



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

3.40.8

DECEMBER 4, 2024

## EFFECTIVE DATE

(01-01-2025)

## PURPOSE

- (1) This transmits revised IRM 3.40.8, *Block Out of Balance Resolution, Information Returns Processing*.

## MATERIAL CHANGES

- (1) IRM 3.40.8.1.3 changed title of subsection.
- (2) IRM 3.40.8.1.4 changed title of subsection.
- (3) IRM 3.40.8.1.4.1 added subsection for Program Reviews.
- (4) IRM 3.40.8.1.4.2 added subsection for Vulnerability Assessments.
- (5) IRM 3.40.8.1.6 changed title of subsection.
- (6) Editorial and grammar updates throughout the document. Change from Wage and Investment (W&I) to Taxpayer Services (TS).

## EFFECT ON OTHER DOCUMENTS

IRM 3.40.8, *Block Out of Balance Resolution, Information Returns Processing* dated November 19, 2020 (effective January 01, 2021) is superseded.

## AUDIENCE

Employees in the Accounting Operation, Block Out of Balance (BOB), Taxpayer Services division.

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3.40.8

Information Returns Processing

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3.40.8.1  
(11-19-2020)  
**Program Scope and Objectives**

- (1) This program detects for correction inconsistencies in the structure of the electronic data record created by paper intake systems.
- (2) **Purpose:** This IRM provides instruction for correcting error register conditions for income information returns processed on Integrated Submission and Remit Processing (ISRP) and Service Center Recognition Imaging Processing System (SCRIPS).
- (3) **Audience:** Clerks in Submission Processing Accounting Operation at all campuses with oversight from their leads and supervisors.
- (4) **Policy Owner:** The Director of Submission Processing.
- (5) **Program Owner:** Submission Processing, Accounting and Tax Payment Branch, Accounting and Deposit Section
- (6) **Primary Stakeholder:** Small Business/Self Employed (SB/SE), Examination Operations, Headquarters Examinations
- (7) **Program Goals:** The goal of this program is to correct all electronic converted income information return data records failing the validations needed to enter the GMF run stream under program information return paper processing documents (IRPPD).

3.40.8.1.1  
(01-01-2018)  
**Background**

- (1) Filers send paper income information returns to IRS to fulfill their filing requirement. IRS must convert these returns and source documents to electronic data records. Paper filed records failing the basic validation criteria to enter the generalized main frame (GMF) system as valid records fall to the Block Out of Balance (BOB) error registers instead of entering the processing run stream. Employees must correct documents failing basic validity, consistency or structure criteria before they can enter the automated run stream during electronic conversion.

3.40.8.1.2  
(01-01-2019)  
**Authority**

- (1) Authority for these procedures is found in title 26 of the United States Code (USC) or more commonly known as the Internal Revenue Code (IRC), IRC 6721, and corresponding Treasury regulations. The IRC is amended by acts, public laws, treasury determinations, rules, and regulations such as the following:
  - The Housing and Economic Recovery Act of 2008
  - American Recovery and Reinvestment Act of 2009
  - Tax Increase Prevention Act of 2014
  - Trade Preferences Extension Act of 2015
  - Surface Transportation and Veterans Health Care Choice Improvement Act of 2015
  - Hiring Incentives to Restore Employment (HIRE) Act
  - The Protecting Americans from Tax Hikes (PATH) Act
  - Emergency Economic Stabilization Act
  - Hiring Incentives to Restore Employment Act
  - Foreign Account Tax Compliance ACT (FATCA)
  - Tax Cuts and Jobs Act of 2017

**Note:** The above list may not be all inclusive of the various updates to the IRC.

3.40.8.1.3  
(01-01-2025)

#### **Roles and Responsibilities**

- (1) The Director, SP, oversees the policies in this IRM and approves and authorizes the issuance of this Internal Management Document.
- (2) The Operations Manager secures, assigns and provides training for the staff performing these tasks.
- (3) The team manager assigns cases to employees, controls the workflow, and accurately records hours used and volume completed.
- (4) The employee (clerk) applies the instruction in this IRM when working the paper error register.

3.40.8.1.4  
(01-01-2025)

#### **Program Management**

- (1) **Program Reports:** Consult IRM 3.40.37, *Block Out of Balance Resolution - General Instructions*, should be consulted for control of BOB error registers. The following lists error register reports the Service Centers uses to monitor and track the error inventory.
  - GMF 09-44, IRP Block Out of Balance Register, generated daily if any data records BOB
  - GMF 09-45, IRP Block Out of Balance ID List, generated daily if records exist
  - Miscellaneous Inventory Report (MIR), (formerly known as the MISTLE Report) weekly report tracking aged cases for completion
  - DED 01-40, Edit Block Proof List
  - DED 01-42, DED01 Edit Controls
- (2) **Program Effectiveness:** Management measures goals using standard documents processed per hour reports and by successful completion of the required amount of error data records prior to the program completion date stated in IRM 3.30.123, *Work Planning and Control Processing Timeliness: Cycles, Criteria, and Critical Dates*.
- (3) **Annual Review:** Functional areas are responsible for reviewing the information in this IRM annually to ensure accuracy, consistency, and to promote effective program administration.

3.40.8.1.4.1  
(01-01-2025)

#### **Program Reviews**

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

findings, identify risks to internal controls, address error trends, and training needs, as needed. In addition, the reviews ensure IRM procedures are applicable, adequate, and adhere to Department of the Treasury and/or IRS guidelines.

- Program reviews will be planned and conducted based on business needs and priorities.
- Notification will be provided to the SP campus leadership in advance.
- Reviews will be conducted to evaluate program delivery and conformance to administrative and/or IRM compliance requirements.
- The program review summary report will outline observations and recommendations for program guidance, corrective actions, and/or mitigation strategies, as appropriate.
- A memorandum signed by the Director, SP will be forwarded to the Field Director, SP with a high-level overview of the areas of improvement.
- Functional areas will retain a copy of the report and all applicable supporting documentation in a centralized location.

(4) **Corrective Action Plan:** The Corrective Action Plan is a plan of action that is developed to resolve the condition that resulted in noncompliance with IRM requirements. In addition, an effective Corrective Action Plan identifies the root cause of problems to minimize or eliminate their recurrence. Corrective actions are developed, implemented, managed, and monitored to promote program improvement.

- a. As part of the Program Review process, functional areas are required to provide a written Corrective Action Plan response to the review recommendations within 30 days of receiving the program review summary report.
- b. The Corrective Action Plan must include:
  - Date of Review
  - Program Reviewed
  - Recommended/Risk Identified
  - Corrective Action
  - Completion Date

(5) A copy of the program review and Corrective Action Plan must be retained as substantive documentation and evidence of mitigation and/or remediation of the noncompliance.

3.40.8.1.4.2  
(01-01-2025)  
**Vulnerability  
Assessments**

(1) A vulnerability assessment identifies, quantifies, and prioritizes the vulnerabilities of government programs and assets including systems/technology, property, funds, and employees. Vulnerability assessments may be conducted on any business process to assess the risks of business failure and/or weakness caused by internal or external factors.

3.40.8.1.5  
(01-01-2020)  
**Program Controls**

- (1) Generalized mainline framework (GMF) is ran electronically each workday and creates the error register based on the presence of BOB error conditions that are present on the files entering income IRP mainline for the assigned site.
- (2) Unit production cards (UPCs) will be dropped as frequent as daily or at least weekly to record activity in each functionality of this program.

- (3) Use local reports to establish more information for supporting daily program control. Local reports do not replace the established official reports and required production reporting.

3.40.8.1.6  
(01-01-2025)

#### Terms and Acronyms

- (1) The following will be terms and acronyms use throughout this instruction.

Term/Acronym	Definition
ATC	Account Type Code
BH	Block Header
BOB	Block Out of Balance
CRL	Control Record Layout
DLN	Document Locator Number
FLC	File Location Code formerly Service Center (SC) or District Office (DO) code
GMF	Generalized Mainline Framework
ISRP	Integrated Submission and Remit Processing
MCR	Master Control Record
MFT	Master file tax code Master file tax account
NR	No Record
PMF	Payer Master File
SC Code	Service Center Code, formerly known as District Office Code
SCCF	Service Center Control File
SCRIPS	Service Center Recognition/ Imaging Processing System
SER#	Serial Number

3.40.8.1.7  
(11-19-2020)

#### Related Resources

- (1)
- General instructions found in IRM 3.40.37, *Block Out of Balance Resolution - General Instructions*, used as a basis when using this IRM.
  - IRM's are located on the *Servicewide Electronic Research Program (SERP)* at the following site: <http://serp.enterprise.irs.gov/homepage.html>
  - Return storage and retrieval are referenced in IRM 3.40.37, *Block Out of Balance Resolution - General Instructions*

- Refer to IRM 3.24.162, *ISRP System, Block out of Balance Transcription Instruction*, when reviewing Form 6813, *Block out of Balance (BOB) Correction Record*
- Act in accordance with taxpayers rights by reviewing IRC 7803(a)(3), and the following site for more information about the *Taxpayer Bill of Rights*: <https://www.irs.gov/taxpayer-bill-of-rights>
- Edit tables, current and future processing year, are available on the Accounting and Deposit Section intranet SharePoint site. The site is located at <https://organization.ds.irsnet.gov/sites/WICASSpSph/ATP/ATP%20Branch%20Shared%20> and supported by the Accounting and Tax Payment, Accounting and Deposit Section.

3.40.8.1.8  
(01-01-2020)  
**IRM Deviations**

- (1) IRM deviations must be submitted in writing following instructions from IRM 1.11.2.2, *Internal Management Documents System - Internal Revenue Manual (IRM) Process, IRM Standards*, and elevated through proper channels for executive approval.

3.40.8.2  
(01-01-2018)  
**Overview**

- (1) Guidelines provided in this chapter for manually correcting Block Out of Balance (BOB) registers for income information returns. BOB registers should be corrected with input correction function (620). The instructions in this IRM must be used in conjunction with instruction in IRM 3.40.37, *Block Out of Balance Resolution, General Instructions*.

3.40.8.2.1  
(01-01-2020)  
**Income Information  
Return Processing  
Forms**

- (1) The correction procedures in this chapter cover the following form types:
  - Form 1096, *Annual Summary and Transmittal of U.S. Information Returns*  
**Note:** Current and delinquent processed to the Payer Master File (PMF)
  - Form 1097-BTC, *Bond Tax Credit*
  - Form 1098, *Mortgage Interest Statement*
  - Form 1098-C, *Contributions of Motor Vehicles, Boats, and Airplanes*
  - Form 1098-E, *Student Loan Interest Statement*
  - Form 1098-F, *Fines, Penalties, and Other Amounts*
  - Form 1098-Q, *Qualifying Longevity Annuity Contract Information*
  - Form 1098-T, *Tuition Statement*
  - Form 1099-A, *Acquisition or Abandonment of Secured Property*
  - Form 1099-B, *Proceeds From Broker and Barter Exchange Transactions*
  - Form 1099-C, *Cancellation of Debt*
  - Form 1099-CAP, *Changes in Corporate Control and Capital Structure*
  - Form 1099-DIV, *Dividends and Distributions*
  - Form 1099-G, *Certain Government Payments*
  - Form 1099-INT, *Interest Income*
  - Form 1099-K, *Payment Card and Third Party Network Transactions*
  - Form 1099-LS, *Reportable Life Insurance Sale*
  - Form 1099-LTC, *Long-Term Care and Accelerated Death Benefits*
  - Form 1099-MISC, *Miscellaneous Income*
  - Form 1099-OID, *Original Issue Discount*
  - Form 1099-PATR, *Taxable Distributions Received From Cooperatives*
  - Form 1099-Q, *Payments From Qualified Education Programs (Under Sections 529 & 530)*

- Form 1099-R, *Distributions From Pensions, Annuities, Retirement or Profit Sharing Plans, IRAs, Insurance Contracts, etc.*
- Form 1099-S, *Proceeds From Real Estate Transaction*
- Form 1099-SA, *Distributions From an HSA, Archer MSA, or Medicare Advantage MSA*
- Form 1099-SB, *Seller's Investment in Life Insurance Contract*
- Form 3921, *Exercise of a Qualified Incentive Stock Option Under Section 442(b)*
- Form 3922, *Transfer of Stock Acquired Through an Employee Stock Purchase Plan Under Section 423(c)*
- Form 5498, *IRA Contribution Information*
- Form 5498-ESA, *Coverdell ESA Contribution Information*
- Form 5498-SA, *HSA, Archer, or Medicare Advantage MSA Information*
- Form W-2G, *Certain Gambling Winnings*
- Form 1041 Schedule K-1, *Beneficiary's Share of Income, Deductions, Credits, etc.*
- Form 1065 Schedule K-1, *Partner's Share of Income, Deductions, Credits, etc.*
- Form 1120S Schedule K-1, *Shareholder's Share of Income, Deduction, Credits, etc.*

3.40.8.2.2  
(01-01-2020)

**Program Codes**

- (1) Use the following program codes to the type of return.

Return Type	Program Code
<b>Integrated Submission Processing and Remittance Processing (ISRP) ENTERED DOMESTIC:</b> <ul style="list-style-type: none"> <li>Form 1098-F</li> <li>Form 1098-Q</li> <li>Form 1099-CAP</li> <li>Form 1099-LS</li> <li>Form 1099-LTC</li> <li>Form 1099-SA</li> <li>Form 1099-SB</li> <li>Form 5498-ESA</li> <li>Form 5498-SA</li> <li>Form W-2G</li> <li>Form 3921</li> <li>Form 3922</li> <li>and all forms other than Form 1096 listed below under Service Center Recognition/Image Processing System (SCRIPS) program 44340 as the backup processing system.</li> </ul>	44300
<ul style="list-style-type: none"> <li>Form 1096</li> <li>Prior year, Form 1096</li> <li>Form 1098-C</li> </ul>	44310
<b>Service Center Recognition/Image Processing System (SCRIPS) ENTERED DOMESTIC FORMS:</b> <ul style="list-style-type: none"> <li>Form 1096</li> <li>Form 1097-BTC</li> <li>Form 1098</li> <li>Form 1098-E</li> <li>Form 1098-T</li> <li>Form 1099-A</li> <li>Form 1099-B</li> <li>Form 1099-C</li> <li>Form 1099-DIV</li> <li>Form 1099-G</li> <li>Form 1099-INT</li> <li>Form 1099-K</li> <li>Form 1099-MISC</li> <li>Form 1099-OID</li> <li>Form 1099-PATR</li> <li>Form 1099-Q</li> <li>Form 1099-R</li> <li>Form 1099-S</li> <li>Form 5498</li> </ul>	44340
<b>SCRIPS ENTERED SCHEDULES:</b> <ul style="list-style-type: none"> <li>Form 1041 Schedule K-1</li> <li>Form 1065 Schedule K-1</li> <li>Form 1120S Schedule K-1</li> </ul>	44380

3.40.8.3  
(11-19-2020)

**Block Out of Balance  
(BOB) Register General**

- (1) Become familiar with the general instructions in IRM 3.40.37, *Block Out of Balance Resolution, General Instructions*, before using this IRM.
- (2) Most BOB conditions relate directly to the block header record which is input at the beginning of each block from Form 1332, *Block and Selection Record*, or Form 3893, *Re-Entry Document Control*. These conditions can be corrected by adjustments to the block header record.
- (3) On occasion, individual return data need to be corrected instead of the block header.
- (4) Account type codes “S” or “Y” may appear on a BOB register. If this occurs, call your Service Center (SC) Planning and Analysis analyst to relay it to the Submission Processing, Accounting and Deposit Section analyst.

3.40.8.3.1  
(01-01-2016)

**Block Out of Balance  
(BOB) Register Format**

- (1) Information Return Program (IRP) BOB registers are to be separated by program number. Within each program the registers are to be sorted by batch number and alpha block control number, with reBOBs listed first.
- (2) Individual return sections only displays when the BOB code condition requires their presence.
  - a. The first two lines of each register (page) has systemic identification data. Included in these lines, the BOB sequence number and BOB codes.
  - b. The third line have block header information. Alpha field designators and error asterisks appear above the third line.
  - c. The fourth and succeeding lines have the individual document records and other identification data (i.e., mixed problem code indicator).

3.40.8.4  
(01-01-2016)

**Block Out of Balance  
(BOB) Codes General**

- (1) The valid Information Return Program (IRP) BOB codes: “1”, “5”, “6”, “7”, “8”, “9”, “M”, “N”, “P”, “Q”, “R”, “S”, “T”, and “X”.
- (2) For IRP SCRIPS (Program 44340, Account Type Code “S”), there is a possibility the document locator number (DLN) serial number may be duplicated or entered out of sequence.

3.40.8.4.1  
(01-01-2017)

**Block Out of Balance  
(BOB) Codes 1 and 5**

- (1) **BOB code “1”** shows an Integrated Submission and Remittance Processing (ISRP) input document with an invalid section or out of sequence section or serial number, or block.

BOB Code “1” Reason	Action
Invalid section number	Locate the asterisk (*) placed next to the invalid or out of sequence section.

BOB Code “1” Reason	Action
Out of sequence section or serial number	<ul style="list-style-type: none"> <li>a. See also IRM 3.40.8.5, <i>Action Codes General</i>. It may be necessary to overlay all sections using Action Code “3”.</li> <li>b. Re-input blocks with out of sequence number using Action Code “R”.</li> </ul>
Out of sequence blocks	<p>ISRP inputs delete Indicator “D” when it is determined the Information Return Program (IRP) returns is misblocked.</p> <ul style="list-style-type: none"> <li>a. Use Action Code “2” at the serial number that has an asterisk.</li> <li>b. Correct the block header document count and Service Center Control File (SCCF) count using Action Code “6-3”.</li> <li>c. Check the payer count discrepancy, correcting the block header, if needed.</li> </ul>

(2) **BOB code “5”** shows an invalid block header.

BOB Code “5” Reason	Action
The block header is invalid.	<p>Only the block header section prints when only BOB code “5” is present.</p> <ul style="list-style-type: none"> <li>a. For specific header requirements refer to IRM 3.40.37, <i>Block Out of Balance Resolution, General Instructions</i>.</li> <li>b. Consider the impact on the SCCF when changing the DLN (Field C), Year Digit (Field D), or Document Count (Field L).</li> </ul>

3.40.8.4.2  
(01-01-2017)  
**Block Out of Balance  
(BOB) Codes 6 and 7**

(1) **BOB code “6”** shows the format code for the first document in the block is invalid.

BOB Code “6” Reason	Action
Format code for the first block is invalid.	<ul style="list-style-type: none"> <li>a. See Exhibit 3.40.8-1, <i>Income Information Return Processing Format Codes and Required Fields for Returns</i>.</li> <li>b. BOB code “6” occurs when SCRIPS documents (Account Type Code “S”) to be input through ISRP.</li> <li>c. Alert your supervisor, who alerts the proper National Office analyst, when BOB code “6” volume increases. This shows there is a problem with the computer programs.</li> </ul>

- (2) **BOB code “7”** shows a discrepancy between the number of different payers in the transcribed block and the count of payers transcribed for the block header in Field I. BOB code “7” also appears if the payer ID section (section 16) is blank for the first document of the block except when the first document of the block is Form 1096, *Annual Summary and Transmittal of U.S. Information Returns*.

<b>BOB Code “7” Reason</b>	<b>Action</b>
Discrepancy between the number of different payers in the transcribed block and the count of payers transcribed for the block header in Field I.	Each change in the Payer Name, Taxpayer Identification Number (TIN) or DLN, and/or Foreign Country Code (for foreign returns) is counted as a new payer by the computer. a. Correct an incorrect block header payer count to agree with the number of payer changes. b. Use Action Code “6”, SCCF Adjustment Indicator “0”. c. Correct the section 16 data from the individual documents on the register when the computer-generated count is wrong. d. Correct both counts (block header payer count and computer-generated count) when incorrect.
Payer Identification (ID) Section is blank and the first document in the block is not Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> .	The payer count must be zero for Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Section 16 should not be present.

3.40.8.4.3  
(11-19-2020)  
**Block Out of Balance  
(BOB) Code 8 Invalid  
Account Type Code  
(ATC)**

- (1) **BOB code “8”** shows an invalid Account Type Code (ATC). The ATC is field G of the block header. The valid ATCs are “B”, “C”, “J”, “P”, “S”, “T”, and “Y”.
- (2) At least one document in the block must have a Foreign Country Code, in section 16, field I, if the ATC is “J” or “T”. Otherwise, BOB code “8” is present. BOB code “8” is also present if all the documents in the block have foreign country codes and the ATC is “P” or “S”.

**Caution:** BOB code “8” typically means there is a programming error in the data record size present for the form type since account type codes “J” and “T” is not currently used.

- a. Check the block header, Form 1332, *Block and Selection Record*, and the individual documents in the block to determine the correct ATC. Also, determine whether the foreign country Code(s) is transcribed correctly.
- b. Make the necessary corrections to the block header MFT, block header ATC and section 16 of the individual document.

Valid Account Type Code	Definition
<b>"B"</b>	Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> was prepared and submitted by the payer.
<b>"C"</b>	A "Dummy" Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> prepared by IRS because the payer did not submit one.
Currently Obsolete <b>"J"</b>	The block of returns is from a Foreign Treaty Country and is filed magnetically Currently Obsolete. Notify your management support analyst who notifies National Office if this occurs.
<b>"M"</b>	This code is reserved.
<b>"P"</b>	The block of returns is from a domestic payer(s) and processable in IRP.
<b>"S"</b>	The block of returns is input through SCRIPS.
Currently Obsolete <b>"T"</b>	The block of returns is, filed on paper, from a Foreign Treaty Country and processable in IRP. Notify your management support analyst who notifies National Office if this occurs.
Currently Obsolete <b>"Y"</b>	The block of returns is submitted electronically and should only appear for Schedules K-1. Notify your management support analyst who notifies National Office if this occurs.
<b>"Z"</b>	This code is reserved.

3.40.8.4.4  
(01-01-2016)  
**Block Out of Balance  
(BOB) Codes 9 and M**

- (1) **BOB code "9"** is assigned to a block of documents when the computer accumulated totals for document count fail to equal the corresponding total in the block header record. Take the following action:
- The computer accumulated total prints on the Block Proof Total line of the block on the BOB listing.

- b. No alpha field designators shows for the generated field. The differences between the computer accumulated total and the block header total is printed on the difference line on the block.
- c. Examine the source documents and register to determine the correct count.
- d. Use Action Code “6” to make necessary corrections to the block header.
- e. Do not change the generated amount.
- f. Correct field L of the block header record.

**Note:** A SCCF adjustment is also required. Refer to IRM 3.40.37, *Block Out of Balance Resolution, General Instructions*.

(2) **BOB code “M”** is used for errors identified by the ISRP operator.

- a. ISRP should attach a note indicating the input error.
- b. Overlay mixed data sections using Action Code “3”.
- c. Enter Action Code “7” for the block header section when the entire block is correct.
- d. Contact ISRP to determine why the operator entered a mixed data message if a note is not attached.
- e. Correct with Action Code “7” if no problem is identified.

3.40.8.4.5  
(01-01-2018)  
**Block Out of Balance  
(BOB) Codes N and P**

- (1) **BOB code “N”** occurs when two or more blocks of original documents (i.e., the re-input source code is blank) is input on the same day with the same document locator number (DLN). The second and subsequent blocks appears on the BOB register with BOB code “N”. For proper resolution:
- a. Work the blocks together for proper resolution. The blocks should be consecutive on the BOB register unless they are from different master files.
  - b. Enter incorrectly transcribed block DLN on the register. Use Action Code “6” unless the transcription error has caused the format codes to be incorrect.
  - c. Enter Action Code “N”, SCCF Adjustment Indicator “0”, if the documents must be re-input.
  - d. Renumber all blocks except 1 if all document locator numbers DLN(s) is transcribed correctly.  
Check the SCCF Summary at the bottom of the record.  
The count and amount may be correct for only one of the blocks.  
Select the other blocks to be renumbered if any block is valid on the SCCF and no other BOB conditions exist.
  - e. Assign new DLN(s) to duplicate block(s). Refer to IRM 3.40.37, *Block Out of Balance Resolution, General Instructions*.  
Establish the new DLN(s) on the SCCF using Adjustment Code “00”.  
Correct the new DLN(s) on the BOB register with Action Code “6” after the DLN(s) has established.  
Use Action Code “N”, SCCF Adjustment Indicator “0”, if a document format code change requires the block(s) to be re-input.
  - f. Select the block which requires the least amount of corrections when BOB code is present because an entire block of documents is transcribed twice.  
Delete the other block using Action Code “D”, SCCF Adjustment Indicator “0”.  
Use Action Code “7” to clear the block which is not deleted and does not require other corrections.

- g. Do not assign BOB code “N” to blocks with blank re-input source codes and duplicate DLN(s) when BOB code “P” is already assigned.
- (2) **BOB code “P”** occurs when the DLN is not on the SCCF or the proper control record to establish a block is not on the SCCF.
- a. Coordinate all BOB code “P” blocks with the SCCF transcript function. A BOB Control Record (BCR) transcript coded No Record (NR) should be present.
  - b. Examine the block of documents to determine if the DLN is transcribed correctly.
  - c. Verify DED 01-40, Edit Block Proof List and DED 01-42, DED01 Edit Controls is input if the document is Account Type Code “S”.
  - d. Check the Batch Transmittal, Form 2345, *Batch Transmittal*, to ensure that the same DLN is on both documents and no DLN(s) is deleted or changed since input.
  - e. Prepare Form 4028, *Service Center Control File Adjustment Record (SCCF Format Code 216)*, if the DLN is correct on the documents. Refer to IRM 3.40.37, *Block Out of Balance Resolution, General Instructions*.
  - f. Ensure each SCCF adjustment is prepared only once. In some cases, the adjustment is already prepared by the person working the CRL or SCCF posting transcripts.
  - g. Release the block with Action Code “7” when SCCF action is completed.
  - h. Enter the proper DLN with Action Code “6”, if the DLN on the register is transcribed incorrectly.
  - i. Renumber the documents if the DLN is invalid. Refer to IRM 3.40.37, *Block Out of Balance Resolution, General Instructions*.
  - j. Prepare a “00” SCCF adjustment. The block is normally re-input with Action Code “N”.

3.40.8.4.6  
(01-01-2016)

**Block Out of Balance  
(BOB) Codes Q, R, and  
S**

- (1) **BOB code “Q”** occurs when a block of original documents is processed for a SCCF DLN that has a document count of zero.
- a. Examine the documents to determine the cause of the BOB condition.
  - b. Correct the re-input source code (field B) if transcribed in error.
  - c. The field should be blank for documents blocked by Form 1332, *Block and Selection Record* and “4” for reprocessible returns input with Form 3893, *Re-Entry Document Control*.
- Note:** Other BOB codes may suggest the proper corrective action if the field is correct.
- d. Check for transcription errors in other header fields, particularly the DLN.
  - e. Request help from the data control function. Data Control may be working a related posting transcript. Otherwise, a special SCCF transcript may resolve the problem.
  - f. Renumber the documents or adjust the SCCF as indicated.
- (2) **BOB code “R”** occurs when the SCCF count, block header totals and block proof totals are inconsistent.
- a. Follow correction procedures for BOB code “9” above.
  - b. Compare the SCCF count with the block header and block proof totals.
  - c. Prepare necessary SCCF adjustments.

- (3) **BOB code “S”** identifies blocks for which more than one SCCF DLN key record or Master Control Record (MCR) is input for the same DLN.
- Normally, at least one of the duplicate control records is input on the same day and would produce a SCCF posting transcript which should be worked at the same time by the data control function.
  - Contact Data Control and jointly determine which control record is correct. Data Control prepares the necessary SCCF adjustments.
  - Correct the BOB register when SCCF action is completed. Use Action Code “7” if no other BOB code(s) is present.

3.40.8.4.7  
(01-01-2016)  
**Block Out of Balance  
(BOB) Codes T and X**

- (1) **BOB code “T”** identifies a block for which the format code failed to match a master file system code or failed to match a valid DLN for the master file.
- A program problem in the validity table is indicated if this code appears with no other BOB condition.
  - Report the problem to your supervisor for referral to the National Office.
  - Each condition should be resolved as the other conditions will be corrected if other BOB codes are present. If not, refer the problem to the National Office.
- (2) **BOB code “X”** appears on a reBOB item in which the previous correction is incorrectly edited or transcribed.
- Refer to the Invalid BOB Correction List which shows the complete input record and a literal indicating the reason for the invalid correction if more information is needed to determine the cause of the invalid correction.
  - The literals:  
No Match on File;  
Invalid Correction attempt; Incompatible SER # or Account Number (A/C);  
Invalid BOB Sequence Number;  
BOB Sequence Match but wrong type;  
No matching serial number; and Invalid Document add.

3.40.8.5  
(01-01-2018)  
**Action Codes General**

- (1) Action Codes will be used to correct records and/or blocks on the BOB Register. They should be coded to the left of the block header “BH” or section number of the document section on the register being corrected, or on Form 6813, *Block Out of Balance (BOB) Correction Record*, when it is being used (not on the register).
- (2) The valid IRP Action Codes: “1”, “2”, “3”, “4”, “6”, “7”, “D”, “N”, and “R”.
- (3) Action Codes “1” and “3” normally require the use of Form 6813, *Block Out of Balance (BOB) Correction Record*, because the BOB register does not have enough room for all the required data. Do not use Alpha Field Designators when using Action Codes “1” and “3” with Form 6813, *Block Out of Balance (BOB) Correction Record*. Enter the data for each section in the same order it is transcribed. Enter all other Action Codes on the register.
- (4) A SCCF Adjustment Indicator “0”, “1”, “2”, or “3” (as correct) must also be present for Action Codes “6”, “D”, and “N”.

**Example:** Action Code “D”, SCCF Adjustment Indicator “0” should be coded “D-0”. Action Code “6” only needs a SCCF Adjustment Indicator when

used to change the block header section, and Action Codes “D”, “N”, and “R” is used only to correct the block header.

- (5) The following table identifies the action codes and provides their description and uses.

Valid Action Code	Description/Uses
1	<p>a. Adds a document. When used, sections 01, 02, and 06 must be entered on Form 6813, <i>Block Out of Balance (BOB) Correction Record</i>.</p> <p>b. Section 16 is not required unless the payer data is different from the preceding document. If section 16 is entered, Action Code "1" must be entered on Form 6813.</p> <p>c. Section 16 must not be present for Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i>.</p> <p>d. When coding Form 1096 for re-input, there are "blind" fields. These "blind" fields must be entered.</p> <ul style="list-style-type: none"> <li>Form 1096 Amount is coded as one field on the BOB register. It is followed by a date in YYYYMMDD format.</li> </ul>
2	Deletes a document.

#  
#  
#

Valid Action Code	Description/Uses
<b>3</b>	<ul style="list-style-type: none"> <li>a. Overlays (substitutes) a section.</li> <li>b. Cannot be used for the Block Header Section.</li> <li>c. Must be used to correct a document section whenever the necessary alpha field designators are not displayed.</li> <li>d. There is "blind" fields when coding Form 1096 for re-input. These "blind" fields must be entered. <ul style="list-style-type: none"> <li>• Form 1096 Amount is coded as one field on the BOB register.</li> </ul> </li> </ul> <p>does not require a date.</p>
<b>4</b>	<ul style="list-style-type: none"> <li>a. Deletes a section.</li> <li>b. Only used for section 16.</li> </ul>
<b>6</b>	<ul style="list-style-type: none"> <li>a. Changes fields within a section.</li> <li>b. Corrects any section (including the Block Header) which has alpha field designators.</li> </ul> <p><b>Note:</b> Enter the SCCF Adjustment Indicator "0", "2" or "3" immediately after the action code when correcting the Block Header Section with Action Code "6".</p>
<b>7</b>	<ul style="list-style-type: none"> <li>a. Retests and/or clears a block when it is correct without any changes, (dummy correction).</li> <li>b. Enter it to the left of the Block Header Section.</li> </ul>

#  
#  
#

Valid Action Code	Description/Uses
<b>D</b>	<ol style="list-style-type: none"> <li>Deletes a block that is input in error.</li> <li>BOB SCCF Adjustment Indicator “1” or “0” must also be present with Action Code “D”.</li> <li>Only used when the block is transcribed twice and BOB Code “N” is present. <ul style="list-style-type: none"> <li>Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i></li> <li>Form 1099-R, <i>Distributions From Pensions, Annuities, Retirement or Profit Sharing Plans, IRAs, Insurance Contracts, etc.</i></li> <li>Form W-2G, <i>Certain Gambling Winnings</i></li> </ul> </li> </ol>
<b>N</b>	<ol style="list-style-type: none"> <li>Deletes a block that should be re-input using a different DLN.</li> <li>BOB SCCF Adjustment Indicator “0” or “1” must be present when used.</li> <li>When used with BOB SCCF Adjustment Indicator “1”, the new DLN, Master File Tax Account (MFT) Code (or a circled “2” if MFT is blank) and Account Type Code must be entered on the register. Do not enter a comma for this correction.</li> <li>Automatically adjusts the SCCF by informing it of the new DLN. The SCCF then waits for the new DLN to appear. Refer to IRM 3.40.37.4.4, <i>Control of BOB Registers</i>, for more detail.</li> </ol>
<b>R</b>	<ol style="list-style-type: none"> <li>Deletes a block that must be re-input using the same DLN, MFT and Account Type Code.</li> </ol>

3.40.8.6  
(01-01-2016)

**Block Out of Balance  
(BOB) Correction, Block  
Header General**

- (1) The block header is the first correctable section of each record It is identified with a "BH" in the first field.
- (2) The block information comes from either a Form 1332, *Block and Selection Record*, which is used to block original input documents; or Form 3893, *Re-Entry Document Control*, which is used to block re-input documents.
- (3) The block header section has the following fields:
  - a. Field A, Batch Number;  
**Note:** This field must be numeric.
  - b. Field B, Re-input Source Code;
  - c. Field C, Block DLN;
  - d. Field D, Year Digit;
  - e. Field E, Block Header MFT;
  - f. Field F, Block Tax Period;
  - g. Field G, Block Account Type Code;
  - h. Field H, Block Corrected/Amended Documents Indicator;
  - i. Field I, Block Payer Count per Header;
  - j. Field L, Block Document Count per Header;
  - k. Field M, Block Header Money Amount 1;
  - l. Field N, Block Header Money Amount 2; and
  - m. Field O, Block Header Money Amount 3.
- (4) The alpha designator in each field above is preceded by an asterisk when any of these fields are in error.
- (5) Correct a field, by lining through it and writing the correction to the right of the alpha field designator.

3.40.8.6.1  
(01-01-2019)

**Block Header Section  
Fields**

- (1) The following table identifies the block header table fields and provides their description and uses.

Block Header Section/Field	Description/Use
Field A, Batch Number	a. This field must be numeric.
Field B, Re-input Source Code	<p>a. This field should be blank for blocks entered with Form 1332, <i>Block and Selection Record</i>. Enter a circled “1” by a comma, after field designator B to blank the field.</p> <p>b. This field should be “4”, for blocks entered with Form 3893, <i>Re-Entry Document Control</i>.</p>
Field C, Block DLN	<p>a. This field should be the first eleven digits of the Form 1332, <i>Block and Selection Record</i>, or Form 3893, <i>Re-Entry Document Control</i>, DLN.</p> <p>b. Correct an incorrectly transcribed Block DLN with Action Code “6” unless the format code is incorrect.</p> <p>c. Enter Action Code “R” if the format code is incorrect and route the documents for re-input.</p> <p>d. If the DLN is in error. Refer to IRM 3.40.37, <i>Block Out of Balance Resolution, General Instructions</i>.</p> <p>e. File location codes (FLC) and Julian dates are different depending on how they were input to Generalized Mainline Framework (GMF).</p> <p><b>Note:</b> ISRP input documents can only have the one specific FLC and 001 through 366 Julian dates. See Exhibit 3.40.8-3, <i>Valid File Location Codes (FLC) by Service Center (SC)</i>.</p>

Block Header Section/Field	Description/Use
<p><b>Field D, Year Digit</b></p>	<p>a. This field is the fourteenth digit of the DLN. It should always be generated as processing year most inputs except Schedule K-1 and prior year Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i>.</p> <p>b. This field may be transcribed for Schedules K-1 and prior year Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i>.</p> <ol style="list-style-type: none"> <li>1. If transcribed, it must be processing year minus 1.</li> <li>2. If not transcribed, it is generated as processing year.</li> </ol> <p>c. Use Action Code “6” to correct an erroneous year digit. Refer to IRM 3.40.37, <i>Block Out of Balance Resolution, General Instructions</i>, for further instructions.</p>

Block Header Section/Field	Description/Use
<b>Field E, Block Header MFT</b>	<ul style="list-style-type: none"> <li>a. This field should be blank, except for Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> blocks. Enter a circled “2”; followed by a comma after field designator E to blank the field.</li> <li>b. This field should be “69” for Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i>.</li> <li>c. Use Action Code “6” to correct an erroneous Block Header Master File Tax Code (MFT) if the generated block header format code is incorrect.</li> <li>d. Pull the block if a positive identification cannot be determined. Refer to IRM 3.40.37, <i>Block Out of Balance Resolution, General Instructions</i>, to adjust the SCCF.</li> <li>e. Use Action Code “R” to re-input the document using the same DLN (if the DLN was correct), when the document is on the right IRP file but the wrong format code is generated. Adjust the SCCF if necessary.</li> <li>f. Use Action Code “N” and renumber the document if the ISRP Format Code is incorrect on other documents.</li> </ul>

Block Header Section/Field	Description/Use
<b>Field F, Block Tax Period</b>	<ul style="list-style-type: none"> <li>a. The block tax period is transcribed from the first return in the block when present.</li> <li>b. The block tax period for Schedules K-1 must be processing year or processing year minus one.</li> <li>c. The block tax period for Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i>, should be blank (indicating current year being processed) or processing year minus up to four.</li> <li>d. The block tax period for inputs of Information Return Processing entries should be blank. Edit a circled “2” to blank the field.</li> <li>e. When the block tax period is blank, it is generated as processing year minus one after BOB processing for all return types except Schedules K-1.</li> <li>f. Use Action Code “6” to correct an erroneous Block Tax Period.</li> </ul>

Block Header Section/Field	Description/Use
<b>Field G, Block Account Type Code (ATC)</b>	<ul style="list-style-type: none"> <li>a. The Block ATC is transcribed from the first position coded in the Transaction Code Box on Form 1332, <i>Block and Selection Record</i> or Form 3893, <i>Re-Entry Document Control</i>.</li> <li>b. The Block ATC must be <b>“B”</b>, <b>“C”</b>, <b>“J”</b>, <b>“P”</b>, <b>“S”</b>, <b>“T”</b>, or <b>“Y”</b> <ul style="list-style-type: none"> <li>1. The block must be Form 1096 if the ATC is <b>“B”</b> or <b>“C”</b>,</li> <li>2. The block must be domestic IRP form if the ATC is <b>“P”</b>.</li> <li>3. The block must be foreign Form 1099 (series) if the ATC is <b>“J”</b> or <b>“T”</b>.</li> <li>4. The block must be Schedule K-1 if the ATC is <b>“Y”</b>. Contact your management support staff analyst for referral to National Office if you receive any of these.</li> <li>5. Blocks assigned ATC <b>“S”</b> must be processed via SCRIPS listed under in program 44340 in IRM 3.40.8.4.3 (1).</li> </ul> </li> <li>c. ATC Codes defined in IRM 3.40.8.4.3 (2) (b), BOB Code <b>“8”</b>.</li> <li>d. Use Action Code <b>“6”</b> to correct an erroneous Block ATC.</li> </ul>

Block Header Section/Field	Description/Use
<b>Field H, Block Corrected/ Amended Documents Indicator</b>	<ul style="list-style-type: none"> <li>a. Field H is transcribed from the second position coded in the Transaction Code Box on Form 1332, <i>Block and Selection Record</i>, or Form 3893, <i>Re-Entry Document Control</i>.</li> <li>b. All block headers to be processed as original, and must be coded “F”.</li> <li>c. Use Action Code “6” to correct an erroneous Block Corrected/Amended Documents Indicator.</li> </ul>
<b>Field I, Block Payer Count per Header</b>	<ul style="list-style-type: none"> <li>a. Field I is transcribed from the third, fourth and fifth positions coded in the Transaction Code Box on Form 1332, <i>Block and Selection Record</i>, or Form 3893, <i>Re-Entry Document Control</i>.</li> <li>b. Field I must be in the range from 001 to 100 (except Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i>).</li> <li>c. Field I must be 000 for Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i>.</li> <li>d. Field I is used to verify section 16 is transcribed correctly. See BOB Code “7” instructions, IRM 3.40.8.4.2, <i>Block Out of Balance (BOB) Codes 6 and 7</i>, for details.</li> </ul>

Block Header Section/Field	Description/Use
<b>Field L, Block Document Count per Header</b>	<p>a. Field L is transcribed as 100 unless a number is circled on Form 1332, <i>Block and Selection Record</i> or Form 3893, <i>Re-Entry Document Control</i> or is input through Optical Character Recognition (OCR).</p> <p>b. Field L is used to verify all returns in a block is transcribed.</p> <p>c. See BOB Code “9” instructions, IRM 3.40.8.4.4, <i>Block Out of Balance (BOB) Codes 9 and M</i>, for details.</p>
<b>Field M, Block Header Money Amount 1</b>	Field M must be “.00” for all IRP blocks.
<b>Field N, Block Header Money Amount 2</b>	Field N must be “.00” for all IRP blocks.
<b>Field O, Block Header Block Header</b>	Field O must be “.00” for all IRP blocks.

3.40.8.7  
(01-01-2016)  
**BOB Correction  
Document Sections**

- (1) The detailed document records, or parts of them, appears for some BOB codes. Error asterisks do not appear in the document sections.
- (2) When the detailed records appear, they begin immediately below the Block Header data.
- (3) The individual return serial number appears to the left of the first section number printed (some BOB codes do not require all sections of a return be printed).
- (4) Make corrections by lining through incorrect data and entering the correction above or to the left of the field. If a field is missing, and needs to be added, enter it to the right of the correct alpha designator. If no alpha designator is present, edit one and enter the correction to the right of it.

3.40.8.7.1  
(01-01-2019)  
**Block Out of Balance  
Correction Document  
Sections Described**

- (1) The following table identifies the BOB correction document sections. It also provides their description and required actions.

BOB CORRECTION Section	Description/Action
01	<p>a. Has the following identification data when present:</p> <ul style="list-style-type: none"> <li>• Payee TIN this field does not have an alpha designator</li> <li>• Delete Document Indicator D or blank</li> <li>• Name line 1</li> <li>• Name line 2</li> <li>• Field A - Return Format Code This field is only significant for the first return in the block. It should appear with all zeros for second and subsequent returns in the block. It is used to verify the block of returns was numbered and/or transcribed correctly.</li> </ul> <p>b. Correct this field with Action Code “6”.</p>
02	<p>a. Displays the following identification data fields for BOB code “M”.</p> <ul style="list-style-type: none"> <li>• Street Address</li> <li>• City</li> <li>• State</li> <li>• Zip Code</li> <li>• Payer Account Number</li> <li>• Amended Document Code</li> <li>• Check Digits</li> <li>• Name Control</li> <li>• TIN Type</li> <li>• Tax Year (K-1 only)</li> </ul> <p>b. Only the section literal “02” displays for all other BOB codes.</p>

BOB CORRECTION Section	Description/Action
06	<p>a. Indicator fields, not transcribed, appear as blank on the BOB register. Only the field literal appears. Money fields appear as all zeros.</p> <p>b. Section 06 has the following fields, if present:</p> <ul style="list-style-type: none"> <li>• <b>Field A</b> - the first money amount</li> <li>• <b>Field B</b> - the second money amount</li> <li>• <b>Field C</b> - the third money amount</li> <li>• <b>Field D</b> - the fourth money amount</li> <li>• <b>Field E</b> - the fifth money amount</li> <li>• <b>Field F</b> - the sixth money amount</li> <li>• <b>Field G</b> - the seventh money amount</li> <li>• <b>Field H</b> - the eighth money amount</li> <li>• <b>Field I</b> - the ninth money amount</li> <li>• <b>Field J</b> - the tenth money amount</li> <li>• <b>Field K</b> - the eleventh money amount</li> <li>• <b>Field L</b> - the twelfth money amount</li> </ul> <p>c. Fields D thru U does not print unless one of them has a money amount or it is a required field that is blank.</p> <p>d. See Exhibit 3.40.8-1, <i>Information Return Processing Format Codes and Required Fields for Returns</i>, and Exhibit 3.40.8-2, <i>Information Return Processing Return Money Fields Transcribed or Scanned</i>, for the required money fields and the corresponding box (line) numbers.</p>

BOB CORRECTION Section	Description/Action
16	<p>a. Section 16 has the following fields, if present:</p> <ul style="list-style-type: none"> <li>• <b>Field A</b> - Payer Name Line 1</li> <li>• <b>Field B</b> - Payer Name Line 2</li> <li>• <b>Field C</b> - Payer Street Address</li> <li>• <b>Field D</b> - Payer City</li> <li>• <b>Field E</b> - Payer State Code</li> <li>• <b>Field F</b> - Payer Zip Code</li> <li>• <b>Field G</b> - Payer TIN; TIN Validity Bypass Code</li> <li>• <b>Field H</b> - Payer Document Locator Number (DLN)</li> <li>• <b>Field I</b> - Foreign Country Code. This should only appear at Austin, TX only for Account Type Codes "J" or "T".</li> <li>• <b>Field H</b> - Payer DLN, must be a 14-digit DLN, when its presence is required. If the DLN shown on the document is only 13-digits, add the current list year to make a 14-digit DLN.</li> </ul>

3.40.8.8  
(01-01-2016)

**Service Center Control  
File (SCCF)**

- (1) Refer to IRM 3.40.37, *Block Out of Balance Resolution, General Instructions*, for SCCF procedures.

**Exhibit 3.40.8-1 (01-01-2020)****Income Information Return Processing Format Codes and Required Fields for Returns**

<b>Return Number</b>	<b>Doc Code</b>	<b>ISRP Format Code</b>	<b>Required Fields</b> <b>R = Required Input</b> <b>V = Input not required but can be present</b> <b>A B C D E F G H I J K L M N O P Q R S T U V W X</b>
1096	69 (MFT 69)	007	R R R R R V V V V V V
1097-BTC	50	050	R V V V R R R R R R R R R R R R
1098	81	353	R R V R R R V V V V V
1098-C	78	357	R R R R R V R R V V R R V R V V
1098-E	84	358	R V
1098-F	03	360	R R R V V V V V
1098-Q	74	355	R R R R R R R R R R R R R R R R
1098-T	83	359	R V R R R V V V R
1099-A	80	354	R R V V
1099-B	79	021	V V V R R V R V V R R V V R R V R R R R R
1099-C	85	397	R R R V V V R
1099-CAP	73	029	R R R R V
1099-DIV	91	032	R R R R R R R R R R R R R R R V R R
1099-G	86	026	R R R R R R R V R
1099-INT	92	033	R R R R R R V R R R R V V R V
1099-K	10	037	R R R R V V V V V V V V V V V V V V
1099-LS	16	361	R R V
1099-LTC	93	034	R R V R R V R
1099-MISC	95	040	R R R R R R R R V R V R R R R
1099-OID	96	060	R R R R R R V R V R R R
1099-PATR	97	061	R R R R R R R R R R R
1099-Q	31	031	R R R V V V
1099-R	98	025	R R V R R R V V V V V
1099-S	75	396	R R V V V R
1099-SA	94	035	R R V R V
1099-SB	43	362	R R V
3921	25	048	R R R R R V

**Exhibit 3.40.8-1 (Cont. 1) (01-01-2020)****Income Information Return Processing Format Codes and Required Fields for Returns**

<b>Return Number</b>	<b>Doc Code</b>	<b>ISRP Format Code</b>	<b>Required Fields</b> <b>R = Required Input</b> <b>V = Input not required but can be present</b> <b>A B C D E F G H I J K L M N O P Q R S T U V W X</b>
3922	26	049	R R R R R R R V
5498	28	022	R R R R R R R R R R V V R R V V R V V V
5498-ESA	72	028	R R
5498-SA	27	023	R R R R R V
W-2G	32	010	R V R R
Sch. K-1 (1041)	66	062	R R R R R R R V V
Sch. K-1 (1065)	65	063	R R R R R R R R R R R R V V R R R R R R R R R R
Sch. K-1 (1120S)	67	064	R R R R R R R R R R R R V V R R R

### **Exhibit 3.40.8-2 (01-01-2020)**

#### **Income Information Return Processing Return Money Fields Transcribed or Scanned**

Check box fields indicated by the following symbol “✓”.

**Exhibit 3.40.8-2 (Cont. 1) (01-01-2020)****Income Information Return Processing Return Money Fields Transcribed or Scanned**

Return Type	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
Form 1097-BTC	1	2a	2b	3	5a	5b	5c	5d	5e	5f	5g	5h	5i	5j	5k	5l								
Form 1098	1	2	3	4	5	6	7	8	9	10	11													
Form 1098-C	1	2b	2c	2d	3	4a	4b	4c	5a	5b	5c	6a	6b	6c✓	7✓									
Form 1098-E	1	2																						
Form 1098-F	1	2	3	4	5	6	7	8																
Form 1098-Q	1a	1b	2	3	4	5a	5b	5c	5d	5e	5f	5g	5h	5i	5j	5k	5l							
Form 1098-T	1	✓	4	5	6	7	8	9	10	11														
Form 1099-A	2	4	5	6																				
Form 1099-B	1a	1b	1c	1d	1e	1f	1g	2✓	3✓	4	5	6✓	7✓	8	9	CUSIP	✓	10	11	12	13			
Form 1099-C	1	2	3	4	5	6	7																	
Form 1099-CAP	1	2	3	4																				
Form 1099-DIV	1a	1b	2a	2b	2c	2d	3	4	5	6	8	9	10	✓	11	12								
Form 1099-G	1	2	3	4	5	6	7	8	9															
Form 1099-INT	1	2	3	4	5	6	7	8	9	10	11	✓	12	13	14									
Form 1099-K	✓	✓	1a	1b	2	3	4	5a	5b	5c	5d	5e	5f	5g	5h	5i	5j	5k	5l					
Form 1099-LS	1	2	NAME																					
Form 1099-LTC	1	2	3	ITIN	INAME	5	DATE																	
Form 1099-MISC	1	2	3	4	5	6	7	8	9	10	✓	13	14	15a	15b									
Form 1099-OID	1	2	3	4	5	6	7	8	✓	9	10	11												
Form 1099-PATR	1	2	3	4	5	6	7	8	9	10	11													
Form 1099-Q	1	2	3	4	5	6																		
Form 1099-R	1	2a	2✓	3	4	6	7	7ira	10	11	DATE													
Form 1099-S	1	2	3	4	5	6																		
Form 1099-SA	1	2	3	4	5																			
Form 1099-SB	1	2	NAME																					
Form 3921	1	2	3	4	5	6																		

## Exhibit 3.40.8-2 (Cont. 2) (01-01-2020)

### Income Information Return Processing Return Money Fields Transcribed or Scanned

Return Type	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
Form 3922	1	2	3	4	5	6	7	8																
Form 5498	1	2	3	4	5	6	7	8	9	10	11	12a	12b	13a	13b	13c	14a	14b	15a	15b				
Form 5498-ESA	1	2																						
Form 5498-SA	1	2	3	4	5	6																		
Form W-2G	1	2	4	7																				
Form 1041 Schedule K-1	1	2a	3	4a	5	6	7	8	14 alpha	14	B Date	E Date												
Form 1065 Schedule K-1	I2✓	JB%	JE%	K1	K2	K3	K4	1	2	3	4	5	6a	6c	7	8	9a	11C	11	12	13C	13	B Date	E Date
Form 1120S Schedule K-1	F%	1	2	3	4	5a	6	7	8a	10C	10	11	12C	12	13 alpha	13	B Date	E Date						

## Exhibit 3.40.8-2 (Cont. 3) (01-01-2020)

## Income Information Return Processing Return Money Fields Transcribed or Scanned

*Form 1096*

Form 1096 Field Section 06	Return Box (Line) Numbers Transcribed	Description
<b>Field A</b>	Box 3/ before the slash (i.e., 25/)	number of original documents transmitted from Box 3 This number is coded before a slash on Account Type Code "B" and "C" documents.
<b>Field B</b>	/Box 3 after the slash (i.e., /25)	number of amended documents transmitted from Box 3 This number is coded after a slash on Account Type Code "B" and "C" documents.
<b>Field C</b>	Box 4	amount of Federal income tax withheld
<b>Field D</b>	Box 5	total amount of money transmitted
<b>Field E</b>	Box 7	form 1099-MISC with NEC in box 7 check
<b>Field F</b>	TIN Type and Document Code must be determined	TIN type is the first digit: "1" is for an EIN payer, "2" is for an SSN payer Type of document transmitted is next: the two-digit document code available in box 6
<b>Field G</b>	Located to the right of box 1 on ISRP returns Computer generate on SCRIPS returns	type of payment code <b>Note:</b> This only applies to Form 1099-DIV, Form 1099-G, and Form 1099-MISC transmittals. It can be blank with a field breaker for all others.
<b>Field H</b>	These entries can be found in the first seven boxes under the wording " <b>For Official Use Only.</b> "	delinquent return indicator, an alpha or numeric followed by a date in the MMDDYY format
<b>Field I</b>	This entry can be found in the last two boxes under the wording " <b>For Official Use Only.</b> "	correspondence indicator <b>Note:</b> Until further notice "99" is the only acceptable code.
<b>Field J</b>	This field can be found in the bottom left corner of Account Type Code "B" and "C" documents, coded before a slash (i.e., 25/).	number of original documents subject to penalty
<b>Field K</b>	This field can be found in the bottom left corner of Account Type Code "B" and "C" documents, coded after a slash (i.e., /25).	number of amended documents subject to penalty

**Exhibit 3.40.8-2 (Cont. 4) (01-01-2020)****Income Information Return Processing Return Money Fields Transcribed or Scanned**

<b>Form 1096 Field Section 06</b>	<b>Return Box (Line) Numbers Transcribed</b>	<b>Description</b>
<b>Field L</b>	documents have this entry edited in the bottom right corner of the document.	year indicator on Account Type Code “ <b>B</b> ” and “ <b>C</b> ”

**Exhibit 3.40.8-3 (01-01-2020)****Valid File Location Codes (FLC) by Service Center (SC)**

Site (Service Center) Initials	Form Type	File Location Code(s) (FLC)
AUSPC	processed through ISRP	18
CSPC	processed through ISRP	17 (obsolete due to consolidation)
FSPC	processed through ISRP	89 (obsolete due to consolidation)
KCSPC	processed through ISRP	09
OSPC	processed through ISRP	29
MIRSC	electronically filed <i>Form 1065 Schedule K-1</i>	64, 72 (obsolete due to consolidation)
PCPC	electronically filed <i>Form 1041 Schedule K-1</i>	52
AUSPC	processed through SCRIPS	73, 74, 75, 76
CSPC	processed through SCRIPS	06, 11, 13, 22, 31, 35 (obsolete due to consolidation)
KCSPC	processed through SCRIPS	36, 39, 41, 43
OSPC	processed through SCRIPS	84, 86, 91, 94