejected portion. Journal action: window 221 debit 1720 and credit 2110. Reclass if needed, debit 2110 and credit 21XX.
 - c. The appropriate accounting function must research the account and if the account is in credit status input a TC 570 to hold any refunds.

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- d. The appropriate accounting function will prepare the Form 2424 to debit the taxpayer; obtain DLN and prepare Form 813.
- e. RACS journal action: window 400 debit SCCF and credit 1720.
- f. Process the Form 2424 as a walkthrough to prevent an erroneous refund.
- g. If there is a separate deposit ticket for the rejected portion, manually journal the second deposit ticket from OTCnet using window 210 and the new Trace ID number.

Note: The Dummy debit will not be processed through DCF file.

3.17.64.27.8

(03-04-2020)

**Advance Payments and
IRC 6603 Deposits**

- (1) Processing payments or IRC 6603 deposits prior to the processing of the related returns or exam documents will result in advance credits in the MF accounts. Such credits will be held in the accounts, appropriately coded as to the purpose, until the related debit assessment posting is made. These payments post to taxpayer accounts as TC 640. IRC 6603 deposits are further identified with blocking series 990-999 or with Designated Payment Code (DPC) 12. In some cases, an assessment is made in the amount of the advanced payment before the related return or document is processed.
- (2) IRC 6603 deposit which were erroneously numbered and posted as advance payments require manual correction. See IRM 3.8.45.8.6, IRC 6603 Deposits.

3.17.64.27.8.1

(09-01-2011)

**Account 4610 Unapplied
Advance Payments
(Real Account, CR
Normal Balance)**

- (1) This liability account will be used to record advance payments voluntarily made by taxpayers in anticipation of deficiency or additional assessments of all tax classes and advance payments (including cash bonds) in pre-refund audit cases. The balance in this account represents all such payments which have not been assessed, applied to taxpayer accounts, refunded or transferred to other offices.
- (2) Account 4610 will be supported by subsidiary records established to identify the taxpayer, amount of advanced payment and subsequent assessment application, refund or transfer of the collection.

3.17.64.27.8.2

(09-10-2019)

**Account 4615 IRC 847,
Special Estimated Tax
Payments
(Real Account, CR
Normal Balance) (Ogden
SPC Only)**

- (1) This liability account will be used to record IRC 847 payments resulting from the Technical and Miscellaneous Revenue Act of 1988. Effective for tax periods beginning after December 31, 1987, IRC 847(2) requires certain insurance companies to make Special Estimated Tax Payments (SETPs) in the amount equal to the tax benefit derived from the additional deduction permitted under the statute. Returns with Special Estimated Tax Payments require special handling. The payments will be received on Form 1120, Form 1120-L, Form 1120-PC or as estimated payments. Credits may also be transferred from the BMF. The credits will be applied as directed by the designated area.
- (2) After a Section 847 return has been reviewed, LB&I Exam will email the Form 3809 debit and credit copies and copy of front page of return to Ogden RACS Team for module input and to be included in the taxpayer's account 4615 file.

- a. In some cases, LB&I Exam will not want funds moved based on certain criteria. In these cases, Exam will notate in the explanation section of the Form 3809 the reasoning why funds should not be moved. Additionally, Exam will place .00 in the 1st TC on both the debit and credit copy.

Note: If copies of returns are provided by Submission Processing functions, then the sender's contact information (e.g., name, phone number and email). If

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- (3) Subsidiary records established to identify the taxpayer and amount of payment will support account 4615. The subsidiary file will be maintained by individual, company and accident year. Transfers of payments should also be recorded.

Note: IRC 847 to taxable years beginning before January 1, 2018. Section 13516 of the Tax Cuts and Jobs Act (Pub. L. No. 115-97) repealed section 847 for taxable years beginning after December 31, 2017. Thus, the election to apply section 847, the additional deduction, special loss discount account, special estimated tax payment and refundable amount rules of the prior law are eliminated.

3.17.64.27.9 (09-08-2015) Deposit Discrepancies

- (1) OTCnet deposit ticket are received from depository banks because of errors made in original deposit tickets. These deposit tickets can be processed by off-setting SF 5515. The deposit ticket can also be applied to the taxpayer's account or, if the date of the amount is less than one year old, it can be jour-nalized to URF. The journal entry of credit amounts equal to or more than one year old, and/or amounts less than one year old with doc codes 48 and 58, are journalized to XSF. Documentation is required.
 - a. If you receive an error code for a duplicate deposit ticket or debit voucher when journaling, research must be completed to ensure the item is a true adjustment and not a duplicate. Any uncertainties should be directed to the RACS DBA or manager.
 - b. If the deposit ticket or debit voucher is found to be a true duplicate, research and resolve within five days of discovering the duplicate, to minimize the affect on the Statement of Difference.
 - c. Any deposit ticket or debit voucher received with an aged confirmed date must be journaled immediately upon receipt in the RACS function to minimize the impact on the Statement of Difference.
- (2) Offsetting debit vouchers:
 - a. Receive DT and DV.
 - b. Input OCTnet deposit ticket, using total amount and tax class amount. Entry should be made to DCF.
 - c. Input SF 5515, using debit voucher total amount.
- (3) Journal entry of a credit to taxpayer's account:
 - a. Receive deposit ticket and Form 3244 with Form 813.
 - b. Entries will be made from OTCnet deposit ticket, total amount and tax class amount.

- c. Entry to SCCF suspense account will be made from duplicate Form 813.
 - d. Reclassify, if necessary.
- (4) Journal entry of a credit to URF:
- a. Receive OTCnet deposit ticket and Form 3244, numbered to URF, with one copy of Form 813.
 - b. Entries will be made from OTCnet deposit ticket.
 - c. Amount and item entries to URF will be made from Form 813.
 - d. Document and Form 813 will be stamped with journal number and forwarded to Unidentified for input to URF.
- (5) Journal entry of a credit to XSF:
- a. Receive OTCnet deposit ticket and Form 3809.
 - b. Entries will be made from the OCTnet deposit ticket.
 - c. Amount and item entries to XSF will be made from Form 8758.
 - d. Form 8758 will be stamped with journal number and forwarded to the appropriate area that maintains XSF.
- (6) All journal entries to URF and XSF must be researched until the deposit discrepancy has been resolved. If a deposit ticket appears to have the wrong year date, the bank can be contacted to determine the correct date and asked to correct the date, if necessary.
- (7) It is the responsibility of the Bank Discrepancy function to see that all journal entries to URF and XSF are researched until the deposit discrepancy has been resolved. This function is generally within the Dishonored Check, Unidentified or Excess Collection units.
- Note:** When requesting a Lockbox Electronic Check Presentation (ECP) debit/credit adjustment or re-presentment, from the bank a form must be filled out and emailed. See IRM 3.17.10, Dishonored Check File (DCF) and Unidentified Remittance File (URF) for the form and further instructions.
- (8) If an AORR package is received with an out-of-balance condition, see IRM 3.17.64.27.1.1 Daily Balancing of TAC Cash Deposits for procedures.
- (9) See IRM 3.0.167, Losses and Shortages and IRM 3.17.10, Dishonored Check File (DCF) and Unidentified Remittance File (URF), for unresolved deposit discrepancies between IRS federal depositories and lockbox banks.

Note: Every case moved to account 7650 must be 100% reviewed initially to ensure the items meet the guidelines for application to account 7650, as stated in IRM 3.17.10, Dishonored Check File (DCF) and Unidentified Remittance File (URF) and IRM 3.0.167, Losses and Shortages. If a deposit discrepancy case results from an ECP deposit, the case should be moved to the 7649 ECP deposit discrepancy account. Follow instructions in IRM 3.0.167 for write-off procedures.

3.17.64.28
(04-01-2022)
Scorecard

- (1) The scorecard is for accounting use only. It is used to track the timely submission of the RRACS reports to CFO HQ, establish controls/checks and balances to ensure timelines are met.
- (2) CFO Scorecard consists of five elements:
 - a. End of Month Balancing for CARS Submission (Formerly SF 224)
 - b. Supplemental CARS Submission (Formerly SF 224 Supplemental, Statement of Transactions)
 - c. Suspense account - 20F3885
 - d. Suspense accounts - 20F3500 and 20F3502
 - e. Informant Reward 20X5433 account (Ogden SPC only)

3.17.64.28.1
(08-19-2020)
**CFO HQ Scorecard -
End of Month Balancing
for CARS Submission
(Formerly SF 224)**

- (1) End of Month Balancing for CARS Submission (Formerly SF 224) Timely Submission: (Effective July 15, 2013)
 - **Green** -End of Month Balancing Complete and email to CFO HQ by 11:00 AM local time on Second business day.
 - **Yellow** -End of Month Balancing Complete and email to CFO HQ from 11:01 AM to 1:00 PM local time on Second business day.
 - **Red** - End of Month Balancing Complete and email to CFO HQ after 1:00 PM local time of the second business day.
- (2) End of Month Balancing for CARS Submission -Completeness
 - **Green** - All RRACS transactions reported.
 - **Yellow** - Partial RRACS transactions reported.
 - **Red** - No RRACS transactions reported.
- (3) End of Month Balancing for CARS Submission -Accuracy
 - **Green** - All RRACS transactions accurate.
 - **Yellow** - Partial RRACS transactions accurate
 - **Red** - No RRACS transactions accurate.

3.17.64.28.1.1
(08-19-2015)
**CFO HQ Scorecard -
Supplemental CARS
Submission (Formerly
SF 224 Supplemental,
Statement of
Transactions)**

- (1) Supplemental CARS Submission -Timely Submission:
 - **Green** - Submission made by 1:00 PM local time on third business day.
 - **Yellow** - Submission made from 1:01 PM to 3:00 PM local time on third business day.
 - **Red** -Submission made after 3:00 PM local time on the third business day.

Note: An email notification to CFO HQ is required stating the submittal of the CTA Supplemental has been completed. This email will be used by CFO HQ in the Timely Submission criteria.

- (2) Supplemental CARS Submission - Completeness:
 - **Green** - All transactions completed.
 - **Yellow** - Partial transaction completed.
 - **Red** - No transactions or journals completed.

Note: After all supplemental are complete, Service Centers must check balances of accounts to ensure correct adjustments are made and to verify that the suspense accounts 20F3500 and 20F3502 contain zero balances and accounts 20F3885 meet threshold requirements. Failure to meet suspense account requirements constitutes a Treasury scorecard issue.

3.17.64.28.2
(04-23-2020)

**CFO HQ Scorecard -
Statement of Difference
(Effective October 1,
2019 no longer scored)**

- (1) On Time Submission:
 - **Green** - Reconciliation completes in three workdays after the 119 journal posts to RRACS.
 - **Yellow** - Reconciliation completes in four or five workdays after the 119 journal posts to RRACS.
 - **Red** - Reconciliation completes in six workdays after the 119 journal posts to RRACS.
- (2) Statement of Difference - Completeness:
 - **Green** - All columns of information provided and accurate.
 - **Yellow** - Missing details or errors on 5 or less rows of differences.
 - **Red** - Missing details or errors on more than 5 rows of differences.
- (3) Statement of Difference - Supporting Documentation:
 - **Green** - Supporting backup for all the required three audit months or older differences. Supporting documentation for all disbursement items.
 - **Yellow** - Supporting backup missing for up to two items. (Backup required for deposit items with audit month three months or older and all items in disbursements).
 - **Red** - Missing supporting backup for more than two items (Backup required for deposit items with audit month three months or older and all items in disbursements).
- (4) Statement of Difference - Aged Items:
 - **Green** - No aged items on the report containing a confirm date more than three months old.
 - **Yellow** - Aged items with confirm date of four to five months old.
 - **Red** - Report contains confirm date greater than five months old.

3.17.64.28.3
(04-01-2022)

**CFO HQ Scorecard -
Trace ID (Annually
Only) Effective March
2022, no longer scored**

- (1) Trace ID - Timely Submission:
 - **Green** - On the 17th workday of the month of April.
 - **Yellow** - One business day after the 17th workday of the month of April.
 - **Red** - Two business days after the 17th workday of the month of April.
- (2) Trace ID - Completeness:
 - **Green** - All column information provided.
 - **Yellow** - Missing details on five (5) or less transactions
 - **Red** - Missing details on more than five (5) transactions
- (3) Trace ID - All Items Have Been Reconciled:
 - **Green** - All columns information provided
 - **Yellow** - Error type "Z" indicated on five (5) or less transactions
 - **Red** - Error type "Z" indicated on more than five (5) transactions

- (4) Trace ID - All managers have been contacted:
 - **Green** - All managers have been contacted (yes)
 - **Red** - All managers have been contacted (no)
- (5) Trace ID - Signature:
 - **Green** - All parties signed (Preparer/Reviewer)
 - **Red** - Not all parties signed (Preparer/Reviewer)

3.17.64.28.4
(08-24-2023)
**CFO HQ Scorecard -
Suspense Account
20F3885**

- (1) Suspense Account 20F3885 - Timeliness
 - **Green** - Suspense Account 20F3885 worksheet is received by 1:00 PM local time on the third business day of the following month.
 - **Red** - Suspense Account 20F3885 worksheet is received after the 1:00 PM local time on the third business day of the following month.
- (2) Suspense Account 20F3885 - Duration in Suspense
 - **Green** - 30 days or less in suspense.
 - **Yellow** - 31 to 45 days in suspense. (Requires an action plan including the cause of the balance and all backup documentation) accounting operation manager will also be contacted.
 - **Red** - 46 to 60 days in suspense. (Requires an action plan including the cause of the balance and all backup documentation) campus director will also be contacted.

Note: If over 60 days, a red score will be assigned and the Director of Revenue Accounting Operations will also be contacted.
- (3) Suspense Account 20F3885 - Efficiency
 - **Green** - 5 % or less
 - **Yellow**-6 % to 9 % or less
 - **Red** - 10% or more

3.17.64.28.5
(09-08-2015)
**CFO HQ Scorecard -
Suspense Account
20F3500 and 20F3502
Process**

- (1) Suspense Account 20F3500 and 20F3502 - Timeliness
 - **Green** - Submitted worksheet by 1:00 PM local time on the third business day of the month.
 - **Red** - Submitted worksheet after 1:00 PM local time on the third business day of the month.
- (2) Suspense Account 20F3500 and 20F3502 - Efficiency
 - **Green** - Zero amount within current month.
 - **Red** - A penny or more within current month.
- (3) Suspense Account 20F3500 and 20F3502 - Supporting Documentation
 - **Green** Supporting documentation received.
 - **Red** - Missing supporting documentation.
- (4) Suspense Account 20F3500 and 20F3502 - Signature

- **Green** - Suspense 20F3500 and 20F3502 spreadsheet is signed by the RACS manager.
- **Red** - Suspense 20F3500 and 20F3502 spreadsheet is not signed by the RACS manager.

3.17.64.28.6
(04-04-2017)

**CFO HQ Scorecard -
Informant Reward
Account 20X5433
(Ogden SPC only)**

- (1) Informant Reward Account 20X5433 - Timeliness
 - **Green**- Informant Reward Balance is received by 1:00 PM local time on the third business day of the following month.
 - **Red**- Informant Reward Balance is not received by 1:00 PM local time on the third business day of the following month.
- (2) Informant Reward Account 20X5433 - Efficiency
 - **Green**-CARS balance of the Informant Reward account is a positive or zero amount.
 - **Red**-CARS balance of Informant Reward account is negative amount.
- (3) Informant Reward Account 20X5433 - RRACS manager Signature
 - **Green**-CARS balance of Informant Reward account statement is signed by the RACS manager.
 - **RED**-CARS balance of Informant Reward statement is not signed by the RACS manager.

3.17.64.28.7
(08-19-2020)

**CFO RACS Analyst
Scorecard - Form 3997**

- (1) 3997 - Timeliness :
 - **Green** - Received on or before the 25th of the month.
 - **Yellow** - Received after the 25th but within two business days.
 - **Red** - Received after two business days.
- (2) 3997 - Completeness and Accuracy:
 - **Green** - Complete and accurate information provided for all columns.
 - **Yellow** - Incomplete and/or inaccurate information on 2 or less items.
 - **Red** - Incomplete and/or inaccurate information on more than 2 items.
- (3) 3997 - Supporting Documentation:
 - **Green** - Supporting backup for all aged reconciled and unreconciled items.
 - **Yellow** - Supporting backup for all aged reconciled and unreconciled items except for one item.
 - **Red** - No Supporting backup for aged reconciled and unreconciled items or more than one item missing.
- (4) 3997 - Signature:
 - **Green** - All parties signed.
 - **Yellow** - No yellow option available.
 - **Red** - Not all parties signed.
- (5) 3997 -Aged Reconciled Item(s):
 - **Green** - No aged reconciled item(s).
 - **Yellow** - One or more aged reconciled item(s) reported for the first time.

- **Red** - One or more aged reconciled item(s) reported two or more consecutive times.

(6) 3997 - Unreconciled Item(s):

- **Green**- No unreconciled item(s) reported for the first time.
- **Yellow**- One or more unreconciled item(s) reported for the first time.
- **Red**- One or more unreconciled item(s) reported for second consecutive times.

3.17.64.28.7.1
(04-04-2014)

**Business
Resumption/Disaster
Recovery Form 3997
Contingency Plan**

- (1) In the event that the campus is closed (example; disaster, inclement weather, power outage, etc.) on the 25th day of the month (due date of Form 3997) the campus will be provided an extension in writing.
- (2) In the event the campus does not submit the Form 3997 by the extension due date, normal scorecard ratings will apply. See IRM 3.17.64.28.3. SP Scorecard - Form 3997

3.17.64.28.8
(08-24-2023)

**Scorecard CFO RACS
Analyst Contacts**

- (1) The following table shows the CFO RACS analyst who is responsible for assisting the campus on Scorecard issues.

Campus	Primary CFO RACS Analyst	Backup CFO RACS Analyst
Andover/Atlanta/ Kansas City/Fresno/ Austin	Hyo Kim 816-499-4589	Crystal Noyes 801-620-6419
Ogden/Philadelphia/ Cincinnati/ Brookhaven/Memphis	Crystal Noyes 801-620-6419	Hyo Kim 816-499-4589

3.17.64.29
(09-01-2011)

**Service Center
Suspense Files**

- (1) These accounts record the Service's liability for the various suspense files. Credits in these accounts are normally in process for application to a tax liability. This includes pre-payments such as estimated tax, for which no tax assessment has yet been made but a tax liability is anticipated.

3.17.64.29.1
(09-01-2011)

**General Ledger IMF and
BMF Accounts for SC
Suspense**

- (1) The following are the IMF and BMF SC Suspense Files.

3.17.64.29.1.1
(09-01-2011)

**Account 4120 SC
Suspense for the MF
BMF
(Real Account, DR/CR
Normal Balance)**

- (1) This liability account is used to record all those BMF pre-journalized debits and credits that are in process in the campus for posting to the BMF. Upon receipt in the campus, amounts will be entered in account 4120 and will remain while processing is being accomplished. When processing is complete and items are on magnetic tape for shipment to ECC, they will be removed from this account.

- (2) This account is supported by the BMF SCCF. All items placed in this account must be recorded in detail on the SCCF.
- (3) External subsidiary records are the SCCF files for BMF.
- 3.17.64.29.1.2
(09-01-2011)
**Account 4220 SC
Suspense for the MF
IMF
(Real Account, DR/CR
Normal Balance)**
- (1) This liability account is used to record all those IMF pre-journalized debits and credits that are in process in the campus for posting to the IMF. Upon receipt in the campus, amounts will be entered in account 4220 and will remain while processing is being accomplished. When processing is complete and items are on magnetic tape for shipment to ECC, they will be removed from this account.
- (2) This account is supported by the IMF SCCF. All items placed in this account must be recorded in detail on the SCCF.
- (3) External subsidiary records are the SCCF files for IMF.
- 3.17.64.30
(08-19-2020)
**CARS Direct Reporting
and Reclassification
Submission (Formerly
Standard Form 224),
Statement of
Transactions
(RRACS Report 020, 20A
and 20B)**
- (1) As of October 2014, all IRS ALC's became CARS direct reporters. As a result, all disbursement, collection and IPAC transactions are reported directly to CARS from the financial institutions. RRACS Reports 020 and 020A are used to ensure the RRACS system is in balance. The 020 and 020A reports list all CARS transactions and all direct reported transactions to CARS respectively. IRS only has the capability to send reclassifications to CARS using the CTA (Classification Transaction and Accountability) adjustments by the following methods:
- CARS bulk upload - IRS HQ uploads the RRACS 0118 report to CARS on the second workday to report all reclassifications for all service centers. The RRACS 0118 upload mirrors the transactions reported on the RRACS 020B report.
 - Manual Reclassification - Further reclassifications may be needed following the bulk upload. These reclassifications are entered online in the CARS system by the service center after the bulk upload is completed.
- (2) The CTA adjustment only requires the reclassification reporting that was formerly Section I of the SF 224 process. All reclassifications on the CTA adjustment must balance to zero between the Treasury Account Symbols. Section II and III are replaced by the financial institution directly reporting the information to CARS.
- (3) RRACS 020, 020A and 020B will automatically be generated in EOM processing but may be generated separately, by selecting the Reports main menu, then selecting the reports on the Month- End menu.
- (4) The CARS program (formerly GOALS II) will not accept a TAS with a point under the 5XXX series for disbursement money. CARS WILL ONLY RECOGNIZE THESE SYMBOLS WITH THE EXTENSIONS AS RECEIPTS. (e.g., OIC User Fees are entered as receipts under 20X5432.4 but as disbursements it would be entered only as 20X5432) If there is more than one disbursement, they will need to be added together and then entered under 20X5432. (e.g., disbursements under 20X5432.1, 20X5432.3 and 20X5432.4 would be added together and entered under 20X5432).
- (5) Beginning with the July 2013 SF 224, the campuses will no longer input and transmit their SF 224 to CARS, CFO HQ will be transmitting the monthly

CARS Reclassifications (formerly SF 224) through the CARS Reclassification Bulk Upload process. Prior to sending an email to CFO HQ that the site has completed the balancing, the End of Month checklist must be completed through generating reports for end of day prior to emailing CFO HQ, the checklist must be signed by the RACS unit manager. Once the site has received an email back from CFO HQ stating the CARS reclassification upload has been transmitted, login into CARS and print the CARS Reclassification Report and the RRACS 020, then complete the remaining areas of the checklist, see IRM 3.17.64.31.1, End of Month Checklist for checklist.

- (6) Month- end balancing should be completed, and an email sent to the CFO HQ mailbox on or before 11:00 am LOCAL TIME ZONE on the second workday of the new month stating the end of month balancing has been completed. If for any reason, the campus cannot make this deadline, you must contact CFO HQ immediately. CARS Reclassification is part of the CFO HQ and Treasury Scorecard.
- (7) After CFO HQ submits original CARS submission according to procedures, agencies can submit a supplemental CTA Reclassification, if needed, by the 3rd workday. The supplemental CTA reclassification does not replace the original CARS Reclassification but is used to adjust it. Supplemental will not be available after the 3rd workday, unless requested by BFS. If a supplemental is requested beyond the 3rd workday it will cause a Treasury yellow or red scorecard and must be approved by CFO HQ before submitted to CARS.

Note: A supplemental CTA reclassification must be completed online through a CARS CTA Supplemental.

- (8) The final RRACS 020 and 020B Report, CARS Statement of Transactions and the transmitted CARS Statement of Transactions, posted copy, must be signed and dated by the 5th working day of the month by the Campus department manager or his/her designee. A signed copy of the final RRACS 020, 020B report and the signed posted CARS Statement of Transactions copy will be retained at the campus for use by GAO in its site audit.

Note: Email to &CFO:FM:CFM CA Custodial Systems and Analyst and *CFO RFM IRACS by the deadline listed above.

- (9) All supplemental changes following the original CTA upload must have back up documentation to support these changes and be kept behind the signed RRACS 020 and 020B Report and the posted CARS Statement of Transactions copies. This should be retained at the campus for use by GAO in its site audit.

Note: Changes will have to be manually input to CARS on a supplemental CARS CTA Reclassification after CFO HQ transmits the original.

3.17.64.30.1
(10-16-2020)

End of Month Checklist

- (1) Below is the End of Month Checklist that must be used and signed prior to transmitting the SF 224.

End of Month Checklist	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1st Workday												
1. Make sure the following have been journalized for the month												
a) Refunds, 1098s (check the ALC Payment Details from CARS)												
b) IPACs (Verify the IPACS are reported and journalized to the correct appropriation). This will keep CARS and RRACS in balance. Ex. 3885.11 & 20X0903.												
c) Check Refund Match for any manual confirmations to be done.												
d) MDR Deletes (Journals 908 and 909)												
e) Do all correction journals and modifications.												
f) Ensure the URF to XSF rollover is done (4620 to 6800), if applicable in RRACS in your campus.												
g) Make sure all Batch Journals were run in for the month.												
h) Ensure that deposit tickets that cross accounting months for ISRP and lockbox are journaled to the correct accounting period.												
i) Ensure all DT/DV's have been journaled. (This includes all confirmed OTCnet DT/DV's that have not been received).												
j) Verify the arbitrage refunds are journaled to the correct Treasury Account Symbol and general ledger account.												

Accounting Control General Ledger Policies and Procedures 3.17.64

page 159

End of Month Checklist	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2. Check MTRIAL to ensure that any accounts your center does not work with are ZERO balances.												
3. Balance 4801-4808 and 4811- 4819 to MTRIAL to make sure it was journaled correctly.												
4. Check MTRIAL for reverse status.												
5. Ensure account 1600 is not in reverse Status (SC Recaps and daily tapes).												
6. Verify no future journals were journaled in current month.												
7. Balance to your Less Non Cash Receipts (RRACS 020).												
8. Ensure the principal and interest sections are in balance by checking NTRR (Under EOD).												
9. Ensure the NTRR (#023) Grand Total (under Report for Month Ending) equals RRACS 020, 20X0903 and 20X0904.												
10. Compare the Collection Support Listing to the DT/DV RRACS 017 report. Resolve any SOD issues.												
11. Compare the ALC Payment Details and IPAC Support Listing to the Confirmed Refund RRACS Report #031 to resolve any SOD issues.												
12. Balance your CARS Submission 020 Report with the DTRIAL												
14. Run End of Day Reports												

End of Month Checklist	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
**** RACS MANAGER'S signature is required after all the above procedures have been completed.												
Signature _____ Date _____												
2nd Workday												
1. Complete month end balancing and generate and print RRACS Reports from MONTHEND ALL .												
2. Change Accounting Period.												
3. Email &CFO:FM:CFM CA Custodial Systems and Analysis mailbox by 11:00 a.m. local time zone stating that items #1 and #2 are completed.												
4. Verify that appropriations 20x5433, 20x6163, 20x6511.9, 20x6737, 20x6738, 20x6740, 20x6741 and 20x6879.9 are not in reverse status by viewing the GWA Account Statement after the Bulk Upload.												
5. Once the site receives confirmation email from CFO HQ, print the Statement of Transactions from CARS (CTA/ SF 224) for signature. Also send the following reports for signature: 003-Daily Trial Balance, 004-Monthly Trial Balance, 023-NTRR, 020-Statement of Transactions, 020B-Reclassifications, Additional CARS Supplemental and the 025-Form 2162. Please reference the email that was sent on 08/02/2018.												

Accounting Control General Ledger Policies and Procedures 3.17.64

page 161

End of Month Checklist	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
6. If necessary, the service center can make pen and ink transmissions on a CARS supplemental. Maintain supporting documentation.												
7. Email the money amount reported for Public Debt to Securities AccountingTeam@bpd.treas.gov. Also CC: &CFO RACS- HQ.												
8. Distribute the EOM reports to appropriate areas.												
Third Workday												
1, Perform the CARS Reconciliation by uploading the 100 &103 Report. (This needs to be reviewed and signed).												
2. Ensure 20F3500 and 20F3502 has a zero balance. (CARS ALC Activity) Email by 1:00 PM local time.												
3. Ensure 20F3885.11 has a variance of 5 % or less (CARS ALC Activity and Net Disbursements from RRACS 020). Email by 1:00 PM local time.												
4. Submit a CARS Supplemental (if needed) by 1:00 PM local time.												
5. (Ogden CFO RACS only) Generate (print or PDF) and have RACS manager sign the CARS GWA Account Statement for 20X5433.												
6. Print any additional reports or re-prints after RRACS comes back up.												

End of Month Checklist	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Reminder: DO NOT GENERATE AND PRINT ANY REPORTS FOR THE NEW MONTH UNTIL NOTIFIED BY HEADQUARTERS. Example: Junes EOM is completed, do not generate any reports for July until notified.												
4th Workday												
1. Email the Reverse Status Report to the *CFO RFM IRACS mailbox. In addition to your normal contact points.												

3.17.64.31
(09-08-2015)

State Income Tax Levy Program (SITLP)

- (1) SITLP is a compliance program that levies state income tax refunds to satisfy federal tax liabilities.
- (2) The Submission Processing SITLP coordinator is located at the W&I Kansas City site. The SITLP coordinators have overall responsibility for the coordination between the state and the site. Procedures have been provided for each SITLP coordinator and have been distributed to the NHQ Collection. A list of the SITLP coordinators can be found on the IRS Source on the Who/Where tab under SERP.
- (3) The following is a listing of participating states. States become operational once a memorandum of understanding (MOU) is signed and test files are processed.

STATE	STATE
Alabama	Michigan
*Alaska	Minnesota
Arkansas	Mississippi
Arizona	Missouri

STATE	STATE
California	Nebraska
Colorado	New Jersey
Connecticut	New Mexico
Delaware	New York
District of Columbia	**North Carolina
Georgia	Ohio
Idaho	Oklahoma
Illinois	Oregon
Indiana	Pennsylvania
Iowa	Rhode Island
Kansas	South Carolina
Kentucky	Utah
Louisiana	Vermont
Maine	Virginia
Massachusetts	West Virginia
Maryland	Wisconsin

a. **North Carolina is participating in SITLP; however, they do not use EFTPS to send in their SITLP levy payments.

- (4) The non-EFTPS state must send their payments (checks) to associate with the electronic files to keep the integrity of the state receipts and validation process. Payments by check are only received by the non-EFTPS state.

Note: North Carolina was converted to EFTPS for their SITLP payments on January 2016.

3.17.64.31.1
(09-01-2011)
**Accounting Branch
Procedures and
Responsibilities for
SITLP**

- (1) The SITLP coordinator receives the check and it is maintained in Receipt and Control. A copy of the check is provided to Accounting (with the received date).
- (2) Non-EFTPS states will transmit their SITLP files back to the IRS, via the Secure Data Transfer (SDT) portal.
- (3) Accounting will maintain a log of the received electronic file and payment from the state to ensure accounting for all payments and files.
- (4) The SITLP coordinator is responsible or will work with their respective Computing Center, to have the electronic file processed. The electronic file and payment should be received on the same day or within a day of each other. The received date of the check will be the posting date of the levy payment. Auto TDA 55 is requested everyday automatically at noon, local time. Upon

receipt of a check, the SITLP coordinator will verify that the electronic file is present by checking the 5540 Report. If the file is present, then the coordinator can request the running of the TDA 56.

- (5) If the electronic file is determined to contain incorrect data, the SITLP coordinator will immediately request that the state transmit another file. The state will transmit another file through SDT. This file will contain the original sequence number but with an "R" added. (e.g., 0001 when received would be 0001R.)
- (6) TDA 5540 Run Controls Report will be generated and forwarded to RACS if the data on the electronic file is valid. This information can be found on Control D. When the TDA 55 is received, balance it to the check amount and make a corresponding log entry.
- (7) TDA 55 Error Report will be generated and forwarded to RACS if there is a problem with the electronic file. This information can be found on Control D. The SITLP coordinator will be contacted to coordinate resolution of the error with the state.
- (8) If the received date of the check and the run date are different, ECC must be notified that the transaction date in the TDA 56 card file needs to be changed to be the received date of the check. Sites that edit the card file themselves must ensure that the received date of the check is used as the transaction date and not the run date.
- (9) RACS function will check Control D for or be notified by the SITLP coordinator of a successful TDA 55 run. IF successful, RACS will:
 - a. Edit card file TDA56-CARDS on the mainframe and input the required information (file number, trans date (IRS received date of payment), check control number, etc.). See IRM 3.8.45.24, State Income Tax Levy Program (SITLP), for additional information.
 - b. Open an ITAMS ticket to run the TDA56.
 - c. Check the following day Control D to ensure that the TDA56 was ran.
 - d. Contact the Deposit Area (so deposit can be made within 24 hrs.) and provide the Trace ID to deposit the check(s) (a separate deposit ticket for tax class 2 will be completed).
 - e. Notify the SITLP coordinator when all the above actions have been completed.

3.17.64.32
(04-23-2020)

Statement of Difference

- (1) The Statement of Difference (SOD) automated reports (0652 Deposits and 0653 Disbursements) are available mid-month after the CFO HQ analyst uploads the data to RRACS. The report is used as a summary for any differences that exist.
- (2) Once processed, an email is generated and sent to the service centers and CFO HQ contact points.
 - 0652, SPC Statement of Difference, Deposits
 - 0653, SPC Statement of Difference, Disbursements .
- (3) The RACS 0652 and 0653 reports show all deposits (revenue) and disbursements (refunds) discrepancies (if any exist) from each SPC by agency location code. It is used to identify and reconcile differences between IRS deposits and disbursements reported by the SPC and the Fiscal Service.

- (4) The CARS reports are available after the EOM processes have been completed. When this information is available, CARS and RACS reports can be used to review and research items in the 0652 and 0653, which will show a summary by month presented with any discrepancies. Under the Deposit-in-Transit System, the detail audit responsibility is performed by the depositing agency rather than the Fiscal Service. This is consistent from month to month following the report month. Prior to month-end processing, accounting balances the Collection Voucher Support Listing with the RACS 017 report for deposits and the TDO Payment, IPACS Support Listing with the RACS 031 report for disbursements.
- (5) Each campus ALC retains all backup documentation and explanation of differences on the SOD NW 0650 and 0651 reports.
- (6) Use the following sources of information to identify and explain SOD:
 - a. Month - Audit Month on 0652 - SOD, deposits report and 0653 - SOD, disbursements report.
 - b. RRACS 017 - (DT/DV) - Net Total Deposit Ticket/Debit Voucher amount for the month.
 - c. CARS Collection Voucher Support Listing - Subtotal amount for the month.
 - d. Deposit Discrepancy - Difference between RRACS 017 and CARS Collection Voucher. The detail of this discrepancy must be presented on the Deposit Reconciliation report.
 - e. RRACS 031 - Total Payments - Section II SF224 amount.
 - f. IPAC Support Listing - Grand total amount
 - g. TDO Payments - ALC 2009XXXX total amount.
 - h. Disbursement Discrepancy - Difference between RRACS 031, IPAC support listing and TDO payments. The detail of the discrepancy must be presented on the Disbursement Reconciliation report.
 - i. Journal entry numbers for all associated journals

3.17.64.33
(09-01-2011)
Substantiated Credits

- (1) Substantiated credit transactions are initiated by taxpayer submission of a receipt, canceled check or other acceptable document, substantiating a claimed payment or credit. The term substantiated payment is limited to payments that are satisfactorily substantiated, but the payment application cannot be identified and transferred to the correct account. Use of the substantiated payment procedure should be infrequent.

3.17.64.33.1
(09-01-2011)
**General Ledger Account
for Substantiated
Credits**

- (1) The following account is associated with substantiated credits.

3.17.64.33.1.1
(09-01-2011)
**Account 6570
Substantiated Credits
Allowed
(Nominal Account, DR
Normal Balance)**

- (1) This account will record the allowance of substantiated credits not previously recorded or allowed. Substantiated payments will be approved for credit to taxpayer IMF, BMF or NMF accounts, upon receipt in Payment Tracer Team in Accounting of a fully documented case file which includes such items as a receipt, cancelled check and documentation of research performed. The case will also have the record of administrative approval and authority for the credit allowance.

- (2) (Austin Only) This account is used for the substantiation of ES payments made to Guam when taxpayer is filing tax Form 1040 with the U.S. Treasury.
- (3) Substantiated credit cases will be accepted for approval by the operation manager who has the functional responsibility to maintain the integrity of the revenue accounting system. Cases not fully documented or reflecting incomplete research will be rejected.
- (4) This account is also used to record, and control credit application tentatively allowed an 'injured' taxpayer after preliminary research has failed to locate the payment, but has proven without a doubt that the taxpayer has not received benefit from a payment made to IRS. Requests for a tentative credit will be received by the Payment Tracer function in Accounting only after certain conditions are met and documented in accordance with IRM 21.5.7, Payment Tracers. These case history files will be maintained in the Payment Tracer Function.
- (5) If it is determined by Payment Tracer (hard-core) research that the documentation needed to locate the missing payment has been destroyed or cannot be located, procedures will be followed in accordance with IRM 21.5.7, Payment Tracers. The case file, including the debit copy of Form 3809 used to allow the tentative credit will be moved to the other subsidiary file of substantiated credits referred to in (1) above after it has been administratively approved by the operation manager.
- (6) When research results in the location of the payment, the credit will be reversed out of account 6570 within the same fiscal year or account 9998 if it has been substantiated in a prior year.
- (7) The external subsidiary record will be a combination of both case file types.

3.17.64.33.2
(09-01-2011)
**Substantiated Credit
Posting Documents
(RRACS Window 400)**

- (1) RACS will receive a Form 3809 with Form 813.
- (2) Documents should balance to Form 813 total.
- (3) Prepare Form 8166, if applicable.
- (4) Journal Form 3809.
 - a. Using the RRACS 400 window, which can be found under the Accounting Application Main Menu under Miscellaneous Application, input the total amount from Form 813.
 - b. The journal entry will be a debit to account 6570 (Substantiated Credits Allowed) and a credit to either account 4120 (BMF), 4220 (IMF) or 4420 (NMF) depending on the documents.
 - c. The journal number must be stamped or written on Form 3809 and Form 813.
 - d. Pull Form 813, Part 2, for input to SCCF.
 - e. Forward Form 813, Part 1 and distribute documents accordingly.

3.17.64.34
(09-01-2011)
Trace ID Number

- (1) It is mandatory that every DT/DV have a unique Trace ID and that it contains 14 characters for the DT/DV, 20 characters for the individual payments associated with a DT/DV.

3.17.64.34.1
(08-18-2022)

Trace ID Number Format

- (1) Accounting DT/DVs (e.g., Overstated or Understated deposits): For the deposit ticket, RACS function will need to use BBTS to get the Trace ID assigned (System ID 25). BBTS will provide the ability to request only a Trace ID without a Form 813 listing through a screen query for only the Trace ID Number. For debit vouchers use the original Trace ID Number from the original deposit ticket.
- (2) Below is the Trace ID number format:

Field	Format	Definition
Site ID	nn	Campus FLC, Bank ID or another 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 deposit ticket, beginning with 000001, sequentially increment the Transaction Seq Num for each transaction that comprises the Manual

- (3) The 14- character Trace ID number basically represents one DT/DV. The addition of the 6- character Sequence Number on each detail transaction uniquely identifies each transaction for that DT/DV.
- (4) These Site IDs are valid for the campus Location Codes below:

Code	Campus
07	ATSPC
08	ANSPC
09	KCSPC
17	CSPC
18	AUSPC
19	BSC
28	PSC
29	OSPC
49	MSC

Code	Campus
89	FSPC

- (5) These Site IDs are valid for the lockbox bank Location Codes below:

Code	Lockbox Bank
36	JP Morgan Chase -Louisville- KCSPC
37	JP Morgan Chase - Charlotte - KCSPC
40	US Bank Cincinnati -KCSPC
73	JP Morgan Chase - Charlotte - AUSPC
85	US Bank Cincinnati - OSPC
91	JP Morgan Chase Louisville - OSPC

- (6) In addition, some systems, such as IA User Fee Sweep, utilize an Area Office Code rather than a Campus Code. Those values are quite varied, so the Custodial Detail Data Base (CDDDB) allows for any unique numeric value to be valid.
- (7) These System IDs are valid for the functions below:

System	Function
01	EFTPS
02	ISRP Payment Transactions
05	Lockbox Bank Transactions
10	SITLP Levy Payments
12	Receipt and Control Manual Deposits for External Leads and Accounting CIR deposits for External Leads (Effective July 15, 2013)
15	Receipt and Control Manual Deposits
20	RACS DCF DV
25	Accounting DT/DV, including External Leads (This will no longer be used for External Leads effective July 15, 2013)
30	FTD DT/DV Note: FTD has merged with EFPPS.
35	IDRS Installment Agreement User Fee Sweep
40	Automated Insolvency System (AIS)
45	Automated Offer in Compromise (AOIC)

System	Function
50	ITIN
55	Field Assistance - Taxpayer Assistance Centers (TAC)

- (8) BBTS provides a subset of these System IDs for requesting a Trace ID number for manual DTs as listed below:

Subset	Function
12	Receipt and Control Manual Deposits for External Leads and Accounting CIR deposits for External Leads (Effective July 15, 2013)
15	Receipt and Control Manual Deposits
20	RACS DCF DV
25	Accounting DT/ DV,
30	FTD DT/DV Note: FTD has merged with EFPPS.
40	Automated Insolvency System (AIS)
45	Automated Offer in Compromise (AOIC)
50	ITIN
55	Field Assistance - Taxpayer Assistance Centers (TAC)

3.17.64.34.2
(04-01-2022)

Trace ID Reconciliation Procedures Effective immediately no longer required

- (1) The Trace ID number is used to identify each deposit ticket (DT)/debit voucher (DV) and its corresponding payments. It will be utilized as a tracking mechanism. As of January 2008, all input payment systems will automatically assign a Trace ID to each DT/DV. Manual deposits such as insolvency payments, that require a Form 813, will be assigned a Trace ID using the Batch Block Tracking System (BBTS). The Custodial Detail Data Base (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 RRACS General Ledger. The Trace ID Reconciliation is part of the Treasury scorecard and will be scored annually.
- (2) The RACS Function will reconcile the Campus DT/DV Reconciliation Report (J55C01) yearly (for the month of March) to report the balancing of transactions between CDDDB and RRACS. **This report must not be altered.** All Trace IDs must remain on this report. This report will be used to alert the service center, and CFO HQ of any imbalances between Trace ID's and any processing problems within the service center. the RACS Team will only reconcile imbalances that are \$100,000 or greater.

- (3) The Campus DT/DV Reconciliation Report (J55C01) will list all Trace ID's received on the RRACS DT/DV file for an accounting period, listing CDDB pre-posted information and RRACS information similar to 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 following list identifies each column on the Campus DT/DV Reconciliation Report (J55C01):

- a. Column A (Month) indicates what month the original transaction took place.
- b. Column B (Treasury Number) indicates the Treasury number.
- c. Column C (RRACS Trace ID) indicates the 14- digit Trace ID that was entered into RRACS.
- d. Column D (RRACS Date Presented) indicates the date the journal entry was entered into RRACS.
- e. Column E (IR CNT) indicates the number of times the Trace ID was entered into RRACS for a journal entry.

Note: An asterisk or a numerical value greater than 1 indicates a duplicate Trace ID was entered. The duplicate Trace ID may be found with in any month.

- f. Column F (DT/DV Amount) indicates the amount of the deposit ticket or debit voucher in RRACS.
- g. Column G (CDDB Pre-posted) indicates the amount of the deposit ticket or debit voucher that was captured in CDDB.
- h. Column H (Pre-posted Difference) indicates the difference in dollar amount between Column F and Column G.
- i. Column I (Error Type) indicates the Trace ID Error Type as identified in the legend.
- j. Column J indicates field in which the RACS manager or lead or reports analyst will indicate only **yes** or **no** if the function that caused the Trace ID mismatch was contacted (All FUNCTIONS MUST BE CONTACTED by the 16th workday of April).
- k. Column K (Comments) indicates where analyst will provide detailed comments regarding research efforts and resolution in identifying cause of Trace ID mismatch. Comments must be provided for each Trace ID mismatch.

- (4) Procedures for campuses:

- a. The Campus DT/DV Reconciliation Report (J55C01) will be emailed to the DBA for each individual campus by the 13th workday of April. The following parties will be copied on the email: Accounting, Department manager, RACS manager, Reports analyst, Planning & Analysis analyst.
- b. The campus will receive a reconciliation report that only identifies transactions that need to be researched. Only out of balance transactions with an amount of \$100,000 or greater must be reconciled.
- c. Technician will need to research the accounting package and any additional reports to identify the cause of the Trace ID error.
- d. Once the cause of the error is identified, enter the Trace ID error code into Column I using the key below:

ERROR TYPE	DESCRIPTION	Acceptable Comments
A	Typo error in Trace ID 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	Trace ID is in RRACS twice, typo error on one of the deposit tickets/debit vouchers	No comment necessary
D	Transaction was added 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 and Kansas City CFO RACS Only	Explain why Note: Ogden and Kansas City CFO RACS 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 re-searched by the Return Integrity and Verification Operation (RIVO) - external leads formerly Accounts Management Taxpayer Assurance Program (AMTAP) group."

ERROR TYPE	DESCRIPTION	Acceptable Comments
M	Void, Washed or D-Applied checks	Date xx-xx-xxxx / For washed, what DT/DV #
N	Closed Cases (i.e., DCF, URF)	URF/DCF, Date
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

- (5) After the cause of the Trace ID mismatch is identified, the technician will enter the detailed explanation into the Column “K” on the spreadsheet.
- (6) The RACS manager or lead or Reports analyst will contact the function that caused the Trace ID mismatch and verify that actions are taken to prevent mismatch from reoccurring. Indicate in Column “J” only **yes or no**.

Note: If the Trace ID mismatch is on cash processed in the CARE Field Assistance (FA) TAC’s, refer the issue to the Area Office analyst designated for remittances.

FA Area 1: Gregg Ashley
FA Area 2: Gregg Ashley
FA Area 3: Angel R Patton
FA Area 4: Angel R Patton

- (7) After completion of the comments, the analyst will sign the spreadsheet (as the preparer) and then have a first review performed prior to sending through the appropriate chain of command to the accounting operations manager to do a final review and sign (as the certifying officer).

Reviewer Instructions:

- a. The preparer is the reviewer of all details listed on the reconciliation report, ensuring that the supporting backup (documentation agrees to the explanation, error codes are accurate, detail explanation support findings, signatures are included and that the report has been checked for completeness.
- b. The reviewer ensures that all out of balance conditions have the correct error codes which may require reviewing the backup documentation on the haphazard basis, detail explanations exist and the report has been signed by the preparer.

Note: Examples of backup/supporting documentation include but is not limited to the original deposit ticket original debit voucher, adjustment voucher, copy of check from RTR for ISRP/Lockbox and IDRS prints

- c. The certifying officer is the Campus department manager. She/he ensures that the reconciliation report has been submitted timely to the CFO HQ office, the report has been reviewed and formal documentation by the preparer and reviewer via signatures exist.

- (8) Original Campus DT/DV Reconciliation Report (J55CO1), with all back-up documentation will remain in the campus for the required retention time stated in Document 12990, Records Control Schedules.
- (9) Campus must email the completed spreadsheet, keep a copy of the email for confirmation and either fax or email the supporting documents for EFTPS, Lockbox and ISRP to CFO HQ by the 17th workday of the month of April and email the CFO HQ analyst mailbox at &CFO:FM:CFM RACS Analyst. The email confirmation document confirms the time and date that your reconciliation report was sent and received by the CFO HQ analyst.
- (10) If CFO HQ has not received the completed spreadsheet with supporting documentation, the accounting operation manager will be contacted immediately for follow-up. Per Record Storage Document 12990 Item number 145, campuses should retain the TID report/spreadsheet and supporting documentation with the original signatures and dates for 18 months on site and retire the files to the Record Finance Center (RFC). Records can be destroyed 6 years 3 months after the FY in which the report was prepared.
- (11) The CFO HQ analyst will select three (3) random sample items and request the backup documentation for the selected items. The campuses have three (3) workdays to send the backup documentation back to the appropriate CFO HQ analyst. The campus can fax the supporting backup documentation or send the information via overnight express, if the documentation is considered large.

3.17.64.35
(09-01-2011)
**Transfer of
Accountability of
campus directors**

- (1) In accordance with the GAO accounting principles and standards, NHQ requires accountable officers to render complete accounting documentation covering the full extent of their financial accountability, as of the close of business of the last day as the accountable officer for their jurisdiction.
- (2) IRM 3.0.167-17, Director's Accountability Transfer Checklist, provides a checklist to assist in the preparation of an action plan for a transfer of accountability, as well as the requirements of the accountability package for the outgoing and incoming accountable officers. The documentation must be maintained in the GAO site audit file.

3.17.64.35.1
(09-01-2011)
**General Ledger Account
for Transfer of
Accountability**

- (1) The following account is used for transfer of director's accountability.

3.17.64.35.1.1
(09-01-2011)
**Account 7500
Undeposited Collections
(Real Account, DR
Normal Balance)
(TAS 20-0110)**

- (1) This asset account is used to record any monies received but not yet placed under accounting control, but not yet deposited. Monies are applied to this TAS and later reclassified to the appropriate tax class.
- (2) As a rule, all receipts are balanced with collection documents entered on deposit tickets and recorded daily in receipt accounts. Only in unusual circumstances should account 7500 be used to record undeposited receipts (example; a transfer of campus directors, an internal audit or TIGTA examination).

- (3) Entry to account 7500 is via DBA window only.

3.17.64.35.2
(10-01-2013)

**General Guidelines for
Transfer of
Accountability**

- (1) These instructions provide the minimum requirements and general guidelines for Accounting.

Note: The checklist, IRM 3.0.167-17, Director's Accountability Transfer Checklist is intended as a guideline and should be modified to each individual campus needs in the development of their action plan (part of the Accountability Package).

Note: The action plan must contain the specific action taken and the date completed.

- a. Notify the director, Submission Processing W&I and the appropriate field offices of any emergency or existing condition which could jeopardize an orderly transfer of accountability. Resolve the conditions hindering the transfer process as soon as possible.
- b. Notify the appropriate field offices and the Submission Processing Campus Receipt and Control function of the name and phone number of the Accounting contact person.
- c. Review Delegation of Authority Orders to ensure the proper title of the position is reflected.
- d. All deposit tickets and debit vouchers dated through the date of transfer must be input to RRACS. Use CIR as a tool to secure and resolve any outstanding deposit tickets and to journalize all outstanding debit vouchers to account 1720.
- e. Include all collections received through the transfer date under the outgoing director. Input to account 7500, memo copies of deposit tickets (DT) marked "Undeposited Collections" to cover tax payments received on the transfer date but not submitted to the depository that day. Prepare a list and make copies of all undeposited collection deposit tickets.
- f. Reflect Undeposited Collections under the outgoing director. Input these deposits to account 7500 so that the General Ledger Trial Balance (secured at the end of the transfer date) reflects these items. Upon deposit of these collections, transfer to revenue receipts. The outgoing director is responsible for these collections although they are deposited under the incoming director.

Note: Below are examples of specific timeframes. **1.** These undeposited collections deposit tickets must be journalized into the RRACS account 7500 (window 906) **prior to or on the last day** of the current director's accountability if the transfer occurs at any time during the month **except** the last day of the calendar month.

Example 1: The last day of accountability for the outgoing director is February 19th and the first day of accountability for the incoming director is February 20th. The undeposited collections deposit tickets must be journalized into the RRACS system **prior to or on** February 19th.

2. If the transfer occurs on the last day of the calendar month, the undeposited collections deposit tickets must be journalized into the RRACS system **prior** to the RRACS system closing for the month end, which is the second work day of the following month.

Example 2: The last day of accountability for the outgoing director is February 28th and the first day of accountability for the incoming

*director is March 1st. RRACS closes for February accounting period on March 3rd. The undeposited collections deposit tickets must be journalized to account 7500 **on or before** March 3rd, the closing day for RRACS for the February accounting period.*

3. If the Transfer of Accountability occurs on the last day of the calendar month, **do not** journalize any undeposited collections deposit tickets out of the RRACS account 7500 (window 907) to revenue receipts until the RRACS system opens for the new Accounting period. (Usually, RRACS opens for the new Accounting month on the third working day of the next month).

Example 3: *The last day of accountability for the outgoing director is February 28th and the first day of accountability for the incoming director is March 1st. RRACS closes for the February accounting period on March 3rd. **Do not** journalize the undeposited collections deposit tickets out of account 7500 to revenue receipts until March 4th when RRACS opens for the new accounting period of March.*

4. If the transfer of accountability occurs at any time of the month other than the last day, then journalize the undeposited collections deposit tickets out of the RRACS account 7500 (window 907) to revenue receipts on the first working day following the transfer under the incoming director.

Example 4: *The last day of accountability for the outgoing director is February 19th and the first day of accountability for the incoming director is February 20th. **Do not** journalize the undeposited collections deposit tickets out of account 7500 to revenue receipts until February 20th when the incoming director is accountable.*

- g. Reconcile the totals of the District Office Inventory Detail Report and Loss/Shortage Report with the totals in the related general ledger accounts. Accelerate posting of all transactions for these accounts. Outstanding losses and shortages must be separated according to the director accountable for them.
- h. Verify the District Office Inventory Detail Report and Loss/Shortage Report with the area field office and accounting records. Control and transmit copies of these reports to the appropriate offices with sufficient time for their review and concurrence with the listing as of the date of transfer. Copies of these listings must be signed by responsible officials and included in the accountability package maintained in the GAO Site Audit File.
- i. Change the director's name on RRACS to the incoming director's name on the first day he/she becomes the accountable officer if the transfer takes place any time during the month except the last day. If the transfer takes place on the last day of the month, change the RRACS system on the 1st day RRACS is open for the following month.

Example: The last day of accountability for the outgoing director is February 19th and the first day of accountability for the incoming director is February 20th. Change the RRACS system at beginning of day on February 20th.

Example: The last day of accountability for the outgoing director is February 28th and the first day of accountability for the incoming director is March 1st. RRACS closes for the February accounting period, on the 2nd work day of the month, March

3rd. After month end reports have been completed, change the RRACS system to the new accounting period of March and change the director's name.

- j. Dishonored Check debit vouchers must be added to account 1710 daily. All debit vouchers that are added must be dated prior to or on the transfer date and must be journalized.

- (2) Accounts 3200, 3300 and 7100 must be balanced before the end of the month of the date of transfer and included on Form 3997 even if it is not at the end of a quarter.

3.17.64.36
(09-06-2017)
**Unclaimed Funds
(Disposition of Requests
for Claims from State
Treasury Departments)**

- (1) Unclaimed or abandoned assets or funds are monies held by financial institutions, state or local governments, corporations or other entities that were undeliverable to the intended person or agency.
- (2) Unclaimed assets payable to the IRS are held by states, banks or other financial institutions. Generally, these are money orders, traveler's checks and certified checks, made payable to IRS, that have not been negotiated. These are held in an account by the issuer. After a period, generally five or more years, states require the financial institution to turn the assets over to them. The state remains in control of the assets until claimed by the originator or passed on to the payee.
- (3) Any communication received from a state treasury department or levy source that references unclaimed funds without PII information to which IRS may be entitled should be forwarded to:

Mailing Address	Private Delivery Service (POS) Mailing
U.S. Department of the Treasury Program Resolution Branch DMSOC-West, Bureau of the Fiscal Service Attn: Horace J. Phillips PO Box 149058 1619 East Woodward St. Austin TX 78741-9058	U.S. Department of the Treasury Bureau of the Fiscal Service, DMSOC-West HJ Phillips, Lead Analyst, Unclaimed Assets Program Resolution Branch 1619 East Woodward St. Austin TX 78741

- (4) For more information, see IRM 3.0.167.12, Unclaimed Funds.

3.17.64.37
(09-01-2011)
**Unidentified/Excess
Collections Files**

- (1) Unidentified Remittance is when there is insufficient information to properly apply credits to a taxpayer's account (e.g., when a taxpayer does not claim a payment and the correct taxpayer cannot be located), funds may be transferred to the Unidentified Remittance File (URF - account 4620) or the Excess Collections File (XSF - account 6800).
- (2) Excess Collections added to the Excess Collection File (XSF) must have an IRS received date earlier than one calendar year before the current date. The only items allowed on the file with an IRS received date less than one year old must be document codes 48, 58 or 65 or true statute credits.

3.17.64.37.1
(09-01-2011)

**General Ledger
Accounts for
Unidentified Remittance
Files and Excess
Collections**

- (1) The following accounts are associated with Unidentified Revenue Receipts and Excess Collections.

3.17.64.37.1.1
(09-01-2011)

**Account 4620
Unidentified
Remittances
(Real Account, CR
Normal Balance)**

- (1) Recorded in this liability account are those receipts received by the Service without sufficient information to make application to the proper account. Receipts deposited to this account are considered revenue receipts in the income tax classification.
- (2) Items are cleared from this account as applications to outstanding accounts, assessments of tax due, refunds to remitter and adjustments to other funds or other agencies.
- (3) Applications from this account normally must be reclassified upon application.
- (4) Items in this account will be cleared to account 6800, Excess Collections, after one year.
- (5) Account 4620 will be supported by subsidiary records established on URF.

3.17.64.37.1.2
(09-01-2011)

**Account 6800 Excess
Collections
(Nominal Account, CR
Normal Balance)**

- (1) This account records payments equal to or more than, one-year old from the IRS received date, that cannot be applied to a tax account or year-old unapplied credits (direct payments) transferred from Unidentified.
- (2) Also included in this account are unapplied, statute-expired MF credits cleared from the file and reversals of these credit clearances when recorded in the same fiscal year. These statute-expired clearances do not include Transaction Codes 388 and 389.
- (3) This account will be debited for amounts applied to taxpayer accounts transferred or refunded.
- (4) Refund or transfer of credits from Excess may not be made after the statute of limitations for refund has expired (claim for refund must have been filed three years from date return was filed or two years from date of payment, whichever date is later).
- (5) This account is used to record unapplied payments from DOJ with IRS received dates of one year old or more. Payments dated less than one year should be applied to account 4970, Unapplied Refund Reversals and thoroughly researched.
- (6) Account 6800 is supported by subsidiary records established on XSF on IDRS and should be accompanied by complete documentation for a proper audit trail.

3.17.64.37.1.3
(09-01-2011)

**Account Series 9000
Ledger Closing**

- (1) This series of accounts provides an account for closing all nominal accounts at the end of the fiscal year. Also included in the series is an account to allow for the reopening of certain nominal account items which have been closed in prior fiscal years.

- 3.17.64.37.1.4
(09-01-2011)
**Account 9998 Reversals
Revenue Clearance
Accountability
(Nominal Account,
DR/CR Normal Balance)**
- (1) This closing account is used to control items of excess collections, miscellaneous revenue collections, write-offs and other nominal account items, when it becomes necessary to reopen one of these items after it has been cleared at the close of a fiscal year.
 - (2) Prior fiscal year (non-statute expired) excess collection credits may be applied directly from this account to the account indicated on the XSF 03 Register.
- 3.17.64.37.1.5
(09-01-2011)
**Account 9999 Revenue
Clearance Accountability
(Real Account, DR/CR
Normal Balance)**
- (1) This closing account is used only at the end of the fiscal-year accounting period to close the nominal accounts. All nominal accounts in debit-balance status at the close of the fiscal year will be closed by credit to that account and debit to this account. All nominal accounts in credit-balance status at the close of the fiscal year will be closed by debit to that account and credit to this account.
 - (2) Data input is updated by electronic transmission.
- 3.17.64.37.2
(09-01-2011)
**Applications From
Unidentified Revenue
Receipts**
- (1) RACS will receive the following unidentified listings and documents:
 - a. URF03
 - b. EOD 16, Page 1-current fiscal year URF applies
 - c. URF05
 - d. Form 4830
 - e. Other back-up documents, letters and memos
 - (2) IDRS tape processing journalizes current and prior fiscal year URF applications from the EOD 16. The Unidentified Apply window should be used in the event of a tape failure.
 - (3) Balance and process using normal procedures.
 - (4) MF Applications:
 - a. Verify that URF05 balances with Page 1 and 2 of EOD 16 in total amount applied.
 - b. Add all tax class 2 items and amounts and all tax class 4 items and amounts (on Page 1 of EOD 16), so there is only one item and amount total for each tax class for reclassification purposes.
 - c. Journalize from the URF05 for SCCF suspense accounts and from Page 1 of EOD 16 for reclassification purposes and Page 2 of EOD 16 for prior date amounts.
 - d. Transcribe or stamp journal identification number on all listings for audit trail.
 - (5) NMF Applications:
 - a. Form 4830 are generated for NMF applies.
 - b. Number and prepare Form 813 (2-part).
 - c. Make entries from URF03, NMF applications from the URF and Form 813 for NMF suspense account.
 - d. Recap any reclassification necessary prior to going to terminal.
 - e. Transcribe or stamp journal identification number on listing URF03 for audit trail.
 - (6) Dishonored Checks on Unidentified Remittances:

- a. Unidentified will void these off the URF with "D" apply. On the same day, the Dishonored Check function will void off the DCF.
 - b. Make entries from URF03 and DCF03 to NMF suspense account. Entries are not set up on the NMF SCCF.
 - c. Reclassify: Decrease tax class 2 and increase tax class 1. No reclassification will be made on the DCF apply.
 - d. Transcribe or stamp journal identification number on the URF/DCF listings and/or documents for audit trail.
- (7) Applications can be made from other accounts such as account 1510 (Other Receivables, Regular), 1720 (Dishonored checks, ADJ.), 1830 (NMF Account Receivable, Inactive), 6570 (Substantiated Credits Allowed), 6800 (Excess Collection) and 76XX (Losses and Shortages).
- a. Unidentified will void off the URF with a "V" apply.
 - b. Make journal entries from URF03 to the applicable account.
 - c. Ensure that all necessary back-up is received. Each of these accounts has their own requirements for back-up documentation. Supporting documentation for account 6800 can be found in IRM 3.17.10, Dishonored Check File (DCF) and Unidentified Remittance File (URF). Supporting documentation for Accounts 76XX can be found in IRM 3.0.167, Losses and Shortages. Supporting documentation for the other accounts can be found in IRM 3.17.63, Redesigned Revenue Accounting Control System, under the description of each individual account.
 - d. Transcribe or stamp journal identification number on URF listing and on all documents.
 - e. File and distribute documents accordingly.
- 3.17.64.37.3
(09-01-2011)
Applications from Unidentified Miscellaneous Funds (RRACS Window 404)
- (1) RRACS entries will be made from the URF03 for total amount of applications.
 - (2) Using RRACS 404 window, which can be found under Accounting Applications Menu under Unidentified Applied:
 - a. The journal entry will debit 4620 (Unidentified) and a credit to either 1510 (Other Rec), 1710 (DCF), 1720 (DCF Adj), 1830 (NMF Acct Rec), 4120 (BMF), 4220 (IMF), 4252 (IRAF), 4420 (NMF), 6570 (Sub Cr Allow) and 6800 (XSF), depending on the document.
 - b. Reclassify, if necessary.
 - c. Make journal entries to applicable funds from Form 4830 and/or appropriate source documents received from Unidentified.
 - d. Any refund repayments going to taxpayers' accounts will be numbered and a Form 813 prepared. Entries to suspense accounts will be made from Form 813.
 - e. If the item is a deposit fund application, it must have a Doc-Id.
 - f. Unidentified items being applied to any of the miscellaneous funds must be reclassified.
 - (3) Transcribe or stamp journal identification number on listings and/or documents for audit trail.
 - (4) File and distribute documents accordingly.

3.17.64.37.4
(09-01-2011)

**Unidentified Deposit
(RRACS Window 210)**

- (1) The following documents are received with the unidentified deposit package:
 - a. OTCnet deposit ticket
 - b. Unidentified Remittance File Transaction Register URF 03
- (2) Verify the total of remittances added to URF balances with total of OCTnet deposit ticket. Any discrepancies will be cleared with deposit, to ensure necessary adjustments are made to URF.
- (3) Journals will be made from OTCnet deposit ticket on a RRACS 210 window, which can be found under deposit, using total amount of deposit and each separate tax class amount. The journal will be a debit to 21XX and a credit to account 4620. If tax class amount is other than individual income (tax class 2), reclassification will be necessary. Ensure Trace ID is input to RRACS.
- (4) Amount and item entries to URF will be made from UR totals from the recap page of URF 03, with any necessary adjustments. This must balance with deposit ticket total.
- (5) Transcribe or stamp journal identification number on listings and/or documents for audit trail.