EFFECTIVE DATE

(01-01-2025)

PURPOSE

(1)   This transmits revised IRM 3.41.277, Optical Character Recognition Scanning Operations, Form 940 Processing on Service Center Recognition/Image Processing System.

MATERIAL CHANGES

(1)   IRM 3.41.277.1, Line (4), Updated Wage and Investment to Taxpayer Services.

(2)   IRM 3.41.277.4, Line (2), First bullet, Updated instructions to include envelopes as part of the Perfect returns. IPU 24U0411 issued 03-15-2024.

(3)   IRM 3.41.277.14, Line (2), first THEN box in the table, Clarified instructions for the Personal Identification Number (PIN).

(4)   IRM 3.41.277.18, Line (11) d), Updated instructions to include envelopes as part of the Perfect returns. IPU 24U0411 issued 03-15-2024.

(5)   Exhibit 3.41.277-2, Updated the instructions for Credit Red Line 2, to clarify the Exception. IPU 24U0477 issued 04-03-2024.

(6)   Exhibit 3.41.277-2, Updated the Line Prompt and instructions for FUTA Wages Line 7 to include the 2011 Form revisions numbering of Line 7a. IPU 24U0477 issued 04-03-2024.

(7)   Editorial corrections and consistency changes made throughout including spelling, grammar, punctuation and formatting, removing italics, updating titles, correcting IRM links, Plain Language updates to improve readability, etc.

EFFECT ON OTHER DOCUMENTS

IRM 3.41.277 dated December 18, 2023 (effective January 01, 2024) is superseded. This IRM incorporates the following IRM procedural updates (IPU's): IPU 24U0411 issued 03-15-2024 and IPU 24U0477 issued 04-03-2024.

AUDIENCE

Taxpayer Services, Submission Processing Site, Receipt and Control Operation, Document Perfection Operation, and Data Conversion Operation Employees

James L. Fish
Director, Submission Processing
Customer Accounts Services
Taxpayer Services

3.41.277

Form 940 Processing on Service Center Recognition/Image Processing System

Table of Contents

3.41.277.1
(01-01-2022)
Program Scope and Objectives

(1) This program provides human intervention for data verification of electronic data record created by optical recognition engines for the purpose of data capture from paper returns filed with the Internal Revenue Service (IRS).

    a. This chapter also provides information for Quality Review in performing the review of information transcribed on Service Center Recognition/Image Processing System (SCRIPS).

    b. Use IRM 1.11.10, Interim Guidance Process, and elevate through the proper channels for operational situations, temporary procedures, pilot programs, or a change to current procedures.

(2) **Purpose:** The instructions in this IRM apply to the paper filed Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return processed through Service Center Recognition/Image Processing System (SCRIPS).

(3) **Audience:** Submission Processing Data Conversion Operation, Receipt and Control Operation and Document Perfection Operation personnel and their support staff, including but not limited to the following: peripheral scanner operators, general clerks, tax examiners, leads and supervisors. These instructions apply to all campuses.

(4) **Policy Owner:** The Director, Submission Processing, Taxpayer Services.

(5) **Program Owner:** Mail Management Data Conversion Section, Return Processing Branch (an Organization within Submission Processing).

(6) **Primary Stakeholders:** Those affected by these procedures or have input to the procedures, including a change in workflow, additional duties, change in established time frames, and similar issues include:

- Accounts Management (AM)
- Chief Counsel
- Chief Financial Officer (CFO)
- Compliance Strategy and Policy
- Information Technology (IT) Programmers
- Office of Servicewide Penalties
- Operations Business Support
- Small Business/Self Employed (SB/SE)
- Submission Processing (SP)
- Tax Exempt/Government Entities (TEGE)
- Taxpayer Advocate Service (TAS)

(7) **Program Goals:** Convert processable paper media unemployment returns to electronic data records.

3.41.277.1.1
(01-31-2020)
Background

(1) Filers send paper unemployment forms to the Internal Revenue Service (IRS) to fulfill their requirement to file an annual unemployment tax return and provide their taxpayer identification number (TIN). The IRS must convert the information present on the paper filings to an electronic data record. Employees input and validate the data present and the IRS systems for these records during conversion to electronic data records.

3.41.277.1.2 (01-01-2018) **Authority**	(1) Authority for these procedures is found in Title 26 of the United States Code (USC) commonly known as the Internal Revenue Code (IRC). The IRC is amended by acts, public laws, treasury determinations, rules, and regulations such as the following:

- American Taxpayer Relief Act (ATRA)
- Consolidated Appropriations Act (Extenders)
- Health Care and Education Reconciliation Act (HCERA)
- Hiring Incentives to Restore Employment (HIRE) Act
- The Federal Unemployment Tax Act (FUTA)
- The Protecting Americans from Tax Hikes (PATH) Act

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

(2)   All policy statements for Submission Processing are found in IRM 1.2.1.4, Servicewide Policies and Authorities, Policy Statements for Submission Processing Activities:

- Code sections that provides the IRS with the authority to issue levies.
- Congressional Acts that outline additional authorities and responsibilities like the Travel and Transportation Reform Act of 1998 or the Tax Act of 1986.
- Policy Statements that provide authority for the work done.

3.41.277.1.3 (01-31-2020) **Roles and Responsibilities**	(1) The Director, Submission Processing approves and authorizes issuance of this IRM.

(2)   The Planning and Analysis staff provides feedback and supports local management to monitor and achieve scheduled goals.

(3)   The Operation Manager secures, assigns, and provides training for the staff needed to perform the duties presented in this IRM.

(4)   The Team Manager assigns, monitors, and controls the workflow to complete the work timely.

(5)   The Employee applies the instruction for the duties presented in this IRM on the SCRIPS system to accurately convert paper data to an electronic data record for proper posting for use by the IRS.

3.41.277.1.4 (01-01-2021) **Program Management and Review**	(1) **Program Reports:** These reports listed below show work schedules, receipts, production and inventory for conversion of paper returns to electronic data. Management uses these reports to monitor the daily and weekly status of the program through completion.

- IPS0083, Workstation Operator Statistics Program and Function Summary Report
- IPS0698, Workflow Status
- IPS10610, Run Balancing Report
- IPS06440, Throughput Statistics Report
- PCC 2240, Daily Production Report - Program Sequence
- PCC 6040, SC WP&C Performance and Cost Report
- PCC 6240, SC WP&C Program Analysis Report
- PCB 0440, Daily Workload and Staff Hours Schedule
- PCB 0540, Weekly Workload and Staffing Schedule

(2) **Program Effectiveness:** Management measures weekly goals using the above reports for each function compared to the established completion schedule. Each function must complete the inventory on or before the program completion and retain or exceed schedule prior to the program completion date stated in IRM 3.30.123, Work Planning and Control Processing Timeliness: Cycles, Criteria, and Critical Dates. Local management conducts and monitors quality reviews and takes corrective action to ensure quality products. A managerial or product review in the Data Validation function is performed each week on every employee and entered into the Embedded Quality for Submission Processing System (EQSP). Managerial and product reviews supplement the quality review process.

(3) **Annual Review:** Management reviews the processes in this manual annually to ensure accuracy and promote consistent tax administration.

3.41.277.1.5
(01-01-2018)
Program Controls

(1) Management can use local reports to establish additional information for maintaining daily program control. Local reports never replace the established official reports.

3.41.277.1.6
(01-01-2022)
Terms and Acronyms

(1) The following are terms or acronyms used throughout this instruction.

TERM	DEFINITION
Alpha Character	A character (letter) of the alphabet.
Alphanumeric Field	A field that accepts both alpha and numeric characters.
APO	Army Post Office
Application	Refers to the system used for form type being processed (i.e., IRP, ACA-IRP, Schedule K-1, Form 940, Form 941, Stand-Alone Schedule R).
Block DLN	The first 11-digits of 14-digit document locator number (DLN) that consists of a two-digit file location code, tax class (tax class is always 8 for Form 940), two-digit document code, three-digit Julian day, three-digit block number. Also see DLN.
Capture	The process of obtaining images of a document for character recognition and operator use.
Character	Any symbol or alpha (special or numeric), that represents information.
Character Recognition	The process of converting information from paper images to digital data form.
Check Digit (CD)	Check Digit is a two-digit Alpha Code preceding the EIN or SSN on a label.
Cursor	A vertical line showing the position where the next entry is keyed.
Data Fields	Those fields that do not include entity fields, e.g., on all documents listed such as: money amounts, dates, indicators, covered individuals, etc.

TERM	DEFINITION
DLN (Document Locator Number)	A 14-digit document locator number consisting of a two-digit file location code, tax class (tax class is always 8 for Form 940), two-digit document code, three-digit Julian day, three-digit block number, two-digit sequence number and a year digit. Also see Block DLN.
Document Code (Doc Code)	The fourth and fifth position of each DLN identifying the type of return the electronic data record has captured. The document code is always 40 for Form 940.
DPO	Diplomatic Post Office
DV (Data Validation)	Workstation operators enter, verify and/or correct data in flagged fields.
EIN	An employer identification number (a nine-digit number) typically identifies an entity such as a corporation, a trust, a nonprofit association, or a sole proprietor whose resides on the business master file. Usually in NN-NNNNNNN format.
Entity/Entity Fields	The part of the document that deals with TIN, name, and requests an address be present for the entries.
ERS	Error Resolution System
Field	Specific area provided for data entry.
Flag	A question mark used to designate an unrecognizable character, or an error within a field.
FLC (File Location Code)	A two-digit number designed to represent the Service Center where an action is taken on a taxpayer module. The action is a transaction representing a return filing or subsequent compliance action.
Form Identification Number (Form ID)	A six-digit number located at the top right of each page of a SCRIPS Form 940 document. • First two-digits = Document Code • Third and Fourth digits = Page number of the return • Fifth and Sixth digits = Year the template (form layout or form revision) is last updated/changed
FPO	Fleet Post Office
Function Keys	The upper row of keys on the SCRIPS keyboard. The function keys **<F1>** through **<F12>**.
Highlighting	A three-dimensional shadowing of a template field used to direct attention to the field. Used in OE to show the current cursor position. Used in DV to show the current cursor position, and the current field with the error. The **<Ctrl>-5** function key highlights the corresponding field on the image template.

TERM	DEFINITION
Image Strip	A section of the true and complete image magnified and displayed above the template. The image strip displayed is a magnified version of the corresponding field highlighted on the image. Pressing **<Ctrl>-3** toggles the image strip on and off. ***Reminder:*** The Image Strip does not display if the form needed Form Identification (FI) during scanning or the **<F4>** key has been used to change the form year template.
Key Combination	Keystroke commands requiring two or more simultaneous key presses. ***Example:*** Press **<Ctrl>-P** or post-to-close means to press and hold the **<Ctrl>** key and then press the **P** key before releasing the **<Ctrl>** key.
LC (Location Code)	A two-digit number designed to represent the Service Center where an action is taken on a taxpayer module. This acronym is used in place of FLC in creating sanitized DLN's (e.g., LC#########).
Menu	A list of operations or options the workstation operator selects.
Message Window	A window that appears within the main window. It usually appears in the center of the screen. The system uses these windows to relay messages to the operator.
Name Control	A code of up to four characters consisting of alphas and numerics, derived from a taxpayer's name or business name.
Non-Conforming Form	A form the scanner cannot recognize.
Numeric Character	A number ranging from 0 to 9. A digit.
OE (Original Entry)	Workstation operators enter data into the template field that corresponds to the data in the fields of the scanned document image.
Prompt	A message or statement displayed that requires an operator response.
Sequence Number/ Serial Number (SN)	A two-digit number located at positions 12 and 13 within the DLN that uniquely identifies the document.
Sight-Verify	Examine a highlighted field in DV. If correct, release the field. If incorrect, correct the field. Also, called verify.
Social Security Number (SSN)	A nine-digit number issued to an individual by the Social Security Administration. The IRS uses this number to process tax documents and returns. Usually in NNN-NN-NNNN format.
Special Characters (symbols)	*, &, /, -, %, #, ?, etc. ***Note:*** Ampersand "&" is not considered a special character in the Name Line entry.
Status Line	A strip of information found along the bottom right side of the main working window below the prompt area. Displays the program number, DLN/SN, document count, and AUTO, Insert and Numeric indicators.

TERM	DEFINITION
Submission	Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return, and its associated schedules. Also, called a unit-of-work (UW).
Template	Each image of the form processed by SCRIPS is displayed on the left side of the workstation screen. A corresponding line by line template representing the fields of the form appears on the right, displaying fields for data entry.
TIN	Taxpayer Identification Number. Either an EIN or an SSN.
Transmittal	A Form 1332-SC, Block and Selection Record, Breaker Sheet.
True and Complete Image	The image the system displays for data entry or validation purposes. If available, the system always displays it on the left half of the monitor screen.
Unit-of-Work (UW)	A group of Form 940 containing one transmittal and one or more Form 940.

3.41.277.1.7
(01-01-2022)
Related Resources

(1) The following table lists the IRM primary sources of guidance on the processing of paper filed Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return.

IRM	Title	Guidance on
IRM 3.10.5	Campus Mail and Work Control-Batch/Block Tracking System (BBTS)	utilizing BBTS to drop unit production cards for daily incoming receipts and production
IRM 3.10.72	Campus Mail and Work Control-Receiving, Extracting, and Sorting	receiving, extracting, sorting, and routing mail within the Submission Processing campuses
IRM 3.10.73	Campus Mail and Work Control-Batching and Numbering	batching and numbering with a document locator number (DLN) of documents
IRM 3.11.154	Returns and Documents Analysis-Unemployment Tax Returns	document perfection to code and edit (perfect) returns and other documents for input to the Master File (MF) through the Integrated Submission and Remittance Processing System (ISRP) or the Service Center Recognition/ Image Processing System (SCRIPS)
IRM 3.41.274	Optical Character Recognition Scanning Operations-General Instructions for Processing via Service Center Recognition/ Image Processing System	workstation functions, workstation keyboard, Windows environment, and general instruction for entering data for tax returns and related data through SCRIPS

IRM	Title	Guidance on
IRM 3.41.275	Optical Character Recognition Scanning Operations-Scanner Operations on Service Center Recognition/Image Processing System	scanning returns on SCRIPS
IRM 10.5.1	Privacy and Information Protection-Privacy Policy	shipping of SCRIPS requests
Document 12990	Records and Information Management Records Control Schedules	time frame to destroy paper sample after conversion to electronic data records
Document 13144	Proper PII Shipping Procedures	shipping of SCRIPS requests

(2) Document 7071-A, Name Control Job Aid - For Use Outside of the Entity Area.

(3) IRM's present on the Servicewide Electronic Research Program (SERP) at the following site: *http://serp.enterprise.irs.gov/homepage.html*. Specific instructional links are available on the BMF Data Conversion Research Portal located at: *http://serp.enterprise.irs.gov/databases/portals/sp/bmf/data-conversion/data-conversion.html*.

(4) IRM 3.13.62, Campus Document Services, Media Transport and Control, or IRM 10.5.1, Privacy and Information Protection - Privacy Policy, provides information on shipping Personally Identifiable Information (PII). This document is located at: *http://publish.no.irs.gov/mailtran/pii.html*, titled Postal and Transport Policy. Prepare Form 3210, Document Transmittal, and include with ship documents.

3.41.277.2
(01-01-2021)
Local Desk Procedures Guidelines

(1) Some Submission Processing Campuses have developed local use Desk Procedures. These procedures must only supplement existing Headquarters' procedures or convey local routing procedures.

(2) All existing local procedures require review by the Operation Manager or designated employee upon receipt of Information Alerts, Questions and Answers (SERP Feedback) or a new IRM revision to ensure conformance with Headquarters Procedures.

(3) Unit managers must have a signed approval, on file, from the responsible Operation Manager for all Submission Processing Local Desk Procedures.

Note: The signed approval must reflect the current processing year.

3.41.277.3
(01-01-2022)
Introduction

(1) This IRM section describes certain tasks necessary in the processing of Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return filed on paper through the Service Center Recognition/Image Processing System (SCRIPS).

(2) Submit IRM deviations in writing following instructions from IRM 1.11.2.2, Internal Management Documents System - Internal Revenue Manual (IRM) Process Standards and elevate through proper channels for executive approval. No deviations.

(3) The IRS adopted the Taxpayer Bill of Rights (TBOR) lists rights that already existed in the tax code, putting them in simple language and grouping them into 10 fundamental rights. It is the employees responsibility to become familiar with and to act in accord with taxpayer rights. See IRC 7803(a)(3), Execution of Duties in Accord with Taxpayer Rights, and additional information on the *Taxpayer Bill of Rights* site located at the following location: *https://www.irs.gov/taxpayer-bill-of-rights*.

3.41.277.3.1
(01-01-2022)
Source Documents

(1) The instructions in this section apply only to the form types listed below for tax years 2006 and later:

- Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return
- Form 940 Schedule A, Multi-State Employer and Credit Reduction Information
- Form 940 Schedule R, Allocation Schedule for Aggregate Form 940 Filers

3.41.277.3.2
(01-01-2022)
Program Codes

(1) Use the program codes listed below when entering Form 940 through SCRIPS:

Forms	Program Number	Tax Class/Document Codes	Master File Tax (MFT)
940 Non-Refund / All Other	11140, 11145	840	10
940 Refund	11141, 11146	840	10
940 With Remit	11142, 11147	840	10

3.41.277.3.3
(01-01-2023)
How to Use This Internal Revenue Manual (IRM)

(1) Keystroke Combinations

- Carets enclose simultaneous keystroke combinations

  Example: **<Enter>**

- A hyphen separates multiple keystroke combinations

  Example: **<Ctrl>-P**. This means hold down the **<Ctrl>** key while pressing the **P** key.

(2) Glossary: IRM 3.41.277.1.6, Terms and Definitions, Exhibit 3.41.277-12, Consolidated List of Acronyms and Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Returns, has a glossary of terms related directly and indirectly to Form 940 SCRIPS processing.

(3)   QUICK START - Each function (Original Entry (OE) From Paper, Data Valida-
tion (DV) From Image, Original Entry (OE) From Image, etc.) begins with
QUICK START instructions intended to speed access to a unit-of-work (UW).
For detailed data entry and validation instructions, see IRM 3.41.277.11,
General Correction Procedures, Form 940, Employer's Annual Federal Unem-
ployment (FUTA) Tax Returns and the tables and transcription sheet exhibits in
the back of the IRM. More general instructions may be found in IRM 3.41.274,
Optical Character Recognition Scanning Operations-General Instructions for
Processing via Service Center Recognition/Image Processing System.

Reminder: Whenever IRM 3.41.274, OCR Scanning Operations, General Instruc-
tions for Processing via SCRIPS, and this IRM conflict, **this IRM takes
precedence**.

(4)   Tables

Table Location	Table	Table Entries and Use
IRM 3.41.277.1.6	Terms and Definitions	provides the corresponding definitions for the provided listing of terms and abbreviations used throughout section 276 of chapter 41
IRM 3.41.277.1.7	Related Resources	lists related resources to use in conjunction with the instruction given
IRM 3.41.277.3.1	Source Documents	lists each form name and title
IRM 3.41.277.7	Workstation Operations Specific Key Functionality	lists specific keyboard keys and key combinations with the functionality of each listed
Exhibit 3.41.277-6	Street Abbreviations	lists specific street address abbreviations for use when it is necessary to reduce the address to 35 characters
Exhibit 3.41.277-7	Alphabetical Listing of Major Cities with Major City Codes and Zone Improvement Plan (ZIP) Codes	lists major city codes for use with address entry

Table Location	Table	Table Entries and Use
Exhibit 3.41.277-11	Valid Characters	list valid characters and describes the characters allowed in fields present on the transcription sheets

(5)   Transcription Sheets provide most of the information needed to process Form 940 on SCRIPS. The following Exhibits contain the transcription sheets for use in the OE and DV functions.

Transcription Sheets Exhibit Location	Transcription Sheets Exhibit Title
Exhibit 3.41.277-1	Transcription Sheets - Form 940 Entity and Code and Edit Fields
Exhibit 3.41.277-2	Transcription Sheets - Form 940 Page 1 Part 1 through Part 4
Exhibit 3.41.277-3	Transcription Sheets - Form 940 Page 2 Part 5 through Part 7
Exhibit 3.41.277-4	Transcription Sheets - Form 940 Schedule A
Exhibit 3.41.277-5	Transcription Sheets - Form 940 Schedule R and Schedule R Continuation Sheet (All Revisions)

3.41.277.4
(03-15-2024)
Batching

(1)   Use the following programs to batch the Form 940 for processing:

Batch Type	Description	Program Number
Perfect	All Other	11140
Perfect	Refund	11141
Perfect	With-Remit/Lockbox	11142
Imperfect	All Other	11145
Imperfect	Refund	11146
Imperfect	With-Remit/Lockbox	11147

Note: Batch returns with money amounts on both the refund and balance due lines or returns with a money amount on the balance due line and the "Apply to next return" or "Send a refund" box is checked on the refund line, as Non-Refund (All Other).

(2)   Sort the following returns and batch as **"Perfect"**:

- current year (current form revision) timely filed returns **without attachments** (ONLY 940 Page 1, 940 Page 2, Schedule A, 940 Schedule R or 940 Schedule R Continuation Sheet and envelope) AND **without extraneous writing** (such as "Final", "Deceased", "Out of Business", etc.) on 940 Page 1

Reminder: All returns with a 940 Schedule R attached require processing through SCRIPS. Send returns as **"OE Paper"** if they appear not scannable.

Note: Sort any returns missing 940 Page 1 or 940 Page 2, as **"Imperfect"**.

(3)   Instructions for batching **"Perfect"** returns:

a.   Place returns in "stat" boxes or on batch carts.
b.   Establish batches on the Batch Block Tracking System (BBTS) with an estimated volume and the SCRIPS block count. Allow the SCRIPS block count for each batch to default to the BBTS calculation or enter "1".
c.   The required route is 180, 550, 300, 500, 450, 610.

(4)   Sort the following returns and batch as **"Imperfect"**:

- current year (current form revision) timely filed returns **with attachments**
- current year delinquent returns
- prior year (form year and tax year 2006 and later) returns

   Reminder: Form Revision 2005 and prior or Tax Year 2005 and prior must be processed through Integrated Submission and Remittance Processing (ISRP).

- future year returns **without attachments** (ONLY Page 1, Page 2, Schedule A, 940 Schedule R or 940 Schedule R Continuation Sheet) but **with extraneous writing** (such as "Final", "Deceased", or "Out of Business", etc.) on 940 Page 1
- future year returns **with attachments**
- delinquent returns **with attachments**
- any returns missing 940 Page 1 or 940 Page 2

Reminder: All returns with a 940 Schedule R attached require processing through SCRIPS. Send returns with a 941 Schedule R attached as **"OE Paper"**, if they appear not scannable.

(5)   Instructions for batching **"Imperfect"** returns:

a.   Place approximately 80 returns into a gusset folder.
b.   Place gusset folder containing returns on a batch cart.
c.   Establish batches on BBTS with an estimated volume and the SCRIPS block count. Allow the SCRIPS block count for each batch to default to the BBTS calculation or enter "1".
d.   The required route is 180, 210, 300, 500, 450, 610.

(6)   Sort the following and batch as **"OE Paper"**:

- returns with a 940 Schedule R attached, **ONLY if they appear not scannable**
- returns that contain writing that is too light or appear blank
- returns printed on tissue paper
- returns on oversized paper, improper layout, etc.

Reminder: Returns received for Tax Year 2005 and prior must be processed through ISRP.

(7) Instructions for batching **"OE Paper"** returns:

    a.   Sort returns by form revision before batching. Returns should be sorted as follows:

       ➤form revision 2013 and later
       ➤form revision 2012
       ➤form revision 2011
       ➤form revision 2006 through 2010
       ➤form revision 2005 and prior, must be batched for ISRP processing

    b.   Place approximately 25-80 returns into a gusset folder.
    c.   Place gusset folder containing returns on a batch cart.
    d.   Establish batches on BBTS using the Document Locator Number (DLN) Reference Number specifically set up for SCRIPS OE Paper.
    e.   Clearly mark the Batch Transmittal "OE Paper".
    f.   Line through the SCRIPS DLN on the Batch Transmittal.
    g.   Manually generate DLNs in BBTS using the Off-Line DLN Generation Screen and stamp the DLN on the returns.
    h.   The required route is 180, 210, 190, 300, 500, 450, 610.

Reminder: All SCRIPS **"OE Paper"** batches **must be** processed and cleared through BBTS **PRIOR to end of year (EOY) processing**.

(8) Sort 2005 and prior tax year, 2005 and prior form year revision and U.S. Possession and International (foreign) returns for processing through Integrated Submission and Remittance Processing (ISRP). Use program 1110X.

Note: Ogden Submission Processing Center (OSPC) processes the U.S. Possession and International (foreign) returns.

3.41.277.5
(01-01-2021)
Pre-Document Preparation (Pre-Doc Prep)

(1) Document Preparation refers to the set of manual tasks needed to prepare paper documents or forms for imaging into a production scanner. Careful preparation of documents is essential to ensure data integrity and successful auto-feed and data capture during the production scanning process. Check all documents to ensure that all documents in a batch are the same Document Type.

(1)   When preparing returns for scanning, send only the following items for
scanning and organize the pages in the order listed below:

- Form 940, Page 1
- Form 940, Page 2
- Form 940, Schedule A
- Form 940, Schedule(s) R
- Form 940, Schedule(s) R Continuation Sheet

Note: There may be multiple Form 940 Schedule R attached to the return. All Form
940 Schedule R pages should be sent for scanning.

(2)   If the Form 940 Schedule R(s) attached to the Form 940 is a nonconforming
document (i.e., a spreadsheet, list, or similar format) pull the return from the
block and route to Code and Edit for perfection.

(3)   When preparing Form 940 for the scanner, the most critical area for repair is
the right side of the 940. If preprinted information is present in the upper right
corner (where the DLN prints), do not cover (band-aid) that information. The
scanner prints the DLN to the left of the information.

Exception: Form Revisions 2017 and later 940 Schedule R and 940 Schedule R
Continuation Sheets are designed in landscape orientation, the critical
area for repair on these forms is the left side of the schedule.

(4)   The Pre-Doc Prep function must perform the following actions on all Form 940:

a.   If staples holes exist around the Form ID on Page 1 of the Form 940
near the top of the right side of the form then place "White" tape, over
the back side to cover the holes.
b.   Carefully remove all staples from the Form 940, if present. It is permis-
sible to cut off the left corner of the return providing no identifying
information is damaged or lost (e.g., the return year, entity information,
etc.).

Note: Form identification (ID) number on 940 Page 2 of a duplex form if lost or
damaged does not have to be replaced. The identifying information is on 940
Page 1.

c.   Line through any extraneous information located above the Form ID code
(850108, 850109, 860108, 860109, 8701089, 870109, 880108, 880109,
890108, 890109, etc.) in the upper right corner of the return.
d.   Line out non-conforming Form ID numbers.

Reminder: The correct Form ID codes for each page of the Form 940 are
xx01xx for 940 Page 1, xx02xx for 940 Page 2.

Example: 940 Page 2 has a Form ID 850113 instead of 850213 or 940
Page 1 has a Form ID 850213 instead of 850113.

Reminder: The correct Form ID codes for each page of the Form 940
Schedule R are xx05xx for 940 Schedule R Page 1, xx06xx
for 940 Schedule R Continuation Sheet.

Example: 940 Schedule R Continuation Sheet has a Form ID 860517 instead of 860617 or 940 Schedule R Page 1 has a Form ID 850617 instead of 850517.

Note: Printed fax information located at the top of the page does not require a line through.

Caution: **Do not use felt tip markers to line through information. Use ONLY black or blue ink pens.**

e.   Write in the full EIN if both the Name and EIN are missing on 940 Page 2 (non-duplex), Schedule A, 940 Schedule R and/or 940 Schedule R Continuation Sheet in the EIN block, if not present. If the Name is present on 940 Page 2, Schedule A, 940 Schedule R and/or 940 Schedule R Continuation Sheet, write in only the last four digits of the EIN in the EIN block.

f.   Ensure all pages face in the correct direction and sequential order (940 Page 1, 940 Page 2, Schedule A, 940 Schedule R, 940 Schedule R Continuation Sheet) for scanning. The correct orientation for pages designed or printed in portrait format is front-facing with Form ID code located in the **UPPER RIGHT CORNER** of the page. The correct orientation for pages designed or printed in landscape format is front-facing with Form ID code located in the **UPPER LEFT CORNER** of the page.

Note: 2017 and later revisions of the 940 Schedule R and 940 Schedule R Continuation Sheet are printed in landscape format. The correct direction or orientation of these 940 Schedule R and 940 Schedule R Continuation Sheet within a block or unit-of-work is directly behind the Form 940 or Form 940 Schedule A (both remain in portrait format) with the Form ID positioned in the **UPPER LEFT CORNER** of the form. To ensure correct recognition of the 940 Schedule R pages and 940 Schedule R Continuation Sheet pages, the Form ID must be at the top of the page (based on orientation) as it goes through the scanner.

g.   Repairing any rips, tears, or large holes approximately 1 inch or larger on the RIGHT side of the Form 940 that may cause the scanner to jam.

(5)   The Pre-Doc Prep function must perform the following actions when processing **"Perfect"** batches of Form 940:

IF	THEN
The return is an American Territory, or has a foreign address.	Pull the return from the block and route to Code and Edit for processing via ISRP using local procedures.
Line 15 has a money amount, "Apply to next return" or "Send a refund" box is checked (a refund) is batched as a non-refund.	Pull the return from the Non-Refund batch and merge into a Refund batch using local procedures.
Line 15 has a money amount, "Apply to next return" or "Send a refund" box is checked, and Line 14 has a money amount.	Batch as a Non-Refund.

IF	THEN
Tax year is 2005 or prior.	Pull return from the block and route to Code and Edit for perfection and processing through ISRP.
Form is completely illegible, half page, damaged, etc.	Pull the return from the block and merge into an **"Imperfect"** batch, using local procedures. *Note:* At the Service Center option these returns can be processed as **"OE Paper"** instead of photocopying.
The taxpayer completes the Form 940 information (entity and/or data) using, orange, or pink ink.	Pull the return from the block and merge into an **"Imperfect"** batch, using local procedures. *Note:* At the Service Center option these returns can be processed as **"OE Paper"** instead of photocopying.
Taxpayer has handwritten information on 940 Page 1 such as "Disaster", "Final", "Deceased", "Out of Business", etc.	Pull the return from the block and route to Code and Edit for processing, using local procedures. *Note:* If statements like "No Payroll", "No Employees", "Natural Disaster", or "Not Liable" are notated on the return. **DO NOT PULL THE RETURN**, process as normal.
Returns with an "X" or "/" through the entire page	Pull the return from the block and route to Code and Edit for processing, using local procedures.
The return does not have a name and EIN *Note:* If the return has **either** a name or EIN, continue processing.	Pull the return from the block and route to Code and Edit for processing using local procedures.
Form 940 returns missing Page 1 **or** Page 2	Pull the return from the block and route to Code and Edit for perfection and processing using local procedures.
The taxpayer used only 940 Page 1 of a duplex (two sided) return **and** a separate 940 Page 2	Pull the return from the block and merge into an **"Imperfect"** batch, using local procedures.
The taxpayer used only 940 Page 2 of a duplex (two sided) return **and** a separate 940 Page 1	Pull the return from the block and merge into an **"Imperfect"** batch, using local procedures.

(6)   The Pre-Doc Prep function must perform the following actions when processing **"Imperfect"** batches of Form 940.

IF	THEN
The return is an American Territory or the return has a foreign address	Pull the return from the block and route to Code and Edit for processing through ISRP using local procedures.

IF	THEN
A refund (Line 15 has a money amount, "Apply to next return" or "Send a refund" box is checked) is batched as a non-refund	Pull the return from the Non-Refund batch and merge into a refund batch using local procedures.
Tax Year is 2005 or prior	Pull return from the block and route to Code and Edit for perfection and processing through ISRP.
Form is completely illegible, half page, or damaged, etc.	• Repair and continue processing, if possible, otherwise, • Pull the return from the block and request processing as **"OE Paper,"** • Use local procedures.
The return does not have a name and EIN ***Note:*** If the return has **either** a name or EIN, continue processing.	Pull the return from the block and route to Code and Edit for processing using local procedures.
The taxpayer completes the Form 940 information (entity and/or data) using, orange, or pink ink	• Photocopy the return to allow processing through SCRIPS • Consider the original Form 940 as an attachment. ***Note:*** At the Service Center option these returns can be processed as **"OE Paper"** instead of photocopying.
Returns with a "X" or "/" through the entire page	The page with the "X" is considered an attachment. If the entire return (940 Page 1, 940 Page 2, Schedule A, 940 Schedule R or 940 Schedule R Continuation Sheet) has an "X" or "/", pull and route to Code and Edit for disposition. ***Note:*** If statements like "No Payroll", "No Employees", "Natural Disaster", or "Not Liable" are notated on the form. **DO NOT PULL RETURNS**, process as normal.
Form 940 return is missing Page 1 or Page 2	Pull return from the block and route to Code and Edit for perfection.
The taxpayer used only 940 Page 1 of a duplex (two sided) return **and** a separate 940 Page 2	• Photocopy the original duplex 940 Page 1, • Line through (X) the duplex 940 Page 1 and 940 Page 2, this now becomes an attachment, • Send the photocopied 940 Page 1 and the separate 940 Page 2 (e.g., submitted by the taxpayer) to SCRIPS for processing.

IF	THEN
The taxpayer used only 940 Page 2 of a duplex (two sided) return **and** a separate 940 Page 1	• Photocopy the original duplex 940 Page 2, • Line through (X) the duplex 940 Page 1 and 940 Page 2, this now becomes an attachment, • Send the photocopied 940 Page 2 and the separate 940 Page 1 (e.g., submitted by the taxpayer) to SCRIPS for processing.

a. Stamp the attachment(s) and envelope and return (in upper left margin) with the same sequence number. If the return has multiple attachments, stamp the first attachment, and staple the remaining attachments together. Remove and destroy blank vouchers and instruction pages to make the return perfect.

b. Place attachment(s) and envelope in a colored folder at the back of the gusset folder for each block, maintaining sequential order.

c. Insert a Form 1332-SC, Block Selection Control Record SCRIPS, at beginning of each gusset folder.

(7) During scanning, certain documents may reject because the submissions are invalid. The scanning function routes these submissions (documents) to the Pre-Doc Prep function for disposition. The Pre-Doc Prep function must re-batch the documents for scanning. When a return is missing pages (940 Page 1 or 940 Page 2), route to Code and Edit for correspondence.

3.41.277.6
(01-01-2021)
Scanner Operator

(1) Refer to 3.41.275, Optical Character Recognition Scanning Operations-Scanner Operations on Service Center Recognition/Image Processing System for complete scanner operating instructions.

3.41.277.6.1
(01-01-2021)
Work Prioritization

(1) The system automatically re-prioritizes the work every time the cycle on the system changes.

(2) The system automatically sets the Unit Task Prioritization using the following criteria:

Program	Title	Description
11141, 11146	Refund	• Prior Cycle (cycle, batch, scan date/time) • Current Cycle (batch, scan date/time) • No Cycle (PCD) (batch, scan date/time • Future Cycle (cycle, batch, scan date/time)
11140, 11145	All Other	• Prior Cycle (cycle, batch, scan date/time) • Current Cycle (batch, scan date/time)

Program	Title	Description
11142, 11147	With Remit	• Prior Cycle (cycle, batch, scan date/ time) • Current Cycle (batch, scan date/time)
11140, 11145	All Other	No Cycle (PCD) (batch, scan date/time)
11142, 11147	With Remit	No Cycle (PCD) (batch, scan date/time)
11140, 11145	All Other	Future Cycle (cycle, batch, scan date/time)
11142, 11147	With Remit	Future Cycle (cycle, batch, scan date/time)

Note: SCRIPS allows management to override the established Unit Task Priority.

3.41.277.7
(01-01-2018)
Workstation Operations

(1) Refer to IRM 3.41.274, Optical Character Recognition Scanning Operations-General Instructions for Processing via Service Center Recognition/Image Processing System, for a description of these and other items:

- Keyboard Layout
- Login/Logoff
- Operator Statistics
- Post-to-close
- Interrupt/Resume
- Suspend/Resume
- Status Line

(2) Whenever IRM 3.41.274, Optical Character Recognition Scanning Operations-General Instructions for Processing via Service Center Recognition/Image Processing System and this IRM conflict, **this IRM takes precedence**.

3.41.277.8
(04-23-2018)
Forms Identification (FI) Function

(1) A non-conforming form is when the scanner does not recognize all documents or all pages of the return. These include photocopies of official documents and documents that might be official forms but for some reason do not meet the official specification for measurement, homemade documents of varying formats or documents with or without valid form identification numbers in the upper right-hand corner of the page. The Forms Identification (FI) function allows the workstation operator to identify the form (or the page of the form) to avoid rework at the scanner. The FI screen has an image on the left and an entry template on the right. The entry template permits the operator to select what form type the image is, to delete a single image or to delete an entire submission from further processing. The menus shown on the screen vary depending on how your supervisor profiled you.

Example: This option is grayed out (or not present) on the *Original Entry (OE) Function Menu* if it is not in your profile.

(2) If FI workstation receives 940 Schedule R(s)/940 Schedule R(s) Continuation Sheet on a nonconforming document (i.e., a spreadsheet, list, or a similar format), delete the entire return from the block and route to Code and Edit for perfection.

3.41.277.8.1
(01-01-2022)
Form Identification (FI) QUICK START

(1) From the *Workstation Main Menu*, select *Original Entry (OE)*.

(2) From the *Original Entry (OE) Selection Menu*, select *Forms Identification Selection Menu*.

(3) From the *Forms Identification Selection Menu*, select *940 Forms Identification*.

(4) The first group of images, from a unit-of-work (UW), requiring identification opens.

(5) If an incorrect option is selected from the *Forms Identification Selection Menu.*, press the **<Ctrl>-P** key combination to set post-to-close, followed by **<F9>** to suspend the block and return to the *Forms Identification Selection Menu*.

(6) If you need to stop processing FI:

- Press the **<Ctrl>-P** key combination to end FI after completing the current UW.
- Press the **<Ctrl>-P** followed by **<F9>** to suspend the block immediately.

   Note: For a complete list of key functions, See Exhibit 3.41.277-8, Function Key List.

(7) The system returns you to the *Forms Identification Selection Menu* when you complete the last image identification in the UW.

3.41.277.8.2
(01-01-2021)
Form Identification (FI) Processing

(1) The system assigns a six-digit sequence number instead of a DLN to the documents it cannot identify. This number assists in locating the documents within a UW when researching the documents. Once the tax year/page type identification occurs, the system assigns a DLN to the submission.

(2) To identify the image, make the correct letter or number selection from the template in the Form Identification Menu The table below appears on the SCRIPS workstation.

Menu Options	Form Year	Page Type
1	2013 or later	Page 1
2	2012	Page 1
3	2011	Page 1
4	2010 or prior	Page 1
5	All	Page 2
6	2011 or later	Schedule A
7	2010	Schedule A
8	2009 or prior	Schedule A
C	2017 or later	Sch R Page 1
D	2012 or prior	Sch R Page 1
E	2017 or later	Sch R Cont.

Menu Options	Form Year	Page Type
F	2012 or prior	Sch R Cont.
B	All	1332 Breaker Sheet
X	All	Remove

(3)   Always press the **<Enter>** key to complete a selection.

(4)   Documents scanned backwards need research to determine the document type. If you cannot identify the image,

- Press **<F9>** to suspend the document for research.
- If the image is unprocessable, press **<X>** to remove the document from further processing.

(5)   Some unprocessable conditions include:

- Not a Form 940
- Form 940 is a 2005 or prior revision
- Form 940 with a Tax Year of 2005 or prior
- Form 940 with a Foreign Address

(6)   To end a session, press **<Ctrl>-P** key combination to set post-to-close. The system returns you to the *Original Entry (OE) Selection Menu* when you complete the last image in the UW.

3.41.277.9
(01-01-2018)
Original Entry (OE) Function

(1)   The OE function is used to manually key enter data from both scanned images and from paper documents. The menus shown on the screen vary depending on how your supervisor profiled you.

Example: This option is grayed out (or not present) on the *Original Entry (OE) Function Menu* if it is not in your profile.

3.41.277.9.1
(01-01-2022)
Original Entry (OE) From Image QUICK START

(1)   From the *Workstation Main Menu*, select *Original Entry (OE) Selection Menu*.

(2)   From the *Original Entry (OE) Selection Menu*, select *OE Image Selection Menu*.

(3)   From the *OE Image Selection Menu*, select *940 OE Image Selection Menu*.

(4)   From the *940 OE Image Selection Menu*, select one of the following:

- All 940s (1114x) OE Image
- 940 Refund (11141, 11146) OE Image
- 940 All Other (11140, 11145) OE Image
- 940 With Remit (11142, 11147) OE Image

(5)   After the selection is entered press **<Enter>** as prompted or press **<Alt>-X** to exit to the previous menu.

(6)   The first whole unit-of-work (UW), or first individual document (because an entire UW may not require OE Image) requiring OE opens. See Exhibit 3.41.277-1, Transcription Sheets - Form 940 Entity and Code and Edit Fields.

    a. The scanned image of the document displays on the left side of the workstation screen.

    b. Data is input in the specific field window, displayed on the right side of the workstation screen.

(7) If an incorrect option is selected, press the **<Ctrl>-P** key combination followed by **<F9>** to suspend this UW.

(8) If the last data entered is not the last field of the page and there is no other data present on the page, press the **<F6>** key to release a document and display the next template.

(9) Press the **<Ctrl>-P** key combination to end OE Image.

(10) The system returns you to the *Original Entry (OE) Selection Menu* when you complete the last document in the current UW.

3.41.277.9.2
(01-01-2018)
Original Entry (OE) From Image Processing

(1) The Status Line at the bottom of the screen displays the following information:

    a. The Program field displays one of the following:

Program (Displayed)	Description (Not Displayed)
11140	Perfect - All Other
11141	Perfect - Refund
11142	Perfect - With Remit/Lockbox
11145	Imperfect - All Other
11146	Imperfect - Refund
11147	Imperfect - With Remit/Lockbox

    b. The DLN field displays the DLN of the document being displayed.

    c. The SUB field displays the relative count of the document.

        Example: If it is the first document in a UW that has 80 documents, the SUB field displays a count of "1 of 80".

    d. The Pg field displays the relative count of the page of the document.

        Example: If it is Form 940 Page 1, the Pg field displays "1 of 2"; 940 Page 2 displays as "2 of 2" depending on the length of the return filed.

    e. The Status Line displays "Ins" when the insert mode is on and "Num" when the numeric mode is on.

(2) In **OE Image**, you manually enter information into the template using a scanned image of the return as a source.

3.41.277.9.3
(01-01-2018)
**Original Entry (OE) From
Paper QUICK START**

(1) From the *Workstation Main Menu*, select *Original Entry (OE) Selection Menu*.

(2) From the *Original Entry (OE) Selection Menu*, select *OE Paper Selection Menu*.

(3) From the *OE Paper Selection Menu*, select *940 OE Paper Selection Menu*.

(4) From the *940 OE Paper Selection Menu*, select the form type:

- 940 Refund (11146) OE Paper
- 940 All Other (11145) OE Paper
- 940 With Remit (11147) OE Paper

(5) If the wrong program is selected and the first page of the first document has not been completed, press the **<Esc>** key to cancel the entry. A window displays asking, "Are you sure you want to cancel the inserted document?" Answer "YES" to go back to the *940 OE Paper Selection Menu*.

3.41.277.9.4
(06-25-2020)
**Original Entry (OE) From
Paper Processing**

(1) In OE Paper, the workstation operator manually enters the information into the system which eliminates all transport processing. The operators need the paper Form 940 unit-of-work to perform OE Paper.

(2) The reason a document is processed using **OE Paper** is because it cannot be scanned (oversized pages, tissue paper, writing too light, substitute forms, or half pages, etc.).

(3) These documents come batched separately and the BBTS Transmittal clearly marked as "OE Paper".

(4) Once the workstation operator has successfully completed steps 1 through 4 in IRM 3.41.277.9.3, OE Paper QUICK START, input the following information:

- BBTS Number = The four-digit Batch Number located in the upper right corner of the BBTS Transmittal.
- Cycle Number = The last two digits of the Cycle located below the Batch Number (Batch No) and Release Date (Rel Date) in the upper right corner of the BBTS Transmittal.
- Tax Year = The Form Year of the first document so the system can generate the correct template.

(5) A blank Form 940 template displays for the first document in the block. Input the information from the document starting with the DLN taken from the first document in the block. **The DLN must have 14 digits (for example: LC840102790000).** When all fields have been input, press **<F6>** to get the next template.

Reminder: OE Paper blocks must have a block number from 790 - 799 only.

(6) For Tax Years 2011 and later once you have input the Schedule A or pressed **<F6>**, a window appears to select your next process. The window is titled "Next Page Selection" and the options include:

- Form 940
- Schedule R
- Schedule R Continuation
- End Block

Note: There can be multiple 940 Schedule R or 940 Schedule R Continuation Sheet pages attached to the Form 940. Continue to select the correct one until you have input all the information. You cannot input the 940 Schedule R information if the Tax Year is prior to 2011.

(7)   If Form 940 is selected, the system prompts for the next sequence number (located in the 12th and 13th position of the DLN) for each document input (01, 02, 03, etc.). You cannot skip or repeat a sequence number.

Note: If a document is mis-batched or cannot be transcribed, pull the last document in the block and re-number with the sequence number of the removed document.

(8)   The system returns you to the *940 OE Paper Selection Menu* when you release the last document in the UW.

(9)   The Status Line at the bottom of the monitor screen displays the following information:

- The Program field displays 11145 (All Other), 11146 (Refund) or 11147 (With-Remit).
- The DLN field displays the DLN of the current document.
- The SUB field displays the relative count of the document. The field shows "1 of 3" if this is the first document in the block. As each subsequent paper document is processed the count increases to "2 of 3", "3 of 3", etc.
- The Status Line displays "Ins" when the insert mode is on and "Num" when the numeric mode is on.

3.41.277.9.5
(01-01-2018)
Releasing a Unit-of-Work in Original Entry (OE)

(1)   For **OE Image,** when you release the last document in a UW, a question appears asking if you want to release the UW.

a.   If you answer "YES" to the question in the window and **<Ctrl>-P has been pressed** before releasing the UW, the *OE Selection Menu* opens.
b.   If you answer "YES" to the question in the window and **<Ctrl>-P has not been pressed**, another UW opens.
c.   If you answer "NO" to the question in the window, the current block remains open for entry until you answer yes.

(2)   For **OE Paper,** to end a block for Tax Years 2011 or prior, once the last document is input, press **<F8>** and answer the question *"Do you want to release this UW?"*.

a.   If you answer "NO" to the question window that opens, a template appears for the next Form 940 entry.
b.   If you answer "YES" to the question window, and **<Ctrl>-P has not been pressed**, a Form 940 template appears to begin a new UW.
c.   If you answer "YES" to the question window, and **<Ctrl>-P has been pressed**, the *OE Selection Menu* opens.

(3)   For **OE Paper**, to end a block for Tax Year 2012 and later:

a.   Press **<Ctrl>-P** while entering, but before releasing the last document in the UW.

b.   Once the last document is input, press **<F6>** to bring up the "Next Page Selection" Window. Select the "End Block" option and answer "YES" to *"Do you want to release this UW?"*

3.41.277.9.6
(01-01-2023)
Selecting a Specific Unit-of-Work in Original Entry (OE)

(1)   You can select a specific Form 940 UW for OE by following these steps:

a.   From the *Workstation Main Menu*, select the numeric code for OE. The *Workstation Main Menu* closes, and the *OE Selection Menu* opens. The menus shown on the screen vary depending on how your supervisor profiled you.

    Example: This option is grayed out (or not present) on the *Original Entry (OE) Function Menu* if it is not in your profile.

b.   From the *OE Selection Menu*, enter the numeric code for *OE Select Block*. The *OE Selection Menu* closes, and the "Open Block/Unit-of-Work" window opens.

c.   Enter the first 11 digits of the DLN from the Form 940.

d.   Press the **<Enter>** key. The "Open Block/Unit-of-Work" window closes, and selected UW opens.

e.   Once the designated UW opens, enter data using the instructions found in Exhibit 3.41.277-1, Transcription Sheets - Form 940 Entity and Code and Edit Fields and/or Exhibit 3.41.277-2, Transcription Sheets - Form 940 Page 1 Part 1 through Part 4, Exhibit 3.41.277-3, Transcription Sheets - Form 940 Page 2 Part 5 through Part 7, Exhibit 3.41.277-4, Transcription Sheets - Form 940 Schedule A, Exhibit 3.41.277-5, Transcription Sheets - Form 940 Schedule R and Schedule R Continuation Sheet (All Revisions).

f.   If the block is not available, an error message is displayed indicating the block is not available. For instance, a message displays if you previously worked on this block, or if another operator is currently working on the Block/UW.

g.   If an incorrect option is selected from the *OE Selection Menu*, press the **<Ctrl>-P** key combination followed by **<F9>** to suspend the UW.

3.41.277.10
(01-01-2018)
Data Validation (DV) Function

(1)   The DV function is used to manually correct data from scanned images. The menus shown on the screen vary depending on how your supervisor profiled you.

Example: This option is grayed out (or not present) on the *Data Validation (DV) Function Menu* if it is not in your profile.

3.41.277.10.1
(01-01-2022)
Data Validation (DV) From Image QUICK START

(1)   From the *Workstation Main Menu*, select *Data Validation (DV)*.

(2)   From the *Data Validation (DV) Selection Menu*, select *DV Selection Menu*.

(3)   From the *DV Selection Menu*, select *940 DV Selection Menu*.

(4)   From the *940 DV Selection Menu*, select one of the following:

- All 940s (1114x) DV
- 940 Refund (11141,11146) DV
- 940 All Other (11140,11145) DV
- 940 With Remit (11142,11147) DV

(5)   The first UW opens, and the cursor stops at the first highlighted field when AUTO is on. Use the exhibits in this IRM and the general correction procedures to make necessary corrections.

(6)   If an incorrect option is selected from the *DV Selection Menu* before entering any data, press **<Ctrl>-P**, followed by **<F9>** to suspend and return to the *DV Selection Menu*.

(7)   Press the **<Ctrl>-P** key combination to end the current UW upon completion of DV Image.

(8)   The system returns you to the *Data Validation (DV) Selection Menu* when you release the last document.

3.41.277.10.2
(01-01-2018)
**Data Validation (DV)
From Image Processing**

(1)   The Status Line at the bottom of the screen displays the following information:

a.   The Program field displays one of the following:

Program (Displayed)	Description (Not Displayed)
11140	Perfect - All Other
11141	Perfect - Refund
11142	Perfect - With Remit/Lockbox
11145	Imperfect - All Other
11146	Imperfect - Refund
11147	Imperfect - With Remit/Lockbox

b.   The DLN field displays the DLN of the document being displayed.
c.   The SUB field displays the relative count of the document.

Example: If it is the first document in a UW that has 80 documents, the SUB field displays a count of "1 of 80".

d.   The Pg field displays the relative count of the page of the document.

Example: If it is Form 940 Page 1, the Pg field shows "1 of 2"; 940 Page 2 displays as "2 of 2" depending on the length of the return filed.

e.   The Status Line displays "Auto" when the automatic mode is on, "Ins" when the insert mode is on, and "Num" when the numeric mode is on.

Note: AUTO Indicator is a toggle that turns the AUTO Mode on and off. When AUTO is on, the cursor automatically moves from the current field to the next field requiring perfection. When AUTO is off, the cursor manually moves through every field using the cursor movement keys. A "Select Block" or "Suspended Block" in DV requires the operator to restore the "AUTO On" mode using the **<Ctrl>-A** key combination.

3.41.277.10.3
(01-01-2023)
**Selecting a Specific
Unit-of-Work in Data
Validation (DV)**

(1) You can select a specific UW of Form 940, for DV by following these steps:

    a.   From the *Workstation Main Menu*, select the numeric code for Data Validation (DV). The *Workstation Main Menu* closes, and the *Data Validation (DV) Selection Menu* opens. The menus shown on the screen vary depending on how your supervisor profiled you.

        Example: This option is grayed out (or not present) on the *Data Validation (DV) Function Menu* if it is not in your profile.

    b.   From the *DV Selection Menu* window, enter the numeric code for DV Select Block. The *DV Selection Menu* closes, and the "Open Block/Unit-of-Work" window opens.

    c.   Enter the first 11 digits of the DLN from the Form 940.

    d.   Press the**<Enter>** key. The "Open Block/Unit-of-Work" window closes, and the selected UW opens.

    e.   Once the designated UW opens, enter data using the instructions found in Exhibit 3.41.277-1, Transcription Sheets - Form 940 Entity and Code and Edit Fields and/or Exhibit 3.41.277-2, Transcription Sheets - Form 940 Page 1 Part 1 through Part 4, Exhibit 3.41.277-3, Transcription Sheets - Form 940 Page 2 Part 5 through Part 7, Exhibit 3.41.277-4, Transcription Sheets - Form 940 Schedule A, Exhibit 3.41.277-5, Transcription Sheets - Form 940 Schedule R and Schedule R Continuation Sheet (All Revisions).

    f.   A "Select Block" or "Suspended Block" in DV requires the operator to restore the "AUTO On" mode using the **<Ctrl>-A** key combination.

    g.   If the block is not available, an error message is displayed indicating the block is not available. For instance, a message displays if you previously worked on this block in OE or FI, or if another operator is currently working on the Block/UW.

    h.   If an incorrect option is selected from the *DV Selection Menu*, press the **<Ctrl>-P** key combination followed by **<F9>** to suspend the UW.

3.41.277.10.4
(01-01-2018)
**Releasing a Unit-of-Work
in Data Validation (DV)**

(1) For **DV Image,** when you release the last document in a UW, a question appears asking if you want to release the UW.

    a.   If you answer "NO" to the question window that opens, the current block, remains open for more entry, correction, or validation.

    b.   If you answer "YES" to the question window and **have NOT issued** a **post-to-close (<Ctrl>-P)**, a Form 940 template appears to begin a new UW.

    c.   If you answer "YES" to the question window and **have issued** a **post-to-close (<Ctrl>-P)**, the *DV Selection Menu* opens.

3.41.277.11
(01-01-2023)
**General Correction
Procedures**

(1) Use these procedures as a guide when entering data in the Original Entry (OE) and Data Validation (DV) functions. Not all items apply to specific situations in either function. You are required to verify any field containing invalid characters. If the system stops on a field, sight verify and correct all incorrect alphanumeric characters in that field.

(2) Use the following guidelines in determining if scanned information needs corrected:

IF	AND	THEN
A box indicating "Enter Form Layout Year" Appears	The form is as follows. 1. 2013 and later 2. 2012 3. 2011 4. 2010 or prior ***Note:*** This is **NOT the Tax Year**, this is the form year ID of the form.	Enter the four-digits for the page displayed: 1. Pg 1: 0113, Pg 2: 0213 2. Pg 1: 0112, Pg 2: 0213 3. Pg 1: 0111, Pg 2: 0211 4. Pg 1: 0110, Pg 2: 0210 ***Note:*** If the line format, does not match, you need to follow the format below instead of the actual form year. ***Reminder:*** This is a four digit entry ONLY.
Unable to determine by Form Year on Form 940 Page 1 ***Note:*** You can press **\<F4>** and the system prompts you to change the year format.	The form is as follows. 1. The form has Line 7 and Line 8 2. The form does have Line 7a through Line 7e 3. The form does not have Line 7a though Line 7e or Line 8	Enter the four-digit code for the page displayed: 1. Pg 1:0113 or Pg 2: 0112 2. Pg 1: 0111 3. Pg 1: 0110 ***Reminder:*** This is four digit entry ONLY.
Field displays scanned information	Scanned information is correct and in the correct field	Press **\<Enter>** to proceed to the next field.
Field displays scanned information	Scanned information is correct but in the incorrect field	Delete the scanned information using **\<F3>** and enter the correct information using the criteria in the subsections below. ***Note:*** Ensure there is a space between "%" and the In Care of Name. See IRM 3.41.277.11.3 (3).
Field displays scanned information	Scanned information is in correct field but is incorrect	Delete the scanned information using **\<F3>** or use the arrow keys to move the cursor to the incorrect information and replace it using the criteria in the subsections below.
Field does not display any information	Image displays information for the field	Enter the information for the field using the criteria in the subsections below.
Field does not display any information	Image does not display any information for the field	Leave the field blank.

(3) If you reach the maximum field length while entering data, the cursor, in most cases, automatically moves to the next field. Therefore, you can inadvertently enter incorrect characters into the next field. Remove or correct these characters. Use standard abbreviations as shown in Exhibit 3.41.277-6, Street Abbreviations.

(4) Any check box present on any form requires sight verification if the system reads the box as marked.

(5) Error Messages — Messages found in the Prompt Area giving helpful hints to correct the error. Most error messages consist of two lines with the first line displaying the error message and the second information to help resolve the error condition.

(6) The **<Ctrl>-<F7>** combination key function provides the operator the ability to access the last edited field or the last flagged field of the previous document. For more information on Function Keys refer to Exhibit 3.41.277-8.

(7) An asterisk (*) at the upper right-hand corner of the normal proper placement of the numerous lines or boxes present on the return represent the skip key stop points.

Caution: Taxpayer generated forms may not have the line or box placement in the correct location. Do not mistake the skip line or box asterisk for taxpayer entries during OE or DV operations.

(8) **<Ctrl>-S** the skip key combination is used to:

- Bypass the Code and Edit fields (OE and DV).
- Allow the operator to move to the most commonly used state codes (CA, FL, IL, MI, NY, PA, and TX) on Schedule A (during OE only).
- Move from any blank field in Column (a) on 940 Schedule R or 940 Schedule R Continuation Sheet to Column (b) on the Sub-Total Line (Line 16 on 940 Schedule R Page 1 or Line 24/Line 26 on 940 Schedule R Continuation Sheet).

Note: If AUTO is off and no flags exist prior to the skip to field, the skip key combination can be used in DV.

(9) While working in OE Image or DV Image, if you cannot determine the data for any field from the image because it is illegible or the image is incomplete, **suspend the UW** and pull the paper document for verification.

(10) While working in OE Image or DV Image, do not enter data marked out or crossed through by the taxpayer. Do enter data written in or placed on the document in different font.

(11) The<↑> Up Arrow Key - Allows the operator to go backwards between pages, one field at a time, instead of jumping to the top of the previous document.

(12) Cross field validations occur on certain conditions and require sight validation and verification. Follow the screen prompts to allow systemic determination of the disposition of the UW.

(13) Prior Revision Forms - If Code and Edit has placed an asterisk (*) to the left of a line number and entered a different number to the left, input the money

amount from the original line on the new line number. (For example: 2011 revision shows Line 7 with an asterisk (*) and 7a has been written to the left. First press **<F4>**, then enter the 11 for the form year (when necessary) to get the 2011 format. Enter the money amount into Line 7a.)

(14) For additional information on function keys: refer to IRM 3.41.274, Optical Character Recognition Scanning Operations, General Instructions For Processing via Service Center Recognition/Image Processing System, *Exhibit 3.41. 274-1, Function Key Use and Description by Form Type.*

3.41.277.11.1
(01-01-2018)
Illegible Name Control/Employer Identification Number (EIN)

(1) When the Name Control is illegible, enter four hyphens "- - - -", if the EIN is present. If EIN is not present, delete the document as "Unprocessable 940".

(2) When the EIN is illegible, press **<F3>** to clear the field, if Name Control is present. If the Name Control is not present, delete the document as "Unprocessable 940".

3.41.277.11.2
(01-01-2018)
Name Control/Check Digit

(1) If the EIN is unaltered on a pre-printed label and the Check Digit is presented, enter the Check Digit, if legible. Otherwise, enter the Name Control. If Name Control is presented instead of a Check Digit, always use the Name Control.

3.41.277.11.2.1
(01-01-2023)
Check Digit

(1) Enter the two letters shown above the tax year on the label.

(2) If the Check Digit is lined through, circled, or missing enter the Name Control.

Reminder: The IRS stopped printing and distributing pre-printed labels to taxpayers in 2009.

3.41.277.11.2.2
(01-01-2018)
Name Control

(1) If the Name Control presented for verification ties into the name on the Name Line, Trade Name Line or In Care of Name Line, leave the generated Name Control. If the generated Name Control does not tie into the above lines or if it is blank, enter the Name Control edited on the return. If the return does not have an edited Name Control, follow the instructions below.

(2) Enter the Name Control. (See Document 7071-A, Name Control Job Aid - For Use Outside of the Entity Area for Name Control Determination.) You do not need to press **<Enter>** if the Name Control is four characters.

(3) If the Name Control is less than four characters, enter those shown and press **<Enter>**.

(4) The Name Control usually consists of the first four significant characters of the taxpayers' name or business name. The first character must be alpha or numeric, and the remaining characters can consist of letters, numbers, an ampersand (&) or a hyphen (-).

Note: If an invalid character is used in the Name Line, ignore the special character when determining the Name Control.

(5) If more than one Name Control is edited or no Name Control is edited and you cannot determine the correct Name Control and the return has an EIN, enter four hyphens ("- - - -") in the Name Control field.

3.41.277.11.3
(01-01-2018)
In Care of Name

(1) The presence of a "%" (percent sign) or "C/O" followed by a name identifies an "In Care of Name".

(2) Search the Name Line, Trade Name Line and Street Address for an "In Care of Name".

(3) Enter "%", space, and then the name immediately following the "%" or "C/O" indicator.

Note: If the In Care of Name line is sent for verification and all information to the right of the "%" sign is correct, it is not necessary to remove any information that may appear to the left of the "%". If all information to the right of the "%" is not correct, clear the field and enter the correct information.

(4) Returns identified by a solid black line above and to the left of the entity area or pound (#) signs to the left of the entity area, represent an IRS label under the National Change of Address (NCOA) program. These labels do not have a Check Digit and are not considered an IRS pre-printed label. The "In Care of Name" information **REQUIRES ENTRY** if present.

(5) Valid characters include alpha, numeric, "-" hyphen, "&" ampersand, and "%" percent sign. The field length is 35 positions long. You must spell out any other symbols (e.g., "$" input as Dollar).

(6) If the In Care of Name is illegible, enter "%-" (percent hyphen without a space between) this sends the document to Error Resolution System (ERS) for more research.

(7) If the document has an IRS pre-printed label without changes to the In Care of Name line, leave blank.

Note: On IRS pre-printed labels if the only change is to the In Care Of (C/O) information, leave the Street, City, State and ZIP fields blank.

3.41.277.11.3.1
(01-01-2022)
Entering Name Lines

(1) Enter the information exactly as shown from the name block on the document except as instructed below:

    a.   Enter an ampersand (&) for the word "AND" or "OR".
    b.   Space for a period.
    c.   Never enter two consecutive spaces.
    d.   Space within a true last name where shown.
    e.   Omit apostrophe (') if shown in Name Line. Do not space for an apostrophe.
    f.   Omit slash (/) if shown in Name Line. Space for a slash.
    g.   Enter a hyphen (-) where shown. Do not space before or after the hyphen.
    h.   Enter numerics present in the Name Line.

(2) When entering the In Care of Name Line, valid characters include A-Z, 0-9, -, %. The system magnifies and highlights the Name Line, Trade Name, and the Address Line when the operator is in the In Care of Name Line.

3.41.277.11.4
(01-01-2018)
Code and Edit Marks

(1) Edit marks and their descriptions:

EDIT MARK	DESCRIPTION
"*" (Asterisk)	The "*" is used to delete tax data or to show that an item is not transcribed. • For money amounts, enter the amount written to the left of the "*", when applicable. • For Line Numbers, enter the money amount on the new line number. • When an "*" appears in the Entity part of the return, enter all information (characters) not lined through.
Bracket (Parentheses) or "—" (Minus)	• Shows an amount is input as negative.
Circle	• Used to delete the Received Date and other erroneous edit marks such as CCC, Action Code, Tax Years, etc. **Note:** A circle can be used to delete any field except for money amounts.
Underline	• Used to identify a Name Control that is to be entered.
Line Through or Circle	• Used to delete Entity information that should not be entered, including a Check Digit.
"/" (Slash) or "X"	• A "/" (slash) or "X" through an entire page shows the page is deleted. • If the "/" (slash) or "X" is on 940 Page 1 and/or 940 Page 2, delete the document as "Unprocessable 940". • For all other pages, including Schedule A and 940 Schedule R or 940 Schedule R Continuation Sheet (except as described below), delete the page as "Unprocessable Attachment." • For Schedule A, if the "/" (slash) or "X" is only through Part 1 or Part 2, this means the information in that part should not be input.

3.41.277.11.5
(01-01-2024)
Entering Code and Edit Fields

(1) Code and Edit fields listed and described in Exhibit 3.41.277-1, Transcription Sheets - Form 940 Entity and Code and Edit Fields.

(2) Code and Edit fields along with 940 Page 1 of the Image presents to the operator.

(3) Press the **<Ctrl>-S** key combination to get out of the Code and Edit fields (during OE and DV).

(4) Code and Edit writes the Computer Conditions Codes (CCC) either to the right of "You MUST fill out both pages of the form and SIGN IT," in the center of the return below Line 15 or in the "bottom middle margin" of the return. It is the responsibility of the operators to input all CCC edited, stamped, or underlined on the return.

(5) The following Computer Conditions Codes (CCC) automatically generate:

IF	THEN
"Amended" box checked	Generate CCC "G"
"Successor employer" box checked	Generate CCC "5"
"No payments to employees in 20XX" box checked	Generate CCC "9"
"Final" box checked	Generate CCC "F"
"Form ID" code starts with "86"	Generate CCC "P"

Note: If CCC "G", "5", "9", and/or "F" is displayed in the CCC field and the box is not checked, or the box has an asterisk (*) edited to the left of it, remove the CCC(s) from the field. Also, make sure the box(es) is not checked erroneously.

Note: If the CCC field is displayed for verification these condition codes must be transcribed if not present and the corresponding box is checked.

(6) Both CCC "F" and "G" require sight verification by the operator. If CCC "G" is input, the system prompts ONLY for the following fields if they are flagged for OE:

- Name Control/Check Digit
- Tax Year
- Received Date
- Type of Return - Amended
- Type of Return - Successor employer
- Type of Return - No payments to employees in 20XX
- Type of Return - Final
- CCC
- Correspondence Received Date
- Schedule R Fields

(7) The IRS Received Date, often referred to as "Received Date," is the date a document is first received by the IRS. It is stamped or edited on Page 1 of the 940 return.

(8) An "Official Received Date Stamp" may consist of no less than:

a. "Month" — alpha or numeric characters.
b. "Day" — two-digits: 01–31. (For example, -1, 1, or 01.)
c. "Year" — two or four digits.
d. Area Office (AO), Campus, Field Office, TAC Office (or similar term for an IRS location) plus the City/Location of the site, or
e. A functional area within one of these sites (e.g., Compliance Services Collection Operations (CSCO), Examination (Exam), Image Control Team (ICT), Correspondence Imaging Inventory(CII), Accounts Management (AM), etc.).

Note: Any Date stamp that **DOES NOT** have the word "Received." should not be entered as the Received Date. **DO NOT** enter dates from other date stamps such as Resort Received Date, Postmark, Received Dates stamped by taxpayers, EEFAX dates, etc.

(9)   The Received Date is input in MMDDYY format. For Example:

- March -7, 2025, is input as 030725,
- June 09, 2025, is input as 060925,
- October 10, 2025, is input as 101025, etc.

(10) The "Received Date" must be an "Official" stamp or edited on the return. If two or more Received Dates are stamped on the return and neither has been edited, pick up the earliest date.

Note: If the Received Date is handwritten, it **DOES NOT** have to have the word "Received."

Caution: Taxpayer Advocate Services (TAS) Received Dates, Fax and EEFAX Received Dates are **NOT VALID** as an IRS Received Date.

(11) If the return has a "Post Mark Date" and a "Received Date," enter the Received Date.

(12) If the return has a "Post Mark Date" and a "Received Date," and the Received Date is circled or edited out, leave the field blank.

(13) If the "Post Mark Date" is the only date on the document, enter 090999.

(14) If the "Received Date" is incomplete, illegible, an invalid day of the month, or a future date, enter 090999. If unsure if the received date requires input, enter 090999.

3.41.277.11.6
(01-01-2018)
Employer Identification Number (EIN)

(1)   The EIN on the Form 940 Page 1 must contain nine numeric digits or blank.

(2)   If the EIN is more than or less than nine digits, illegible, missing, or there is more than one EIN present, press **<F3>** to clear the field and **<Enter>**.

(3)   For 940 Schedule R EIN instructions, see Exhibit 3.41.277-5, Transcription Sheets - Form 940 Schedule R and Schedule R Continuation Sheet (All Revisions).

Note: A return must have **EITHER** an EIN or Name Control to be processable. If the return has either the EIN or Name Control, continue processing. However, if the return does not have an EIN **AND** a Name Control (both blank), delete the document as "Unprocessable 940."

3.41.277.11.7
(06-25-2020)
Address Elements

(1)   With the implementation of the Enhanced Entity Index File (EEIF) a window may appear asking "Is Address changed?" This message includes the In Care of Name Line (%), Street Address, City, State and ZIP Code. If the document has an IRS pre-printed address with no changes, you should answer "NO." You should answer "YES" if the IRS pre-printed address has changes (including % name line).

(2)   If the return has an IRS pre-printed label without changes to the Street Address, City, State or ZIP Code, all these fields must be left blank during OE and/or DV. If any of the fields display information, press **<F3>** and **<Enter>** to remove the information from the field.

(3)   If the return has an IRS pre-printed label without changes to the In Care of Name Line but has a change to the Address, leave the In Care of Name Line blank and enter the Street Address, City, State and ZIP.

(4)   Returns identified by a solid black line above and to the left of the entity area or pound (#) signs to the left of the address, represent an IRS label under the National Change of Address (NCOA) program. These returns **do not** have Check Digits and are not considered an IRS pre-printed label, therefore all In Care of Name Line and Address information require entry.

(5)   Enter the Street Address information exactly as shown on the document except as instructed below. See Exhibit 3.41.277-11, Valid Characters.

    a.   Never enter "local" as the first word in the Street Address. Enter information to the right of "local" only.
    b.   If the only Street Address is "local,", leave the street Address, City, State and ZIP blank. If any of the fields display information, press **<F3>** and **<Enter>** to remove the information from the field.
    c.   If the Street Address has only the DBA, Trade Name or Business Name, leave the Street Address, City, State and ZIP blank. If any of the fields display information, press **<F3>** and **<Enter>** to remove the information from the field.
    d.   If the Street Address has an EIN or SSN, **DO NOT** input this information. If the only Street Address is the EIN or SSN, leave the Street Address, City, State and ZIP blank.

(6)   Enter street abbreviations as shown in Exhibit 3.41.277-6, Street Abbreviations.

Note: Do not abbreviate proper names of the street in the Street Address field.

(7)   If the Street Address and/or City is illegible, suspend the UW as "Poor Quality Image." If unable to correct the Street Address and/or City from the paper document, leave the Street Address, City, State and ZIP fields blank. If necessary, press **<F3>** and **<Enter>** to remove any information present in the fields.

Note: **If any of the address fields are blank, excluding the % Name Line, they all must be blank.**

(8)   If the Street Address and/or City are missing, leave the Street Address, City, State and ZIP fields blank. If necessary, press **<F3>** and **<Enter>** to remove any information that may be in the fields.

Note: **If any of the address fields are blank, excluding the % Name Line, they all must be blank.**

(9)   If return has a US Possession or other foreign address, delete the document as "Unprocessable 940".

(10)   If an address is input during OE or DV, all elements (Street Address, City, State and ZIP) must be entered.

(11)   If two street addresses are present with the same City, State and ZIP Code, enter the first street address.

(12)   If two addresses are present with different cities, states, and ZIP Codes, enter the first address.

(13)   If there is a street address and a PO Box, enter only the PO Box. Treat both "POB" and "PO Drawer" as if they read PO Box.

(14)   If a document has PO BOX, POB, PO Drawer or Post Office Box, you can enter an asterisk (*) followed by a space in the first two positions of the Street Address instead of "PO BOX." It is not necessary to change "PO BOX" to an asterisk if "PO BOX" is scanned.

Example:	Enter As:
PO Box #24	* (space) 24

(15)   Omit C/O or % (In Care Of) if shown with an address.

(16)   Always enter "AND" if an ampersand (&) is shown in the Address Line.

(17)   If @ is shown in the Street Address, enter "AT".

(18)   Major City Codes listed in Exhibit 3.41.277-7 may be used. The system generates a valid five-digit ZIP Code if a Major City Code is used, and a ZIP is not present.

(19)   If North, South, East, or West is shown as part of the city name, use the standard abbreviation (i.e., North = N, South = S, etc.). **Do Not** use a Major City Code in this instance unless found in Exhibit 3.41.277-7, Alphabetical Listing of Major Cities with Major City Codes and Zone Improvement Plan (ZIP) Codes. Example: East Lansing, Mi = ET and South Bend, IN = SB.

Example:	Enter As:
West Miami	W Miami
North Ogden	N Ogden

(20)   If a city has numerics, enter as alphas.

  Example: Enter 29 Palms as TWENTY NINE PALMS.

(21)   Enter standard abbreviations for states.

(22)   If the system presents all nine digits of the ZIP Code correctly, accept them. If the ZIP Code requires correction, only enter the first five digits of the ZIP Code. If less than five digits use the system default ZIP Code.

(23)   If there is no State, but a ZIP Code is present, press the **<Enter>** key in the ZIP field. This generates the State Code for this ZIP Code in the Status Line. Follow the screen prompts to accept this State Code or to enter a different State Code.

(24)   If there is no ZIP Code but a State is present, press the **<Enter>** key in the ZIP field. The system generates the default ZIP Code for that State.

(25) If the State does not match the ZIP Code presented, delete the ZIP, and generate the default ZIP Code for this State.

(26) If both the State and ZIP are blank, leave the Street Address, City, State and ZIP blank. If necessary, press **<F3>** and **<Enter>** to remove any information that present in the fields.

(27) Transcribe Army Post Office (APO), Diplomatic Post Office (DPO) and Fleet Post Office (FPO) addresses with the proper two-character State Code followed by the corresponding unique five-digit ZIP Code.

     a. When APO, DPO or FPO is used, do not enter any other data in the City field.

     b. When APO, DPO or FPO is transcribed in the City field, the State Code field must correspond with the following ZIP Codes:

ZIP CODE	STATE CODE
340	AA
090–098	AE
962–966	AP

Note: Enter all APO/DPO/FPO addresses as follows:

Example	Enter As
APO New York, NY 091XX	APO AE 091XX
DPO Miami, FL 340XX	DPO AA 340XX
FPO San Francisco, CA 962XX	FPO AP 962XX

3.41.277.11.8
(01-01-2023)
Money Amount Fields

(1) All money fields consist of dollars and cents.

(2) Enter money amounts as follows:

Amount on document	Enter as
0.03	03
00.03	03
0.3	30
.035	03

     a. If a dollar and cents amount is present, enter as is.

     b. If a dollar amount is present without cents, enter dollar amount and two zeros for cents.

     c. If a dollar amount is present and it is followed by a line, dash, or hyphen, enter dollar amount and two zeros for cents.

    d.   If a dollar amount is present and the cents are lined through, enter dollar amount and two zeros for cents.

    e.   If there is a single numeric digit in the cents column or following the period, enter the digit followed by a zero.

    f.   If three or more digits appear in the cents column or following the period, enter the first two-digits.

    g.   If money amount is larger than 15 numeric characters, enter only the first 15 digits.

    h.   If money amount is a **negative zero** (e.g., -00, -0.00. -00.00, etc.), **REMOVE IT**. Press **<F3>** to clear the field and then press **<Enter>**.

(3)   Enter negative amounts (identified with a minus "-" before the amount or the amount is within brackets), where allowed, by leading the amount with a hyphen.

(4)   If a negative money amount appears in a positive only field, enter amount as positive.

(5)   If two or more money amounts appear on the same line, press **<F3>** to clear the field, and then press **<Enter>**, unless otherwise instructed.

(6)   If a money amount without a decimal displays with leading zeros (for example: amount on document is 01 and system captured as 001), press **<F3>** to clear the field and enter the amount as shown on the document.

(7)   If the money amount is illegible, suspend the UW as "Poor Quality Image" (**<F9>**; press "S"; select "Poor Quality Image").

(8)   If after suspending for "Poor Quality Image" you still cannot determine the correct money amount from the physical document, press **<F3>** to clear the field and then press **<Enter>**.

(9)   If a code or other non-monetary entry appears in a money field press **<F3>** to clear the field and then press **<Enter>**.

3.41.277.11.9
(01-01-2018)
Poor Quality Image

(1)   Occasionally the Image of the return presented to the OE or DV operator is unreadable. Some reasons for this include:

- Writing on image too light,
- Image too dark to read the writing,
- Image illegible, or
- Image incomplete, etc.

(2)   When working in OE Image or DV Image, if you cannot determine the data for **ANY** field including the Street Address, City, State and ZIP Code, suspend the UW as "Poor Quality Image" (**<F9>**; press "S"; select "Poor Quality Image").

Note: This instruction **DOES NOT** include the EIN or Name Control. See IRM 3.41.277.11.1, Illegible Name Control/EIN.

(3)   The Team Lead or designated employee reviews the Work Status Report for suspended "Poor Quality Image" items and pulls the original return/document from the block and gives to the employee that suspended the UW.

(4)   The employee resumes the suspended block, corrects the data using the paper return and then gives the paper return back to the Team Lead or designated employee.

(5)   The Team Lead or designated employee re-files the return in its original block.

3.41.277.11.10
(06-25-2020)
**Unprocessable
Conditions**

(1)   Currently some returns cannot process through SCRIPS or require processing as OE Paper.

(2)   Delete all returns determined as unprocessable by selecting "Unprocessable 940" for the Pull-Doc Report. (**<Ctrl>-<Shift>-<Delete/Del>**; select "Unprocessable 940").

(3)   Some unprocessable conditions:

a.   Return does not have an EIN **AND** Name Control (if either one of the EIN or Name Control is present, continue processing).
b.   Returns with a U.S. Possession or foreign address. (Processed through ISRP).
c.   If all transcription lines are not available for input due to the form being cut off or folded.
d.   Returns without **BOTH** entity and money amounts (entirely blank forms).
e.   Forms other than Form 940. (Processing of these returns is done using the correct SCRIPS program or through ISRP).
f.   Form has an "X" or "/" across the entire page without an explanation.

Note: If only the Schedule A has an "X" or "/" through the page, delete the Schedule A only as an "Unprocessable Attachment."

g.   The Tax Year is 2005 or prior. (Processed through ISRP).

3.41.277.12
(01-01-2023)
**SCRIPS Transcription
Sheets**

(1)   The following Exhibits represent specific data entry procedures:

•   Exhibit 3.41.277-1, Transcription Sheets - Form 940 Entity and Code and Edit Fields
•   Exhibit 3.41.277-2, Transcription Sheets - Form 940 Page 1 Part 1 through Part 4
•   Exhibit 3.41.277-3, Transcription Sheets - Form 940 Page 2 Part 5 through Part 7
•   Exhibit 3.41.277-4, Transcription Sheets - Form 940 Schedule A
•   Exhibit 3.41.277-5, Transcription Sheets - Form 940 Schedule R and Schedule R Continuation Sheet (All Revisions)

3.41.277.13
(01-01-2023)
Math Validations

(1)   If **Line 9** has a money amount and Line 11 also has a money amount, SCRIPS sends to DV for sight verification.

(2)   If **Line 11** has a money amount and Line 9 is also has a money amount, SCRIPS sends to DV for sight verification.

(3)   If **Line 12** does not equal the sum of Lines 8, 9, 10, and 11, SCRIPS flags Lines 7 (or 7a in 2012 only), 9, 10, 11, and 12, for sight verification, if these lines have not been previously verified.

(4)   If **Line 14** does not equal the difference between Line 12 minus Line 13, SCRIPS sends to DV for sight verification.

(5) If **Line 15** does not equal the difference between Line 13 minus Line 12, SCRIPS sends to DV for sight verification.

(6) SCRIPS performs column balancing for each money amount column for each 940 Schedule R Page 1 to the first Sub-total Line of the page (Line 16 on first page, Line 25 on 940 Schedule R Continuation Sheet). SCRIPS displays "Column out of balance by: $xxx.xx."

3.41.277.14
(01-01-2025)
Other Validations

(1) If Line 15 Refund check box is checked, it is sent to DV for verification. Verify box is picked up correctly. If the box is checked ensure it displays an "X". If the box was mistakenly checked, remove the "X" when it is present.

(2) Use the following to determine the need to input the Third-Party Designee information:

IF	THEN
The "Yes" box is checked	1. Input an "X" in the "Yes" box and input the Personal Identification Number (PIN) alpha and/or numeric in the PIN box. 2. If the PIN is more than five characters (alpha and/or numeric) enter the first five characters only. 3. If the PIN is less than five characters, enter all available characters and leave the rest blank. 4. If the Personal Identification Number is not available or is illegible, leave blank.
The "No" box is checked	Leave the "Yes" box blank. Input the PIN, if present, using the information in 2 through 4 above.
Both the "Yes" and "No" boxes checked	Leave the "Yes" box blank. Input the PIN, if present, using the information in 2 through 4 above.
Neither box is checked	Leave the "Yes" box blank. Input the PIN, if present, using the information in 2 through 4 above.

Note: If both the "Yes" and "No" box is checked, the "Yes" box is sent to the operator for verification.

(3) SCRIPS tries to determine the presence of a signature in Part 7 on 940 Page 2. If SCRIPS detects a signature is present it continues processing. If SCRIPS does not detect a signature, it displays a message to the OE or DV operator.

(4) An "asterisk" (*), or notating "signature on file," or notating "signature on attachment," etc., in the signature box reflects a valid signature is on an attachment.

(5) Very often a preparer marks the signature line with an "X" indicating where the taxpayer should sign the return. When this happens:

IF	AND	THEN
An "X" is shown in the "SIGN your name here" box	There is a name shown in the "Print your name here" box	DO NOT correspond for a signature.
An "X" is shown in the "SIGN your name here" box	There is **NOT** a name shown in the "Print your name here" box	Correspond for a signature using AC 225.

(6)   A signature of an individual, officer, partner, duly authorized agent, etc., affixed by rubber stamp, mechanical device, or computer-generated software to a return is acceptable. The signature may appear on either "Sign your name here" or "Print name and title" line. A signature refers to the name of the individual who attests that the information on the return is true, correct, and complete.

Note: Rev. Proc. 2005–39 sets out the circumstances when facsimile signatures may be used for Form 940. This provision allows for the use of a Mechanical Device. A Mechanical Device includes typewritten signature, or those made by a computer output device (e.g., laser jet, inkjet, and dot matrix printers).

(7)   Returns generated from the Account Management Services (AMS) being sent for processing may not have a signature. If there is an indication, in the signature area, CII or AMS-Do Not Correspond for Signature, and the return has a CCC "3", **DO NOT** input ERS Action Code (AC) 225. If the return does not have a CCC "3", input ERS Action Code (AC) 225. If "Do Not Correspond for Signature" is stamped or edited in the signature area, the operator answers "Yes" to the signature question.

(8)   Use the information in (3) through (7) to determine if ERS AC 225 is needed:

IF	THEN
Message "Is a signature present?" displays on the screen. *Note:* This box may display in the center of 940 Page 2 or next to the signature area on 940 Page 2.	• If signature is present in "Part 7", answer "Yes". • If signature is not present, in "Part 7", answer "No" and enter AC 225, if not already present or AC 211 if edited in the lower left corner of 940 Page 1. *Note:* "AC 211" always take precedence over "AC 225".

Note: If you accidently answer "NO" and the signature is present, **DO NOT** enter an "Action Code."

(9)   SCRIPS flags Line 1a for validation when both Line 1a and Line 1b are blank, or if a Schedule A is attached with Part 1 containing any entries.

(10)   SCRIPS flags Line 1a for sight verification if the State Code is missing.

(11)   SCRIPS flags Line 2 for sight verification if the box is marked.

(12)   SCRIPS flags Schedule A for validation if Part 1 has multiple checked boxes.

(13) SCRIPS flags 940 Page 1 Line 2, 940 Page 1 Line 11 and Schedule A Part 2 Line 2a though Line 2i (form years 2009 and 2010) or Schedule A associated money amounts (form years 2011 and later) for verification if Line 1a has a valid credit reduction state for the tax year entered on Form 940 Page 1 or if Schedule A Part 1 (2009 and 2010) or Schedule A (2011 and later) has any valid credit reduction state box marked for the tax year entered on Form 940 Page 1.

    Reminder: If Line 2 box presents for verification and presents blank, input an "X" to check the box.

(14) SCRIPS flags for sight verification any negative money amount on any 940 Schedule R or 940 Schedule R Continuation Sheet. If amount is still negative, accept negative amount.

(15) SCRIPS flags any money amount for sight verification that displays just a single "1."

(16) SCRIPS flags any money amount that is not numeric (excluding blank).

(17) SCRIPS flags for sight verification any money amount that is over one million dollars.

(18) SCRIPS flags each 940 Schedule R or 940 Schedule R Continuation Sheet where the 940 Schedule R Employer EIN does not equal the EIN on Page 1 of the 940. Display message *"Employer EIN inconsistent. Please verify."*

(19) SCRIPS requires Tax Year be validated during DV if not input during OE processing.

(20) OE Paper: SCRIPS places the input/entered Name Control on the generated image on Name Line 1.

(21) OE Paper: SCRIPS places the input/entered In Care of Name Line on the generated image on the Trade Name Line.

(22) SCRIPS requires the FUTA Wages lines on the Schedule A to be verified if the amount is over $1.00.

3.41.277.15
(01-01-2021)
Block Status Window

(1) The Block Status window displays a more detailed status of the blocks/UWs in the search criteria data entered in the Block Search Criteria window.

(2) A change of operational parameters of blocks/UWs is completed in the Block Status window. Depending on the parameter, a change to the parameter for individual blocks/UWs or multiple blocks/UWs is completed at the same time.

    1. Press the **<Alt>-A** key combination for a selection of all blocks eligible for selection. This excludes blocks reflecting a status of "DELETE" or "DONE." The result is a check symbol on the selected blocks in the Block Selected for Update column.

    2. If you choose to not perform any updates on the selected blocks, you can deselect all blocks by pressing the **<Alt>-A** key combination.

    3. You could also choose to cancel the blocks selected and close the Block Status window by pressing the **<Alt>-X** key combination.

    (3)   Block status monitoring (IPS0697) window displays a more detailed status of the blocks/UWs.

3.41.277.16
(01-01-2024)
Purging Documents

(1)   Purge from the SCRIPS system the files including the document images, ASCII data, and statistical information once the blocks/units-of-work (UW) of documents process through SCRIPS and reach ″accepted″ by down-stream processing, and the transmittals have moved to archive.

Note: Accepted means the output files and ″the returns in those files″ clear all error conditions. The only time you can purge documents prior to the two-week period is if the system gets to 80% capacity or after notifying headquarters.

(2)   It is recommended a system purge occur a minimum of two weeks after the output date.

(3)   Purge only those blocks/UWs available for purge. The system keeps track of blocks/UWs available for purge and only allows you to purge those blocks/UWs. SCRIPS does not allow any blocks waiting for Quality Review (QR) Block Summarization or flagged for Quality Review to purge.

(4)   Do not purge files for reports before six weeks.

Exception: Reports allow deletion after seven working days; however, six weeks is the preference.

(5)   A deleted document and/or block/UW is removed from the system when the form type is purged. The remainder of the form types on SCRIPS operate in the same manner.

Example: Deleted 940 documents/UWs are removed when a Form 940 Block purge is performed. The remainder of the form types operate in the same manner.

(6)   A purge for the form type is initiated and activated before removal of deleted documents/blocks/UWs from the system. If you open a purge window but do not select any blocks for purge, the deleted documents/blocks/UWs do not leave the system. Until the deletion is properly done documents/blocks/UWs remain on the system.

(7)   Retained for 30 days after data is verified as converted to tape per Document 12990, Records Control Schedules, Record Control Schedule (RCS) 32, item 2, Service Center Recognition/Image Processing System (SCRIPS) previously processed under Record Control Schedule (RCS) 19, item 78, Correspondence Imaging Inventory (CII):(B) System Data, the physical documents (UWs scanned in the SCRIPS area). If systemic issues exist for downstream systems a longer period is enforced by headquarters staff.

3.41.277.17
(01-01-2021)
Supervisor Section Form 940 Program Reports

(1)   The following is a listing of the Form 940 reports available on SCRIPS:

-    IRM 3.41.277.17.1, Document Locator Number (DLN) Output Report
-    IRM 3.41.277.17.2, Assigned Document Locator Number (DLN) Report
-    IRM 3.41.277.17.3, Document Locator Number (DLN) Assignment Report

- IRM 3.41.277.17.4, Actual Output Report
- IRM 3.41.277.17.5, Workflow Status Report
- IRM 3.41.277.17.6, Inventory Report
- IRM 3.41.277.17.7, Production Report
- IRM 3.41.277.17.8, Run Balancing Report
- IRM 3.41.277.17.9, Pull Document Report
- IRM 3.41.277.17.10, Throughput Statistics Report
- IRM 3.41.277.17.11, Workstation Operator Statistics - Program and Function Summary Report
- IRM 3.41.277.17.12, FI/DLN Cross Reference Report

3.41.277.17.1
(01-01-2021)
Document Locator Number (DLN) Output Report

(1) The title of the report is 940 DLN Output Report (IPS10640).

(2) The report reflects the entire production for the site for a given time frame.

(3) The report shows the following:

a. Service Center
b. Run Date
c. Page number
d. Program number
e. DLNs and a notation if it is a transmittal DLN or detail DLN
f. File Location Code (FLC), Tax Class and Document Code (TAX/DOC), Julian date, Block number and Volume

3.41.277.17.2
(01-01-2021)
Assigned Document Locator Number Report

(1) The title of the report is 940 Assigned DLN Report (IPS03339).

(2) The report reflects production for the individual scanner for a given time frame.

(3) The report shows the following:

a. Program number
b. Run Date and Time
c. Scanner Job ID
d. Start Time
e. End Time
f. DLNs and a notation if it is a transmittal DLN or detail DLN
g. File Location Code (FLC), Tax Class and Document Code (TAX/DOC), Julian date, Block number and Volume
h. The summary page for the scan job by document code and form type

3.41.277.17.3
(01-01-2021)
Document Locator Number (DLN) Assignment Report

(1) The title of the report is 940 DLN Assignment Report (IPS10620).

(2) The report reflects the total number of DLN assignments by program number for a given time frame.

(3) The report shows the following:

a. Service Center
b. From and to date range
c. Run Date and clock time
d. Page number
e. Program number

f.   Each Batch ID and the coinciding Block Number, Serial Number Range, Unrecognized Documents, Total Documents in Batch and Total Documents Output in Batch for each
g.   Total Documents for each program
h.   Total Documents Output per program
i.   Total Unrecognized Documents per program

3.41.277.17.4
(01-01-2021)
Actual Output Report

(1)   The title of the report is 940 Actual Output Report (IPS10650).

(2)   The report reflects the entire production for the site for a given time frame.

(3)   The report shows the following:

a.   Service Center
b.   FTP File ID number
c.   Run Date and time
d.   Page number
e.   Program number
f.   DLNs and a notation of actual output and number of deleted documents including deleted DLN's
g.   Batch or Form Subtotals
h.   Total for All Batches by each program or form type
i.   Total for All Batches Output

3.41.277.17.5
(01-01-2021)
Workflow Status

(1)   The title of the report is Workflow Status (IPS0698).

(2)   This report lists the task/sub-task number, the sub-task description, blocks at the sub-task, total documents for the block, and documents ready for the sub-task. This report also shows percentages for system capacity used under the following three categories: General, IRP, and IRP/ACA/K1/941/940/Stand-Alone.

(3)   This report is used to monitor documents and system capacity throughout each workday.

3.41.277.17.6
(01-01-2021)
Inventory Report

(1)   The title of the report is Inventory Report (IPS03350).

(2)   The report reflects inventory for a given time frame reflecting the carry over form volume on the SCRIPS system.

(3)   The report shows the following:

a.   Initial Inventory
b.   Process Date
c.   Returns Input
d.   Returns Deleted
e.   Returns Output
f.   Carry Over Inventory
g.   End Time

3.41.277.17.7
(01-01-2021)
Production Report

(1)   The title of the report is 940 Production Report (IPS10660).

(2) The report reflects the following scanned volumes and year to date output totals.

(3) The report shows the following:

    a. Service Center
    b. Run Date and clock time
    c. Page number
    d. Scanned volumes by document code and form type for today, subtotals and totals
    e. Output volumes by document code and form type and deletes for year to date along with cumulative, subtotals and totals
    f. Status summary for all functions for today/current and year to date cumulative

3.41.277.17.8
(01-01-2021)
Run Balancing Report

(1) The title of the report is 940 Run Balancing Report (IPS10610).

(2) The report reflects the entire production for the site for a given date.

(3) The report shows the following:

    a. Service Center
    b. Run Date
    c. Page number
    d. FTP File ID number
    e. The file name (i.e., OCR1008 for form 940)

3.41.277.17.9
(01-01-2022)
Pull Document Report

(1) The title of the report is Reimage/Pull Document Report (IPS00812).

(2) The report lists submissions and documents required to pull (or counted as deleted) for a date range.

(3) The report shows the following:

    a. Service Center
    b. Run Date
    c. Page # - Number
    d. Block
    e. Doc DLN/Seq# - Document DLN Sequence number
    f. App - Application FI, OE or DV
    g. SEID - Standard Employee Identification

       Note: An SEID of 000000 represents the SCRIPS system created the action based on programming and or specific responses to questions posed to the operator.

    h. Date/Time
    i. Reason

Example: Exhibit 3.41.277-9, Pull Document Report

The reason is one of the following pull document report codes:

Report Reason	Condition
INVALID 940	Standalone Form 940 pg 1, or invalid record group, unprocessable
UNREC F1332	F1332 identified
>100 DOCS	Each document identified after 100 records/DLN in a block have been identified
INVALID FORM	FI operator identified as an invalid form
DELETE BLOCK	Identified by operator to delete the block

3.41.277.17.10
(01-01-2021)
Throughput Statistics Report

(1) The title of the report is Throughput Statistics Report (IPS06440).

(2) The report reflects processing function productions for a given date range.

(3) The report rows reflect the following process functions: Scandriver, Transport/Sync, OE Crossover, Form Identification, Block Verification, OE Image, OE Paper, Program Validation, Data Validation, QR Summarization, Block Output, Image Archive, Backup Image Archive and Block Purge.

(4) The report shows the following:

    a.   Service Center
    b.   From and to date range and clock time
    c.   Run Date and clock time
    d.   Page Number
    e.   Processing Functions
    f.   Total Blocks
    g.   Total Documents
    h.   Process Time
    i.   Documents Per Hour

3.41.277.17.11
(01-01-2021)
Workstation Operator Statistics Program and Function Summary Report

(1) The title of the report is Workstation Operator Statistics Program and Function Summary Report (IPS00803).

(2) The report displays the number of documents processed in each function for a given date range.

(3) The report rows reflect the following process functions: 460, 470, 480, 47X, and 48X.

(4) The report shows the following:

    a.   Service Center
    b.   From and to date range
    c.   Run Date and clock time
    d.   Page Number
    e.   Function Code

> f.   Program Number
> g.   Process Time
> h.   Total Keystrokes
> i.   Document Per Hour
> j.   Summary by Program

3.41.277.17.12
(01-01-2021)
FI/DLN Cross Reference Report

(1) The title of the report is 940 FI/DLN Cross Reference Pull Report (IPS10670).

(2) The report lists submissions and documents that require renumbering within each batch of work for a given Output File ID.

(3) The report shows the following:

> a.   Service Center
> b.   Run Date and Time
> c.   Page # - Number
> d.   Output File ID number
> e.   Output Date
> f.   Program Numbers
> g.   Batch
> h.   Scan Block number
> i.   Doc DLN/Seq# - Document DLN Sequence number
> j.   New Block number
> k.   New Doc DLN/Seq# - Document DLN Sequence number
> l.   Total Reassigned DLNs for each individual program

Example: Exhibit 3.41.277-10, 940 FI/DLN Cross Reference Report.

3.41.277.18
(03-15-2024)
Post Document Preparation (Post-Doc Prep)

(1) Use the "DLN Output Report" from the tape run, pull the blocks for each listed batch, counting each block to ensure each listed, and only the listed, DLN(s) on the "Output Report" are present.

(2) Re-print the updated Form 1332, Block and Selection Record, from BBTS. (It should include the actual DLN assigned by SCRIPS).

(3) Provide a copy of the "FI/DLN Cross Reference Report" and the "940 Pull Document Report".

(4) Provide the correct cart card for listing programs by batches on the cart (ERS date card).

(5) If documents come in "stat boxes," it is the responsibility of Post-Doc Prep clerks to place the documents in gusset folders before releasing the work to Error Resolution.

(6) The colored or white folder(s) in the first slot of the batch cart or the first stat box for each batch holds documents that were sent to the "Scanner Reject Bin". Post-Doc Prep should:

> a.   Remove the documents from the batch cart or first stat box.
> b.   Review the batch (all blocks) to ensure all pages associated with the documents have been pulled.

      c.   Write the program number associated with the documents on the first document or on a routing slip and route the documents to Code and Edit/ Batching for processing.

Note: If the documents require batching as "ISRP", include that information on the routing slip.

(7)   The Post-Doc Prep process **MUST** be completed with-in 24 hours of output.

(8)   "FI/DLN Cross Reference Report"

      a.   Some documents from SCRIPS do not have a sprayed DLN but instead have a six-digit FI number and either the first 11 digits of the Block DLN (first 10 FI documents) or the first eight digits of the Block DLN (all remaining FI documents in the block). Use the DLN cross-reference report to find the electronically assigned DLN and write it on Page 1 of the Form 940 (writing the DLN on 940 Page 2, Schedule A, 940 Schedule R and 940 Schedule R Continuation Sheet is optional if the pages are stapled together with the 940 Page 1). See Exhibit 3.41.277-10, 940 FI/DLN Cross Reference Report.

      b.   Place the return (940 Page 1, 940 Page 2, Schedule A, 940 Schedule R and 940 Schedule R Continuation Sheet) in ascending sequence number order within the block.

      c.   Notate the Form 1332 for any document (sequence number) that is moved in the batch (e.g., FI999999).

        Example: If sequence 32 has been renumbered to sequence 99, in the box for sequence 32 notate "moved to 99".

      d.   If a document is missing, research "Document Review" on the SCRIPS system to determine if the document is missing from the block or if it required deletion. If the document has not been deleted, review entire block/batch for the missing document. ONLY as a last resort, if unable to find the document, print a copy of the return from SCRIPS and place it in the block.

      e.   Circle the Document count on Form 1332.

      f.   For **"Perfect"**, place the BBTS generated Form 1332 in the gusset folder with the correct Form 940 documents.

      g.   For **"Imperfect"**, remove the SCRIPS breaker sheet and replace with the BBTS generated Form 1332. Route the SCRIPS breaker sheets back to SCRIPS Pre-Doc Prep area.

      h.   Ensure the attachments in colored folders belong with the documents in the gusset folder.

(9)   Occasionally, as a result of a block of returns having a high unrecognized 940 Page 1 problem, a second block DLN is assigned. The new DLN can be located on the "FI/DLN Cross-Reference Report." When this occurs:

      a.   Pull the return (940 Page 1, 940 Page 2, Schedule A, 940 Schedule R and 940 Schedule R Continuation Sheet),

      b.   If block is **"Imperfect"**, pull associated attachments and place inside a blue folder,

      c.   Perfect the DLN on the return,

      d.   Print Form 1332,

      e.   Prepare a gusset folder write/stamp the DLN on it,

f.   Place the return (940 Page 1, 940 Page 2, Schedule A, 940 Schedule R and 940 Schedule R Continuation Sheet) and blue folder (attachments) inside the gusset folder,

g.   Place the gusset folder in the proper DLN sequence order in the batch.

(10)   The "940 Pull Document Report" is a report that lists all documents that were deleted by the Scanner, the Scanner Operator, or the General Clerk. See Exhibit 3.41.277-9, 940 Pull Document Report.

a.   The 940 Pull Document Report needs to be printed after every output by the person locally designated to do so. Review each item on the report. Only pull returns when all pages have been deleted. **NEVER PULL THE RETURN UNLESS ALL PAGES OF THE FORM 940 ARE LISTED ON THE PULL DOCUMENT REPORT. (I.E., 940 PAGE 1 (XX01) AND 940 PAGE 2 (XX02)).** If only Schedule A Page 3 (XX03) and/or 940 Schedule R Page 4 (XX04) and/or 940 Schedule R Continuation Sheet Page 5 (XX05) is listed on the report, **DO NOT** pull the return. **If the complete return is not being pulled, leave other deleted pages in the batch where located.**

Note: If unsure of action to take (e.g., 940 Page 2 and 940 Page 3 listed but 940 Page 1 is not listed, 940 Page 1 and 940 Page 3 is listed but 940 Page 2 is not listed, 940 Page 2 is listed but 940 Page 1 is not listed), research "Document Review" on the SCRIPS system to determine if the document has been deleted.

b.   The report references each item needing pulled listing the batch number, block number, DLN or FI reference number, and the reason for the deletion (Systemic, OE, DV, etc.).

IF	THEN
The DLN is present	locate the document (940 Page 1, 940 Page 2, Schedule A, 940 Schedule R, 940 Schedule R Continuation Sheet and attachments) within the block. Pages may not necessarily be in sequential order. a. Notate "Deleted" on the corresponding serial number line on the Form 1332. b. Line thru the DLN on all pages of the document. If two DLNs are present, place a band-aid over both DLNs on 940 Page 1, 940 Page 2, Schedule A, 940 Schedule R and 940 Schedule R Continuation Sheet. c. Keep pulled documents in program order and route to Batching/Code and Edit for perfection and processing.

IF	THEN
An FI number is present	locate the document to pull within the block. a. If the pulled document is 940 Page 1, search for 940 Page 2, Schedule A, 940 Schedule R, 940 Schedule R Continuation Sheet and any attachments associated with 940 Page 1. Pull these even if not listed on the Pull Doc Report. Line through the FI number/DLN and associate with 940 Page 1. Maintain program integrity and route to Batching/Code and Edit for perfection and processing. b. If the pulled document is a 940 Page 2, Schedule A, 940 Schedule R and/or 940 Schedule R Continuation Sheet (940 Page 1 is not on list), try to associate with a valid 940 Page 1 in the block (even if 940 Page 1 is not listed on the Pull Doc Report). It is the centers option if the 940 Page 1 DLN is written on the 940 Page 2, Schedule A, 940 Schedule R and/or 940 Schedule R Continuation Sheet. If unable to find a valid 940 Page 1, line through the FI number on the 940 Page 2, Schedule A, 940 Schedule R and/or 940 Schedule R Continuation Sheet and route to Batching/Code and Edit for perfection and processing.
Neither a DLN nor FI number is present on a page/document	research the document in "Document Review" on the SCRIPS system. to determine if the document has been deleted or needs the electronically-assigned DLN to be written in the top right corner. a. If the document has been deleted, pull it from the block, and route to Batching/Code and Edit for perfection and processing. b. If the document has not been deleted write the electronically-assigned DLN on the 940 Page 1 and place in sequence order. It is the centers option if the 940 Page 1 DLN is written on the 940 Page 2 and/or Schedule A and/or 940 Schedule R/940 Schedule R Continuation Sheet. c. Keep pulled documents in program order and route to Batching/Code and Edit for perfection and processing.

Note: Occasionally the reason a document is deleted is because the Form ID code, located in the upper right margin, is incorrect (for example: 940 Page 2 has a Form ID of 850106, 860106, etc.). When the Form ID printed on the form is incorrect, black out the Form ID code prior to sending for processing.

<u>Caution</u>
Do not use felt tip markers to black out information.
Use a black ink pen or pencil.

(11)   After you process the work using the FI DLN Cross-reference Report and 940 Pull Document Report, complete the following:

    a.   For **"Perfect"** blocks, place the BBTS generated Form 1332 in the gusset folder with the correct Form 940.

b. For **"Imperfect"** blocks, remove the SCRIPS breaker sheet and replace it with the BBTS generated Form 1332. Route the SCRIPS breaker sheets to the Pre-Doc Prep function.

c. Circle the document/return count on Form 1332 (the next number after the last sequence number assigned). The only exception is if the last sequence number is 99.

d. Ensure the attachments in colored folders for **"Imperfect"** and the envelopes in the colored folders for the **"Perfect"** blocks belong with the documents/returns in the gusset folder.

e. Write or stamp the DLN on the gusset folder.

f. Make sure the documents/returns within the gusset folder are in sequential DLN order. Post-Doc Prep must ensure the DLN is legible on 940 Page 1 of all documents/returns. If necessary, correct or rewrite the DLN to make it readable.

> ***Note:*** If necessary, write the DLN in the right margin of the return.

g. Perfecting/writing the DLN on 940 Page 2, Schedule A or 940 Schedule R/940 Schedule R Continuation Sheet is optional if the pages are stapled together or attached to the 940 Page 1.

h. Ensure the blocks within the batch are in DLN order in the stat box or on the batch cart.

i. Route the completed batches to the Error Resolution System (ERS) Control Unit.

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Exhibit 3.41.277-1   (01-01-2024)
Transcription Sheets - Form 940 Entity and Code and Edit Fields

The table below explains the screen prompts, description, and instructions for the Entity part of the return, Code and Edit fields and other miscellaneous Code and Edit fields.

OE/DV Screen Prompt	Description	Instructions
Name Ctrl	Name Control	Enter the Name Control. Refer to IRM 3.41.277.11.2.2, Name Control/ Check Digit for complete instructions.
Check Digits	Check Digit	Press the **<Enter>** key. Refer to IRM 3.41.277.11.2.1, Name Control/ Check Digit for complete instructions.
EIN	Employer Identification Number	Enter the EIN from the "Employer Identification Number (EIN)" boxes. The EIN must be nine numerics or blank. Refer to IRM 3.41.277.11.6, Employer Identification Number (EIN) for complete instructions.
In Care of Name	In Care of Name Line	Enter "%", space, and then the name immediately following the "%" sign or "C/O" indicator on the document. If the information is illegible, enter "%-". Refer to IRM 3.41.277.11.3, In Care of Name for complete instructions.
Address	Street Address	Enter the street address information as shown or edited from the address box in the entity area, if present. Refer to IRM 3.41.277.11.7, Address Elements for complete instructions.
City	City	Enter the city from the city box in the entity area or the Major City Code (MCC) as appropriate. Refer to IRM 3.41.277.11.7, Address Elements for complete instructions.
State	State	Enter the standard state abbreviation from the state box in the entity area. If the Major City Code was entered, this field is bypassed. Refer to IRM 3.41.277.11.7, Address Elements for complete instructions.

Exhibit 3.41.277-1 (Cont. 1) (01-01-2024)
Transcription Sheets - Form 940 Entity and Code and Edit Fields

OE/DV Screen Prompt	Description	Instructions
ZIP	ZIP Code	Enter the ZIP Code from the ZIP Code box in the entity area. If the ZIP Code is missing press **<Enter>** to generate the generic ZIP Code. Refer to IRM 3.41.277.11.7, Address Elements for complete instructions.
Rec Date	Received Date	Enter the Received Date as stamped or edited on the face of the return. Enter the six-digit received date in MMDDYY format. Ignore the Century "20". If the received date is incomplete or illegible, enter 090999. Refer to IRM 3.41.277.11.5, Entering Code and Edit Fields for complete instructions. *Note:* If the Received Date is handwritten, it **DOES NOT** have to have the word "Received."
Comp Cond	Computer Condition Code (CCC)	Enter the edited, stamped, or underlined code(s) from the space to the right of the phrase "You MUST fill out both pages of this form and SIGN IT", after generated codes if present. • If CCC is invalid, delete the invalid code and continue processing valid codes. • Valid codes include D, J, R, F, G, O, P, W, X, 3, 4, 5, 7, 9, or blank. *Note:* For CCC "G," the system ONLY prompts for the following fields if they are flagged for OE: Name Control/ Check Digit, Tax Year, Received Date, CCC, and the 940 Schedule R fields.

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Exhibit 3.41.277-1 (Cont. 2) (01-01-2024)
Transcription Sheets - Form 940 Entity and Code and Edit Fields

OE/DV Screen Prompt	Description	Instructions
ERS Action	ERS Action Codes	Enter the edited digits from the bottom left corner of Page 1 of the return. • Valid codes include 211 through 499. ***Note:*** AC 211 takes precedence over all other Action Codes. ***Reminder:*** ERS Action Code "480" generates for returns with future tax periods after the tax period has been entered. If you back up to the ERS Action Code or other prior fields after the tax period has been entered and ERS Action Code "480" is now present, do not clear the field. Leave the "480" and process as normal.
Type of Return	Type of Return box	Enter an "X" in all boxes marked by the taxpayer.
Tax Year	Tax Year	The Tax Year is a **MUST ENTER FIELD** and requires two consecutive matching entries. Enter the Tax Year in YY format as: 1. Edited above the "Type of Return" box. 2. From the Tax Year in the title of the form. 3. As written by the taxpayer. 4. If unable to determine the Tax Year, process as current year. ***Reminder:*** The Tax Year cannot be 2005 or prior. ***Note:*** ERS Action Code "480" generates for returns with Future Tax Years after the Tax Year has been entered. If you back up to the ERS Action Code or other prior fields after the Tax Year has been entered and ERS Action Code "480" is present, DO NOT clear the field. Leave the ERS Action Code as "480" and continue processing as normal.

Exhibit 3.41.277-2   (04-03-2024)
Transcription Sheets - Form 940 Page 1 Part 1 through Part 4

The table below explains the screen prompts, description and instructions for the lines entered for Part 1, Part 2, Part 3 and Part 4 of the return.

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Exhibit 3.41.277-2 (Cont. 1) (04-03-2024)
Transcription Sheets - Form 940 Page 1 Part 1 through Part 4

OE/DV Screen Prompt	Description	Instructions
State Code [Line 1a]	Paid State Unemployment Tax in one state only.	Enter the two-character state code. 1. If the state code is missing and box 1b is blank, enter the state code from the entity area of the return. 2. If box 1a is presented for verification and box 1b is checked, leave box 1a blank. 3. If box 1a is presented for verification and box 1b is blank, enter the information from box 1a or from the entity area if box 1a is blank. 4. If the state code is missing or illegible in the entity area of the return, leave blank. 5. If the state code is "Invalid," enter the State Code from the entity area of the return. **Note:** If state code "ZZ," is present, leave blank.
Multi-State [Line 1b]	Paid State Unemployment Tax in more than one state.	Enter an "X" if the box is checked.
Credit Red [Line 2]	Paid Wages in Credit Reduction State	Enter an "X" only if the box is checked. **Exception:** SCRIPS flags 940 Page 1 Line 2, 940 Page 1 Line 11 and Schedule A associated money amounts for verification if Line 1a has a valid credit reduction state for the tax year entered on Form 940 Page 1 or if Schedule A has any valid credit reduction state box marked for the tax year entered on Form 940 Page 1. When Line 2 box displays for verification and is blank, input an "X" to check the box.
FUTA Wages [Line 7]/7a **Note:** Line 7a is only valid for Tax Year 2011.	Total taxable FUTA wages paid	Enter amount from box 7. Enter amount from box 7a (form revision 2011 only).

Exhibit 3.41.277-2 (Cont. 2) (04-03-2024)
Transcription Sheets - Form 940 Page 1 Part 1 through Part 4

OE/DV Screen Prompt	Description	Instructions
FUTA Wages before 7/1/2012 [Line 7b] *Note:* Line 7b is only valid for Tax Year 2011.	FUTA wages paid before 7/1/2012	Enter amount from box 7b (is valid for form revision 2011 only).
FUTA Wages before 7/1/2012 x .008 [Line 7c] *Note:* Line 7c is only valid for Tax Year 2011.	7b x .008	Enter amount from box 7c (is valid for form revision 2011 only).
FUTA Wages after 6/30/2012 [Line 7d] *Note:* Line 7d is only valid for Tax Year 2011.	FUTA wages paid after 6/30/2012	Enter amount from box 7d (is valid for form revision 2011 only).
FUTA Wages after 6/30/2012 x .006 [Line 7e] *Note:* Line 7e is only valid for Tax Year 2011.	7d x .006	Enter amount from box 7e (is valid for form revision 2011 only).
FUTA Tax before Adj [Line 8]	FUTA tax before adjustments	Enter amount from box 8.
Adjustments [Line 9]	All FUTA wages were excluded from state unemployment tax	Enter amount from box 9.
Excluded Wages [Line 10]	Some FUTA wages were excluded from state unemployment tax or any state unemployment tax was paid late	Enter amount from box 10.
Credit Red Amt [Line 11] *Note:* Use these instructions for Tax Year 2010 and later only.	Credit Reduction from Schedule A	Enter amount from box 11.
Adjusted Total [Line 12]	Total FUTA after adjustments	Enter amount from box 12.

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Exhibit 3.41.277-2 (Cont. 3) (04-03-2024)
Transcription Sheets - Form 940 Page 1 Part 1 through Part 4

OE/DV Screen Prompt	Description	Instructions
Total Deposits [Line 13]	FUTA tax deposited	Enter amount from box 13.
Balance Due [Line 14]	Balance Due	Enter amount from box 14.
Overpayment [Line 15]	Overpayment	Enter amount from box 15.
Send Refund	Refund Indicator (Send a refund check box)	• Enter an "X" if **ONLY** the "Send a Refund" box is checked. • If both boxes are checked, no box is checked, or "Apply to Next Return" box is checked, leave blank and press **\<Enter\>**.

Reminder: 940 Schedule R is only valid for tax year 2011 and later. If any field on the 940 Schedule R is illegible, suspend the UW as "Poor Quality Image" (**\<F9\>**; press "S"; select "Poor Quality Image"). If after suspending for "Poor Quality Image" you still cannot determine the correct field entry from the physical document press **\<F3\>** to clear the field and then press **\<Enter\>**.

Exhibit 3.41.277-3   (01-01-2023)
Transcription Sheets - Form 940 Page 2 Part 5 through Part 7

The table below explains the screen prompts, description and instructions for the lines entered for Part 5, Part 6 and Part 7 of the return.

OE/DV Screen Prompt	Description	Instructions
1st Quarter	1st Quarter FUTA tax liability	Enter amount from box 16a.
2nd Quarter	2nd Quarter FUTA tax liability	Enter amount from box 16b.
3rd Quarter	3rd Quarter FUTA tax liability	Enter amount from box 16c.
4th Quarter	4th Quarter FUTA tax liability	Enter amount from box 16d.
3rd Party Yes	Do you want to allow an employee, a paid tax preparer, or another person to discuss this return with the IRS? (Third-Party Designee Check box)	Enter an "X" if only the "Yes" box is checked in Part 6. If the "No" box, neither box or both boxes are checked, leave blank and press **<Enter>**. Refer to IRM 3.41.277.14, Other Validations for complete instructions.
3rd Party Pin	Third-Party Designee's ID Number	Enter the Third-Party Designee's ID number as shown. (Alpha and/or Numeric) Refer to IRM 3.41.277.14, Other Validations for complete instructions.
PTIN	Preparer's PTIN	Enter the Preparer's PTIN. This entry is the "Preparer TIN," consisting of the letter "P," followed by eight numerics. If the PTIN is missing, more or less than nine characters or illegible, press **<F3>** to clear the field and **<Enter>**. ***Note:*** If information appears other than in the designated box (i.e., stamp information) enter the information.
Firms EIN	Firms EIN	Enter Firm's EIN. If the Firm's EIN is missing, more or less than nine numerics or illegible, press **<F3>** to clear the field and **<Enter>**. If not available, illegible, more or less than nine, press **<F3>** to clear the field and **<Enter>**. ***Note:*** If information appears other than in designated box (i.e., stamp information) enter the information.

Exhibit 3.41.277-3 (Cont. 1) (01-01-2023)
Transcription Sheets - Form 940 Page 2 Part 5 through Part 7

OE/DV Screen Prompt	Description	Instructions
Prep Phone	Preparer's Telephone Number	Enter the Preparer's Telephone Number. 1. If the number has 11 digits and the first digit is 1, skip the first digit and input the remaining 10 digits. 2. For all other 11-digit numbers, numbers with less than 10 digits, or illegible numbers; press **<F3>** to clear the field and **<Enter>**. ***Note:*** If information appears other than in designated box (i.e., stamp information) enter the information.
Signature	Signature Presence	When the message "Is a signature present" displays on the screen. Enter "Y" for Yes, or "N" for No. Refer to IRM 3.41.277.14, Other Validations for complete instructions.

Exhibit 3.41.277-4   (01-01-2023)
Transcription Sheets - Form 940 Schedule A

The table below explains the screen prompts, description and instructions for Schedule A

OE/DV Screen Prompt	Description	Instructions
FUTA State (Line 1 through Line 53)	States where unemployment was paid this year	Enter an "X" in every box (to the left of the State abbreviation) marked by the taxpayer. If no boxes are checked, leave blank. ***Note:*** It is not mandatory that every state have a money amount and is not mandatory that every money amount have a state box checked. Enter as shown.
FUTA Wages ***Note:*** This field only displays if the State is a Credit Reduction state for Tax Year entered on Page 1 of return.	FUTA Taxable Wages	Enter amounts from FUTA Taxable Wages column that corresponds to the State Code. ***Note:*** It is not mandatory that every state have a money amount and is not mandatory that every money amount have a state box checked. Enter as shown.
FUTA Wages (Line 2a) ***Note:*** Line 2a is for 2010 and prior only.	Wages paid in a credit reduction state	Enter amounts from Line 2a.
FUTA Wages (Line 2c) ***Note:*** Line 2c is for 2010 and prior only.	Wages paid in a credit reduction state	Enter amounts from Line 2c.
FUTA Wages (Line 2e) ***Note:*** Line 2e is for 2010 and prior only.	Wages paid in a credit reduction state	Enter amounts from Line 2e.
FUTA Wages (Line 2g) ***Note:*** Line 2g is for 2010 and prior only.	Wages paid in a credit reduction state	Enter amounts from Line 2g.

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Exhibit 3.41.277-4 (Cont. 1) (01-01-2023)
Transcription Sheets - Form 940 Schedule A

OE/DV Screen Prompt	Description	Instructions
FUTA Wages (Line 2i) ***Note:*** Line 2i is for 2010 and prior only.	Wages paid in a credit reduction state	Enter amounts from Line 2i.

Reminder: If any field on the Schedule A is illegible, suspend the UW as "Poor Quality Image" (**<F9>**; press "S"; select "Poor Quality Image"). If after suspending for "Poor Quality Image" you still cannot determine the correct field entry from the physical document, press **<F3>** to clear the field and then press **<Enter>**.

Exhibit 3.41.277-5   (01-01-2023)

Transcription Sheets - Form 940 Schedule R and Schedule R Continuation Sheet (All Revisions)

The table below explains the screen prompts, description and instructions for Schedule R and Schedule R Continuation Sheet.

Exception: For instructions for processing the Stand-Alone 940 Schedule R see IRM 3.41.276, Optical Character Recognition Scanning Operations-Form 941 and Schedule R Processing on Service Center Recognition/Image Processing System.

Note: 940 Schedule R is only valid for Tax Year 2011 and later.

Reminder: **940 Schedule R(s) received on a nonconforming document (i.e., a spreadsheet, list, or a similar format), delete the entire return from the block and route to Code and Edit for perfection.**

OE/DV Screen Prompts	Description	Instructions
Enter Page Number and Form Year (PPYY)	Valid 940 Schedule R form year	Enter last four-digits from form code ID in top right corner of form. Valid entries are "0510, 0610, 0511, 0611, 0512, 0612, 0517 or 0617."
EIN	Employer EIN from top of page	Enter the Employer EIN from the top of the page. a. If 940 Schedule R EIN is different from EIN on 940 Page 1, the screen displays the EIN from 940 Page 1 and "Employer EIN inconsistent, Please Verify" displays on the bottom of the screen. b. Correct any invalid characters, press **\<Enter>**. c. If EIN on 940 Schedule R is entered correctly and is different from the EIN on 940 Page 1, press **\<Enter>**. d. If the 940 Schedule R EIN is blank, press the **\<Ctrl>-D** key combination. This duplicates the EIN from 940 Page 1 of the form. e. If the number is incomplete or illegible, input the available numbers and insert a period in the remaining spaces (91.111.11 or 911111...). f. If the EIN from the 940 Schedule R and 940 Page 1 is missing, enter nine periods. g. If the EIN has more than nine digits, enter the first nine digits.

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Exhibit 3.41.277-5 (Cont. 1) (01-01-2023)
Transcription Sheets - Form 940 Schedule R and Schedule R Continuation Sheet (All Revisions)

OE/DV Screen Prompts	Description	Instructions
Section 3504 Agent **Reminder:** Use these instructions for 2017 and later revisions only.	Type of Filer-Section 3504 Agent	Enter an "X" if the Section 3504 Agent box is marked.
CPEO **Reminder:** Use these instructions for 2017 and later revisions only.	Type of Filer-Certified Professional Employer Organization (CPEO)	Enter an "X" if the CPEO box is marked.
Line nn Column a - EIN **Note:** nn will display as the actual line number according to the form revision. (i.e. LN 1 Col a, LN 2 Col a, etc.)	Clients Employer. Identification Number EIN	Enter the Clients EIN from column (a): • box 1 through 15 of Sch R and/or box 1 through 22 of Sch R Continuation Sheet for form revisions 2017 and later • box 1 through 15 of Sch R and/or box 1 through 25 of Sch R Continuation Sheet for form revisions 2010 through 2014 a. EIN must be nine positions. Valid characters include 0–9 and period (.). b. If number is more than nine numerics, enter only the first nine digits. c. If any number is illegible, enter a period (.) in place of the number. **Example:** 91.1..111 d. If the number is incomplete, input the available numbers and put a period in the remaining spaces. e. If the number is missing, put in nine periods. f. Cannot be blank if money amounts are present on same line.

Exhibit 3.41.277-5 (Cont. 2) (01-01-2023)
Transcription Sheets - Form 940 Schedule R and Schedule R Continuation Sheet (All Revisions)

OE/DV Screen Prompts	Description	Instructions
Line nn Column b - St Code ***Note:*** nn will display as the actual line number according to the form revision. (i.e. LN 1 Col b, LN 2 Col b, etc.)	State abbreviation from Form 940 Line 1a or Schedule A (Form 940)	Enter the State Code from column (b): • box 1 through 15 of Sch R and/or box 1 through 22 of Sch R Continuation Sheet for form revisions 2017 and later • box 1 through 15 of Sch R and/or box 1 through 25 of Sch R Continuation Sheet for form revisions 2010 through 2014
Line nn Column c - Typ wag ***Note:*** nn will display as the actual line number according to the form revision. (i.e. LN 1 Col c, LN 2 Col c, etc.) ***Reminder:*** Use these instructions for form revisions 2017 and later only.	Type of Wages, tips and other compensation (CPEO Use Only)	Enter the Type of Wages from column (c) box 1 through 15 of Sch R and/or box 1 through 22 of Sch R Continuation Sheet for form revisions 2017 and later. 1. If Type of Wage is invalid, delete the invalid code. Valid codes include A, B, C, D, and blank. 2. If more than one code is present, press **<F3>** to clear the field and then press **<Enter>**.
• Line nn Column d - FUTA Wages (for form revisions 2017 and later) • Line nn Column c - FUTA Wages (form revisions 2010 through 2014) ***Note:*** nn will display as the actual line number according to the form revision. (i.e. LN 1 Col d, LN 2 Col d, etc.)	Total Taxable FUTA wages allocated to the listed client EIN from Form 940, Line 7 (Line 7a form revision 2011).	Enter the money amount from: • column (d) box 1 through 15 of Sch R and/or box 1 through 22 of Sch R Continuation Sheet for form revisions 2017 and later • column (c) box 1 through 15 of Sch R and/or box 1 through 25 of Sch R Continuation Sheet for form revisions 2010 through 2014

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Exhibit 3.41.277-5 (Cont. 3) (01-01-2023)
Transcription Sheets - Form 940 Schedule R and Schedule R Continuation Sheet (All Revisions)

OE/DV Screen Prompts	Description	Instructions
• Line nn Column e - Adjust FUTA (form revisions 2017 and later) • Line nn Column d - Adjust FUTA (form revisions 2010 through 2014) *Note:* nn will display as the actual line number according to the form revision. (i.e. LN 1 Col e, LN 2 Col e, etc.)	Total Adjustment to FUTA tax allocated to the listed client EIN from Form 940, Line 9 or Line 10.	Enter the money amount from: • column (e) box 1 through 15 of Sch R and/or box 1 through 22 of Sch R Continuation Sheet for form revisions 2017 and later • column (d) box 1 through 15 of Sch R and/or box 1 through 25 of Sch R Continuation Sheet for form revisions 2010 through 2014
• Line nn Column f - Cred. Red (form revisions 2017 and later) • Line nn Column e - Cred. Red (form revisions 2010 through 2014) *Note:* nn will display as the actual line number according to the form revision. (i.e. LN 1 Col f, LN 2 Col f, etc.)	Credit reduction amount allocated to the listed client EIN from Form 940, Line 11.	Enter the money amount from: • column (f) box 1 through 15 of Sch R and/or box 1 through 22 of Sch R Continuation Sheet for form revisions 2017 and later • column (e) box 1 through 15 of Sch R and/or box 1 through 25 of Sch R Continuation Sheet for form revisions 2010 through 2014

Exhibit 3.41.277-5 (Cont. 4) (01-01-2023)
Transcription Sheets - Form 940 Schedule R and Schedule R Continuation Sheet (All Revisions)

OE/DV Screen Prompts	Description	Instructions
• Line nn Column g - FUTA Tax Adj (form revisions 2017 and later) • Line 1 Column f - FUTA Tax Adj (form revisions 2010 through 2014) *Note:* nn will display as the actual line number according to the form revision. (i.e. LN 1 Col g, LN 2 Col g, etc.)	Total FUTA Tax after Adjustments allocated to the listed client EIN from Form 940, Line 12.	Enter the money amount from: • column (g) box 1 through 15 of Sch R and/or box 1 through 22 of Sch R Continuation Sheet for form revisions 2017 and later • column (f) box 1 through 15 of Sch R and/or box 1 through 25 of Sch R Continuation Sheet for form revisions 2010 through 2014
• Line nn Column h - Tot FUTA Dep (form revisions 2017 and later) • Line nn Column g - Tot FUTA Dep (form revisions 2010 through 2014) *Note:* nn will display as the actual line number according to the form revision. (i.e. LN 1 Col h, LN 2 Col h, etc.)	Total FUTA Tax deposits from Form 940, Line 13, Plus any payments made with the return allocated to the listed client EIN.	Enter the money amount from: • column (h) box 1 through 15 of Sch R and/or box 1 through 22 of Sch R Continuation Sheet for form revisions 2017 and later • column (g) box 1 through 15 of Sch R and/or box 1 through 25 of Sch R Continuation Sheet for form revisions 2010 through 2014
• Line 16/Line 23 Column c through Column h (form revisions 2017 and later) • Line 16/Line 26 Column c through Column g (form revisions 2010 through 2014)	Subtotal for Clients.	Enter the money amount from: • column (c) through column (h) box 16 of Sch R and/or box 23 of Sch R Continuation Sheet for form revisions 2017 and later • column (c) through column (g) box 16 of Sch R and/or box 26 of Sch R Continuation Sheet for form revisions 2010 through 2014

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Exhibit 3.41.277-5 (Cont. 5) (01-01-2023)
Transcription Sheets - Form 940 Schedule R and Schedule R Continuation Sheet (All Revisions)

OE/DV Screen Prompts	Description	Instructions
• Line 17 Column c through Column h (form revisions 2017 and later) • Line 17 Column c through Column g (form revisions 2010 through 2014)	Combined subtotals of all Continuation Sheets.	Enter the money amount from: • column (c) through column (h) box 17 of Sch R for form revisions 2017 and later • column (c) through column (g) box 17 of Sch R for form revisions 2010 through 2014
• Line 18 Column c through Column h (form revisions 2017 and later) • Line 18 Column c through Column g (form revisions 2010 through 2014)	Form 940 amounts for your employees.	Enter the money amount from: • column (c) through column (h) box 18 of Sch R for form revisions 2017 and later • column (c) through column (g) box 18 of Sch R for form revisions 2010 through 2014
• Line 19 Column c through Column h (form revisions 2017 and later) • Line 19 Column c through Column g (form revisions 2010 through 2014)	Total of Lines 16, 17 and 18.	Enter the money amount from: • column (c) through column (h) box 19 of Sch R for form revisions 2017 and later • column (c) through column (g) box 19 of Sch R for form revisions 2010 through 2014

Reminder: 940 Schedule R is only valid for Tax Year 2011 and later. If any field on the 940 Schedule R is illegible, suspend the UW as "Poor Quality Image" (**<F9>**; press "S"; select "Poor Quality Image"). If after suspending for "Poor Quality Image" you still cannot determine the correct field entry from the physical document press **<F3>** to clear the field and then press **<Enter>**.

Exhibit 3.41.277-6   (01-01-2023)
Street Abbreviations

Street abbreviations that must be used when it is necessary to reduce the address to 35 characters. It is not necessary to abbreviate any word if the address is less than 35 characters (including spaces). However, if the word is abbreviated or spelled out, it must agree with the chart below.

Note: Abbreviate North, South, East, and West only when it is used as a direction of a street, avenue, etc.

WORD	ABBREVIATION
Air Force Base	AFB
Alley	ALY
Annex	ANX
Arcade	ARC
Apartment	APT
Avenue	AVE
Basement	BSMT
Bayou	BYU
Beach	BCH
Bend	BND
Bluff(s)	BLF(S)
Bottom	BTM
Boulevard	BLVD
Branch	BR
Bridge	BRG
Brook(s)	BRK(S)
Building	BLDG
Burg(s)	BG(S)
Bypass	BYP
Camp	CP
Canyon	CYN
Cape	CPE
Causeway	CSWY
Center(s)	CTR(S)
Circle(s)	CIR(S)
Cliff(s)	CLF(S)
Club	CLB

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Exhibit 3.41.277-6 (Cont. 1) (01-01-2023)
Street Abbreviations

WORD	ABBREVIATION
Common	CMN
Corner(s)	COR(S)
Course	CRSE
Court(s)	CT(S)
Cove(s)	CV(S)
Creek	CRK
Crescent	CRES
Crest	CRST
Crossing	XING
Crossroad	XRD
Curve	CURV
Dale	DL
Dam	DM
Department	DEPT
Divide	DV
Drive(s)	DR(S)
East, Ea	E
Estate(s)	EST(S)
Expressway	EXPY
Extension(s)	EXT(S)
Ferry	FRY
Field(s)	FLD(S)
First	1ST
Flat(s)	FLT(S)
Floor	FL
Ford(s)	FRD(S)
Forest	FRST
Forge(s)	FRG(S)
Fork(s)	FRK(S)
Fort	FT

Exhibit 3.41.277-6 (Cont. 2) (01-01-2023)
Street Abbreviations

WORD	ABBREVIATION
Freeway	FWY
Front	FRNT
Garden(s)	GDN(S)
Gateway	GTWY
Glen(s)	GLN(S)
Green(s)	GRN(S)
Grove(s)	GRV(S)
Hanger	HNGR
Harbor(s)	HBR(S)
Haven	HVN
Heights	HTS
Highway	HWY
Highway Contract	HC
Hill(s)	HL(S)
Hollow	HOLW
Inlet	INLT
Island(s)	IS(S)
Junction(s)	JCT(S)
Key(s)	KY(S)
Knoll(s)	KNL(S)
Lake(s)	LK(S)
Landing	LNDG
Lane	LN
Light(s)	LGT(S)
Loaf	LF
Lobby	LBBY
Lock(s)	LCK(S)
Lodge	LDG
Lower	LOWR
Manor(s)	MNR(S)
Meadow(s)	MDW(S)

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Exhibit 3.41.277-6 (Cont. 3) (01-01-2023)
Street Abbreviations

WORD	ABBREVIATION
Mill(s)	ML(S)
Mission	MSN
Motorway	MTWY
Mount	MT
Mountain(s)	MTN(S)
Neck	NCK
North, No. No *Caution:* ONLY when used as a direction.	N
Northeast, N.E.	NE
Northwest, N.W.	NW
Office	OFC
One fourth, One quarter	1/4
One half	1/2
Orchard	ORCH
Overpass	OPAS
Parkway(s)	PKWY
Passage	PSGE
Penthouse	PH
Pine(s)	PNE(S)
Place	PL
Plain(s)	PLN(S)
Plaza	PLZ
Point(s)	PT(S)
Port	PRT
Post Office Box, PO Box, P.O. Box, P.O. Drawer, POB, PO	PO BOX See IRM 3.41.277.11.7 (14) for additional instructions.
Prairie	PR
Private Mailbox	PMB
Radial	RADL
Ranch	RNCH

Exhibit 3.41.277-6 (Cont. 4) (01-01-2023)
Street Abbreviations

WORD	ABBREVIATION
Rapid(s)	RPD(S)
Rest	RST
Ridge(s)	RDG(S)
River	RIV
Road(s)	RD(S)
Room	RM
Route, Rte., RT	RTE
Rural Route, Rural Delivery, R.D, RFD, R.F.D.	RR
Shoal(s)	SHL(S)
Shore(s)	SHR(S)
Skyway	SKWY
South, So., So	S
Southeast, S.E.	SE
Southwest, S.W.	SW
Space	SPC
Spring(s)	SPG(S)
Square(s)	SQ(S)
Station	STA
Stravenue	STRA
Stream	STRM
Street(s)	ST(S)
Suite	STE
Summit	SMT
Terrace, Terr	TER
Throughway	TRWY
Trace	TRCE
Track	TRAK
Trafficway	TRFY
Trail	TRL
Trailer	TRLR
Tunnel	TUNL

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Exhibit 3.41.277-6 (Cont. 5) (01-01-2023)
Street Abbreviations

WORD	ABBREVIATION
Turnpike	TPKE
Underpass	UPAS
Union(s)	UN(S)
Upper	UPPR
Valley(s)	VLY(S)
Viaduct	VIA
View(s)	VW(S)
Village(s)	VLG(S)
Ville	VL
Vista	VIS
Well(s)	WL(S)
West, We	W

Exhibit 3.41.277-7   (01-01-2022)
Alphabetical Listing of Major Cities with Major City Codes and Zone Improvement Plan (ZIP) Codes

Alphabetical listing of Major Cities Codes (MCC) in city order.

CITY	STATE	MCC	ZIP CODE
Aberdeen	SD	AD	574
Abilene	TX	AB	796
Akron	OH	AK	443
Albany	GA	AY	317
Albany	NY	AL	122
Albuquerque	NM	AQ	871
Alexandria	VA	AX	223
Alhambra	CA	YA	918
Allentown	PA	AW	181
Amarillo	TX	AM	791
Anaheim	CA	AH	928
Anchorage	AK	AN	995, 996
Anderson	SC	AJ	296
Ann Arbor	MI	AP	481
Arlington	TX	IA	760
Arlington	VA	AR	222
Arvada	CO	AV	800, 804
Asheville	NC	AS	288
Athens	GA	AE	306
Atlanta	GA	AT	303, 311, 399
Atlantic City	NJ	AC	084
Auburn	AL	AF	368
Augusta	ME	AA	043
Augusta	GA	AG	309
Aurora	CO	AZ	800
Aurora	IL	AO	605
Austin	TX	AU	733, 787
Bakersfield	CA	BD	933
Baltimore	MD	BA	212

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Exhibit 3.41.277-7 (Cont. 1) (01-01-2022)
Alphabetical Listing of Major Cities with Major City Codes and Zone Improvement Plan (ZIP) Codes

CITY	STATE	MCC	ZIP CODE
Baton Rouge	LA	BR	708
Battle Creek	MI	QK	490
Beaumont	TX	BT	777
Bellingham	WA	BH	982
Berkeley	CA	BE	947
Bethlehem	PA	BM	180
Billings	MT	IB	591
Biloxi	MS	BL	395
Binghamton	NY	BC	139
Birmingham	AL	BI	352
Bismarck	ND	BB	585
Bloomington	IN	BQ	474
Bloomington	MN	BN	554
Boca Raton	FL	BZ	334
Boise	ID	BS	837
Bossier City	LA	BW	711
Boston	MA	BO	021, 022
Boulder	CO	BV	803
Bradenton	FL	BG	342
Bremerton	WA	BY	983
Bridgeport	CT	BP	066
Bronx	NY	BX	104
Brooklyn	NY	BK	112
Brownsville	TX	BJ	785
Buffalo	NY	BF	142
Burlington	VT	BU	054
Cambridge	MA	CB	021, 022
Camden	NJ	CD	081
Canton	OH	CA	447
Cape Coral	FL	CF	339

Exhibit 3.41.277-7 (Cont. 2) (01-01-2022)
Alphabetical Listing of Major Cities with Major City Codes and Zone Improvement Plan (ZIP) Codes

CITY	STATE	MCC	ZIP CODE
Casper	WY	CZ	826
Cedar Rapids	IA	CR	524
Champaign	IL	CX	618
Chandler	AZ	YZ	852
Chapel Hill	NC	CJ	275
Charleston	SC	CT	294
Charleston	WV	CW	253
Charlotte	NC	CE	282
Charlottesville	VA	CV	229
Chattanooga	TN	CG	374
Chesapeake	VA	CP	233
Cheyenne	WY	CY	820
Chicago	IL	CH	606-608
Chula Vista	CA	DV	919
Cincinnati	OH	CN	452, 459
Clarkesville	TN	YN	370
Clearwater	FL	CQ	337
Cleveland	OH	CL	441
Colorado Springs	CO	CS	809
Columbia	SC	CU	292
Columbus	GA	CM	318, 319
Columbus	OH	CO	430, 432
Corpus Christi	TX	CC	783, 784
Cranston	RI	RT	029
Cumberland	MD	CK	215
Dallas	TX	DA	752,753
Davenport	IA	DP	528
Dayton	OH	DY	453, 454
Daytona Beach	FL	DF	321
Dearborn	MI	DB	481
Decatur	IL	DT	625

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Exhibit 3.41.277-7 (Cont. 3) (01-01-2022)
Alphabetical Listing of Major Cities with Major City Codes and Zone Improvement Plan (ZIP) Codes

CITY	STATE	MCC	ZIP CODE
Denver	CO	DN	800-802
Des Moines	IA	DM	503, 509
Detroit	MI	DE	482
Dubuque	IA	DQ	520
Duluth	MN	DL	557, 558
Durham	NC	DU	277
East Lansing	MI	ET	488
East Orange	NJ	EO	070
East St. Louis	IL	ES	622
Easton	PA	EA	180
El Paso	TX	EP	799, 885
Elizabeth	NJ	EL	072
Erie	PA	ER	165
Eugene	OR	EU	974
Evanston	IL	EN	602
Evansville	IN	EV	477
Fairbanks	AK	FK	997
Fall River	MA	FR	027
Far Rockaway	NY	RK	110, 116
Fargo	ND	FA	581
Fayetteville	AR	FB	727
Fayetteville	NC	FN	283
Flint	MI	FT	485
Florence	SC	FE	295
Florence	AL	FC	356
Flushing	NY	FG	113
Fort Lauderdale	FL	FL	333
Fort Pierce	FL	FP	349
Fort Smith	AR	FS	729
Fort Wayne	IN	FY	468

Exhibit 3.41.277-7 (Cont. 4) (01-01-2022)
Alphabetical Listing of Major Cities with Major City Codes and Zone Improvement Plan (ZIP) Codes

CITY	STATE	MCC	ZIP CODE
Fort Worth	TX	FW	761
Fresno	CA	FO	936-938
Gainesville	FL	GF	326
Gaithersburg	MD	GG	208
Galveston	TX	GA	775
Garland	TX	GD	750
Gary	IN	GY	464
Gastonia	NC	GN	280
Glendale	AZ	GE	853
Glendale	CA	GL	912
Grand Rapids	MI	GR	495
Great Falls	MT	GT	594
Greeley	CO	GC	806
Green Bay	WI	GB	543
Greensboro	NC	GO	274
Greenville	SC	GV	296
Greenwood	MS	GW	389
Hackensack	NJ	HS	076
Hamilton	OH	HA	450
Hammond	IN	HM	463
Hampton	VA	HP	236
Harlingen	TX	HR	785
Harrisburg	PA	HG	171
Hartford	CT	HD	061
Hattiesburg	MS	HT	394
Helena	MT	HE	596
Henderson	NV	HF	890
Hialeah	FL	HI	330
High Point	NC	HC	272
Hollywood	FL	HW	330
Honolulu	HI	HL	968

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Exhibit 3.41.277-7 (Cont. 5) (01-01-2022)
Alphabetical Listing of Major Cities with Major City Codes and Zone Improvement Plan (ZIP) Codes

CITY	STATE	MCC	ZIP CODE
Houston	TX	HO	770, 722
Huntington	WV	HN	257
Huntington Beach	CA	HB	926
Huntsville	AL	HU	358
Independence	MO	IE	640
Indianapolis	IN	IN	462
Inglewood	CA	ID	903
Irvine	CA	IV	926-927
Irving	TX	IR	750
Jackson	MS	JN	392
Jacksonville	FL	JV	322
Jamaica	NY	JA	114
Jamestown	NY	JM	147
Janesville	WI	JE	535
Jersey City	NJ	JC	070, 073
Johnson City	TN	JH	376
Johnstown	PA	JO	159
Joliet	IL	JT	604
Jonesboro	AR	JB	724
Kalamazoo	MI	KZ	490
Kansas City	KS	KA	661
Kansas City	MO	KC	641, 649
Kennewick	WA	KW	993
Kenosha	WI	KE	531
Kingsport	TN	KP	376
Knoxville	TN	KN	379
Lafayette	IN	LF	479
Lafayette	LA	LL	705
Lake Charles	LA	LC	706
Lakeland	FL	LK	338

Exhibit 3.41.277-7 (Cont. 6) (01-01-2022)
Alphabetical Listing of Major Cities with Major City Codes and Zone Improvement Plan (ZIP) Codes

CITY	STATE	MCC	ZIP CODE
Lakewood	CO	LW	801, 802, 804
Lancaster	PA	LP	176
Lansing	MI	LG	489
Laredo	TX	LD	780
La Cruces	NM	LZ	880
Las Vegas	NV	LV	891
Lawrence	MA	LQ	018
Lewiston	ME	LT	042
Lexington	KY	LX	405
Lincoln	NE	LN	685
Little Rock	AR	LR	722
Long Beach	CA	LB	907, 908
Long Island City	NY	LI	111
Lorain	OH	LO	440
Los Angeles	CA	LA	900, 901
Louisville	KY	LE	402
Lowell	MA	LM	018
Lubbock	TX	LU	794
Lynn	MA	LY	019
Macon	GA	MA	312
Madison	WI	MN	537
Manchester	NH	MR	031
Marietta	GA	MT	300
Melbourne	FL	ML	329
Memphis	TN	ME	375, 381
Meridian	MS	MD	393
Mesa	AZ	MZ	852
Metairie	LA	MI	700
Miami	FL	MF	330-332
Milwaukee	WI	MW	532
Minneapolis	MN	MS	554

Exhibit 3.41.277-7 (Cont. 7) (01-01-2022)
Alphabetical Listing of Major Cities with Major City Codes and Zone Improvement Plan (ZIP) Codes

CITY	STATE	MCC	ZIP CODE
Missoula	MT	MM	598
Mobile	AL	MO	366
Modesto	CA	MC	953
Monroe	LA	MB	712
Montgomery	AL	MG	361
Muskegon	MI	MK	494
Naperville	IL	NP	605
Nashau	NH	NS	030
Nashville	TN	NA	372
New Bedford	MA	ND	027
New Brunswick	NJ	NB	089
New Haven	CT	NH	065
New Orleans	LA	NO	701
New York	NY	NY	100-102
Newark	NJ	NK	071
Newport News	VA	NN	236
Newton	MA	NE	024
Niagara Falls	NY	NF	143
Norfolk	VA	NV	235
Norman	OK	NR	730
North Charleston	SC	NC	294
North Hollywood	CA	NW	916
North Las Vegas	NV	NT	890
North Little Rock	AR	NL	721
Oak Park	IL	OP	603
Oakland	CA	OA	946
Oceanside	CA	OE	920
Ogden	UT	OG	842, 844
Oklahoma City	OK	OC	731
Olympia	WA	OL	985

Exhibit 3.41.277-7 (Cont. 8) (01-01-2022)
Alphabetical Listing of Major Cities with Major City Codes and Zone Improvement Plan (ZIP) Codes

CITY	STATE	MCC	ZIP CODE
Omaha	NE	OM	681
Orlando	FL	OR	328
Oshkosh	WI	OK	549
Overland Park	KS	OV	662
Owensboro	KY	OW	423
Oxnard	CA	OX	930
Palo Alta	CA	PQ	943
Parkersburg	WV	PK	261
Parma	OH	PZ	441
Pasadena	CA	PD	910, 911
Paterson	NJ	PN	075
Pembroke Pines	FL	PP	330
Pensacola	FL	PE	325
Peoria	AZ	PY	853
Peoria	IL	PL	616
Petersburg	VA	PG	238
Philadelphia	PA	PH	190-192
Phoenix	AZ	PX	850
Pine Bluff	AR	PB	716
Pittsburgh	PA	PI	151, 152
Pocatello	ID	PC	832
Port Arthur	TX	PA	776
Portland	ME	PT	041
Portland	OR	PO	972
Portsmouth	NH	PS	038
Portsmouth	VA	PM	237
Providence	RI	PR	029
Provo	UT	PV	846
Pueblo	CO	PU	810
Punta Gorda	FL	PJ	339
Quincy	MA	QU	021, 022

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Exhibit 3.41.277-7 (Cont. 9) (01-01-2022)
Alphabetical Listing of Major Cities with Major City Codes and Zone Improvement Plan (ZIP) Codes

CITY	STATE	MCC	ZIP CODE
Racine	WI	RA	534
Raleigh	NC	RL	276
Reading	PA	RD	196
Reno	NV	RE	895
Richmond	VA	RI	231, 232
Riverside	CA	RS	925
Roanoke	VA	RO	240
Rochester	NY	RC	146
Rock Hill	SC	RH	297
Rockford	IL	RF	611
Sacramento	CA	SC	942, 958
Saginaw	MI	SG	486
Salem	OR	XR	973
Salinas	CA	YL	939
Salt Lake City	UT	XU	841
San Antonio	TX	SO	782
San Bernardino	CA	SR	924
San Diego	CA	SD	921
San Francisco	CA	SF	941
San Jose	CA	SJ	951
San Juan	PR	XJ	009
Santa Ana	CA	SA	927
Santa Barbara	CA	SZ	931
Santa Fe	NM	YF	875
Sarasota	FL	XS	342
Savannah	GA	GS	314
Schenectady	NY	SK	120, 123
Scottsdale	AZ	YS	852
Scranton	PA	XC	185
Seattle	WA	SE	981

Exhibit 3.41.277-7 (Cont. 10) (01-01-2022)
Alphabetical Listing of Major Cities with Major City Codes and Zone Improvement Plan (ZIP) Codes

CITY	STATE	MCC	ZIP CODE
Shawnee Mission	KS	SM	662
Sheboygan	WI	XB	530
Shreveport	LA	SH	711
Silver Spring	MD	SS	209
Sioux City	IA	SX	511
Sioux Falls	SD	IQ	571
South Bend	IN	SB	466
Spartanburg	SC	SQ	293
Spokane	WA	SW	992
Springfield	IL	XL	627
Springfield	MA	XA	011
Springfield	MO	XO	657, 658
Springfield	OH	XH	455
St Joseph	MO	XM	645
St Louis	MO	SL	631
St Paul	MN	SU	551
St Petersburg	FL	SP	337
Stamford	CT	ST	069
Staten Island	NY	SI	103
Sterling Heights	MI	YH	483
Stockton	CA	SN	952
Syracuse	NY	SY	132
Tacoma	WA	TC	984
Tallahassee	FL	TL	323
Tampa	FL	TA	336
Tempe	AZ	TE	852
Terre Haute	IN	TH	478
Titusville	FL	TT	327
Toledo	OH	TO	436
Topeka	KS	TP	666
Torrance	CA	TN	905

Exhibit 3.41.277-7   Internal Revenue Manual   Cat. No. 48185K (11-27-2024)

Exhibit 3.41.277-7 (Cont. 11) (01-01-2022)
Alphabetical Listing of Major Cities with Major City Codes and Zone Improvement Plan (ZIP) Codes

CITY	STATE	MCC	ZIP CODE
Trenton	NJ	TR	086
Tucson	AZ	TU	857
Tulsa	OK	TS	741
Tuscaloosa	AL	TB	354
Utica	NY	UT	135
Van Nuys	CA	VN	913, 914
Vancouver	WA	VA	986
Virginia Beach	VA	VB	234
Waco	TX	WX	767
Warren	OH	WO	444
Warren	MI	WR	480
Warwick	RI	WW	028
Washington DC	DC	DC	200, 202-205, 569
Waterbury	CT	WT	067
Waterloo	IA	WL	507
West Allis	WI	WA	532
West Palm Beach	FL	WP	334
West Valley City	UT	WC	841
Westminster	CO	WD	800, 802
Wheeling	WV	WH	260
White Plains	NY	WJ	106
Wichita	KS	WK	672
Wichita Falls	TX	WF	763
Wilkes-Barre	PA	WB	187
Williamsport	PA	WM	177
Wilmington	DE	WI	198
Wilmington	NC	WN	284
Winston-Salem	NC	WS	271
Winter Haven	FL	WG	338
Worcester	MA	WE	016

Exhibit 3.41.277-7 (Cont. 12) (01-01-2022)
Alphabetical Listing of Major Cities with Major City Codes and Zone Improvement Plan (ZIP) Codes

CITY	STATE	MCC	ZIP CODE
Yonkers	NY	YK	107
York	PA	YR	173, 174
Youngstown	OH	YO	445

Exhibit 3.41.277-7   Internal Revenue Manual   Cat. No. 48185K (11-27-2024)

Exhibit 3.41.277-8   (01-01-2023)
Function Key List

Function Key	Description
<F2>	Deletes the characters in the current field to the right of the cursor position.
<F3>	Deletes all characters in the field and places the cursor at the beginning of the field. • Dollar amount fields - begin right • All other fields - begin left
<F4>	Allows you to change the form revision on any 940 page or schedule that is mis-recognized. When the **<F4>** key is pressed, you receive a prompt to enter a four-digit Page Number and Form Year (PPYY). • Once the correct Page Number and Form Year is entered, the correct entry fields display. ***Note:*** Refer to IRM 3.41.277.11(2) for specific guidelines.
<F5>	Allows you to move the entry field so that it appears in different places relative to the area on the scanned image.
<F6>	Releases a document and brings up the next document in the block or unit-of-work. In DV, you can only release a document if all necessary work is completed. **In OE**, you can only release a document after all necessary work is complete. **In DV, when AUTO is OFF** the cursor is placed on the first field of the next document. **In DV, when AUTO is on** the cursor is placed in the next flagged field.
<F7>	Allows you to go back and review previous documents in the block or unit-of-work.
<F8>	Releases a block or unit-of-work. You can only release a block or unit-of-work if all necessary work is complete. This key is primarily used when working OE Paper.
<F9>	Allows you to either "Interrupt" or "Suspend" a block or unit-of-work you are currently working.
<F10>	Returns to the current document after pressing **<F7>** or **<Home>** to go to a preceding document.
<Ctrl>-<F3>	Clears all fields with a **?** (flag) automatically. This is a toggle key, using this key combination a second time brings the **?** (flag) back in all but the field you are currently in.
<Ctrl>-<F4>	Allows you to display the FI number assigned at scanning.

Exhibit 3.41.277-8 (Cont. 1) (01-01-2023)
Function Key List

Function Key	Description
<Ctrl>-<F7>	**In DV**, moves the cursor to the last edit field or last flagged field, on the prior document. **In OE**, places cursor in last field on prior document.
<Ctrl>-3	Displays the Magnified Image Strip for current field.
<Ctrl>-5	Allows you to turn highlighting for image fields on and off as needed. ***Reminder:*** For 940, 941 and Stand Alone Schedule R after the F4 key has been used, the system does not highlight the fields.
<Ctrl>-6	Rotates the image 180 degrees.
<Alt>-X	Returns to the previous menu.

<Ctrl>-A	This key combination is a toggle that turns the AUTO Mode on and off.
	• **AUTO on:** The cursor automatically moves from the current field to the next field requiring perfection.
	    Note: In DV, the default mode is AUTO on.
	• **AUTO off:** The cursor manually moves through every field using the cursor movement keys.
	    Note: In OE, AUTO Mode is always turned off.
	The status of AUTO Mode is displayed in the Status Line as "Auto".

<Ctrl>-B	Places the cursor at the beginning of the previous word in the current field. ***Note:*** If the cursor is on any character other than the first character of a word, the cursor moves to first character of that word.
<Ctrl>-D	• Copies the data from the same field on the previous document. • **Schedule R:** Copies the EIN from Form 940 Page 1 to the Employer EIN field on the 940 Schedule R or 940 Schedule R Continuation Sheet.
<Ctrl>-F	Places the cursor at the beginning of the next word in current field.
<Ctrl>-G	**Managerial Review and Document Review only:** After a document is opened, the Go To key combination opens a query window requesting the document number to where you want to go and allows you the selection of any document in that UW (e.g., #5 in a UW).
<Ctrl>-L	Reduces the size of the scanned image strip (after pressing **<Ctrl>-M**) that appears above the entry field.

Exhibit 3.41.277-8   Internal Revenue Manual   Cat. No. 48185K (11-27-2024)

Exhibit 3.41.277-8 (Cont. 2) (01-01-2023)
Function Key List

Function Key	Description
<Ctrl>-M	Enlarges the size of the scanned image strip that appears above the entry field.
<Ctrl>-P	Notifies the system to stop work on the current function at the end of the current block or unit-of-work. When work is complete, the menu window of the current function appears.
<Ctrl>-S or **<;>**Semi-Colon	**Code and Edit Field:** Moves the cursor to the first field with an error after the last Code and Edit field (during OE and DV). • **Schedule A:** Skips the cursor to the most used state codes (CA, FL, IL, MI, NY, PA, and TX) on Schedule A (during OE only). • **940 Schedule R:** Moves the cursor from Line 1 Column (a) on 940 Schedule R or 940 Schedule R Continuation Sheet to the "FUTA Wages" column on the "Sub-Total Line" (Columns and Sub-Total Lines vary by Form Revision).
• **<Shift>-5** • ~ (tilde key)	Inserts a Percent Sign (%) in the In-Care-of Name Line.
<Delete> (Central Keypad) and **<Del>** (Numeric Keypad)	Deletes the character at the current cursor position. ***Note:*** If you use the **<Del>** key in the Numeric Keypad, the **<Num Lock>** must be off.
Ctrl>-<Shift>-<Delete> or **<Ctrl>-<Shift>-<Del>**	Deletes a document from a block or unit-of-work.
<↓> Down Arrow Key (Central or Numeric Keypad)	Moves cursor to next field when AUTO is off. When AUTO is on, the cursor moves to the next required field in the document.
<Ctrl>-<↓> Down Arrow Key	Moves the cursor to the first character in the last field that is enabled at the bottom of a document.
<↑> Up Arrow Key (Central or Numeric Keypad)	Moves the cursor to the previous field. If the cursor is on the first field of a document, pressing this key causes the cursor to move to the first field of the preceding document. ***Note:*** **<Num Lock>** must be off. The **<↑>** (Up Arrow) on the Central Keypad allows you to go backwards between pages/documents one field at a time.
<Ctrl>-<↑> Up Arrow Key	Moves the cursor to the first character in the first field that is enabled at the top of a document.
<Ctrl><Shift>-<↑>, <↓>, <→>, <←> (Arrow Keys)	Allows you to move the image strip when it is not lined up to display the correct area. Holds the position for the current image.
<Enter> (Main Keypad) or Numeric Keypad)	Accepts the contents of the current field or allows the release of a field without entering any data and moves to the next field.

Exhibit 3.41.277-8 (Cont. 3) (01-01-2023)
Function Key List

Function Key	Description
<Esc> or **<Alt>-X**	Allows you to go back to the previous menu or window, if a menu or window selection was made in error and the wrong window opens.
<Insert> (Central Keypad) or **<Ins>** (Numeric Keypad)	Inserts a character to the left of the current cursor position. This is a toggle key function, it must be turned off by pressing one of these keys again.
<←> Left Arrow Key	Moves the cursor to the left one character position from the current position. When this key is held down, the movement is repeated.
<Ctrl>-<←> Left Arrow Key (Central and Numeric Keypad) or **<Home>** (Central or Numeric Keypad) *Note:* **<Home>** is valid during DV only.	Positions the cursor at the left most position in a field. *Note:* When the **<←>** Left Arrow Key or the **<Home>** key in the Central or Numeric Keypad is used the **<Num Lock>** must be off.
<→> Right Arrow Key	Moves the cursor to the right one character position from the current position. When this key is held down, the movement is repeated.
<Ctrl>-<→> Right Arrow Key (Central and Numeric Keypad) or **<End>** (Central and Numeric Keypad) *Note:* **<End>** is valid during DV only.	When AUTO is on, positions the cursor at the right most position in a field. *Note:* When the **<→>** Right Arrow Key or the **<End>** key in the Numeric Keypad is used the **<Num Lock>** must be off.
<Num Lock> (Numeric Keypad)	Turns the Main Keypad Numeric on and off. When **<Num Lock>** is on, allows numbers to be typed from the separate numeric keypad
<Page Down> (Central Keypad) or **<Pg Dn>** (Numeric Keypad)	**OE and DV:** Move between 940 Page 1, 940 Page 2, and Schedule A. **Document Review:** Displays the next document. *Note:* This also applies to 940 Schedule R and 940 Schedule R Continuation Sheet.
<Page Up> (Central Keypad) or **<Pg Up>** (Numeric Keypad)	**OE and DV:** Move between Schedule A, 940 Page 2, and 940 Page 1. **Document Review:** Displays the previous document. *Note:* This also applies to 940 Schedule R and 940 Schedule R Continuation Sheet.
<Print Scrn>	Prints the current screen display.

Exhibit 3.41.277-8   Internal Revenue Manual   Cat. No. 48185K (11-27-2024)

Exhibit 3.41.277-8 (Cont. 4) (01-01-2023)
Function Key List

Function Key	Description
<Shift> (Main Keypad)	When pressed and held, "Alpha characters may be entered in numeric fields" or "Numeric characters may be entered in Alpha-numeric fields."
<Tab>	Moves cursor to the next field. When the cursor moves to the next field, the system accepts the contents of the current field.
<Ctrl>-<Tab>	Moves the cursor to the previous field. If the cursor is on the first field of a document, pressing this key combination causes the cursor to move to the first field of the previous document.

Exhibit 3.41.277-9   (01-01-2021)
940 Pull Document Report

The following is a copy of the IPS00812 940 Pull Document Report

Note: Detailed Report Description IRM 3.41.277.17.9, Pull Document Report.

Output File ID: 602201	940 Pull Document Report	Run Date: 01/14/2010		Page # 1
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Batch	**Block #**	**Doc. DLN/FI #**	**Page #**	**Document/Block Delete Reason**
0568	LC840011055	LC84001105570	850106	Document deleted during OE; Sc
0568	LC840011055	LC84001105570	850206	Document deleted during OE; Sc
0568	LC840011055	LC84001105570	850306	Document deleted during OE; Sc
0568	LC840011055	000261	850106	Document has been deleted syst
0570	LC840011063	000059	700206	Document deleted during OE; DO

Exhibit 3.41.277-9   Internal Revenue Manual   Cat. No. 48185K (11-27-2024)

Exhibit 3.41.277-10   (01-01-2021)
940 FI/DLN Cross Reference Report

The following is a copy of the IPS10670 940 FI/DLN Cross Reference Report at Ogden Service Center

Note: Detailed Report Description IRM 3.41.277.17.12, FI/DLN Cross Reference Report

Output File ID: 601801	Program Number: 11140	Run Date: 01/14/2010		Page 1
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Batch	**Scan Block #**	**Seq. #**	**New Block #**	**Seq #**
0556	LC840010027	000001	LC840010027	86
		000006		87
		000008		88
		000012		89
		000020		90
	LC840010028	000024	LC840010028	86
		000028		87
		000033		88
		000037		89
4240	LC840013032	000061	LC840013032	86
		000067		87
		000070		88
		000072		89

Exhibit 3.41.277-11   (01-01-2022)
Valid Characters

Do not enter other characters even if they appear on the form.

Specific Entry	Valid Characters
940 EIN	Numeric (0-9) or blank
Name Control	- Alpha (A-Z) - Numeric (0-9) - Hyphen (-) - Ampersand (&) - Maximum 4 Characters
In Care of Name Line	- Alpha (A-Z) - Numeric (0-9) - Hyphen (-) - Ampersand (&) - In Care Of (%) - Space - Blank - Maximum 35 Characters
Address Line	- Alpha (A-Z) - Numeric (0-9) - Hyphen (-) - Slash (/) - Asterisk (*) only valid in the first position for PO Box - Space - Maximum 35 Characters
City Line	- Alpha (A-Z) - Space - Maximum 22 Characters
State Line	- Alpha (A-Z) - Maximum 2 Characters
ZIP Code	- Numeric (0-9) - Maximum 9 Characters
Money (Data) Fields	- Numeric (0-9) - Hyphen (-) Negative amounts - Maximum 15 Characters
State Code Abbreviation	- Alpha (A-Z) - Maximum 2 characters
Third-Party ID Number	- Alpha (A-Z) - Numeric (0-9) - Maximum 5 Characters
Preparer's PTIN	- Alpha (P in first position only) - Numeric (0-9) - Maximum 9 Characters

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Exhibit 3.41.277-11 (Cont. 1) (01-01-2022)
Valid Characters

Specific Entry	Valid Characters
Firms's EIN	• Numeric (0-9) • Maximum 9 Numerics
Preparer's Phone	• Numeric (0-9) • Maximum 10 Numerics
Schedule A Money Fields	• Numeric (0-9) • Hyphen (-) Negative amounts • Maximum 15 Characters
940 Schedule R - Employer EIN	• Numeric (0-9) • Period (.) • Maximum 9 Characters
940 Schedule R - Clients EIN	• Numeric (0-9) • Period (.) • Maximum 9 Characters
940 Schedule R - Money Fields	• Numeric (0-9) • Hyphen (-) Negative amounts • Maximum 15 Characters

Exhibit 3.41.277-12   (01-01-2022)
Consolidated List of Acronyms

Acronym	Definition
BBTS	Batch Block Tracking System
CCC	Computer Condition Code
DV	Data Validation
DCO	Data Conversion Operation
DLN	Document Locator Number
ERS	Error Resolution System
FI	Forms Identification
FUTA	Federal Unemployment Tax Act
IRP	Information Returns Processing
ISRP	Integrated Submission and Remittance Processing System
OE	Original Entry
P&A	Planning and Analysis
PCD	Program Completion Date
R&C	Receipt and Control Operation
SCRIPS	Service Center Recognition/Image Processing System
UW	Unit-of-Work

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