EFFECTIVE DATE

(10-15-2024)

PURPOSE

(1)   This transmits revised IRM 4.19.23, Liability Determination, FUTA Control.

MATERIAL CHANGES

(1)   IRM 4.19.23.1.1.3 Program Management and Review, section added.

(2)   IRM 4.19.23.2, Statute Awareness, updated the Statute dates in the example.

(3)   IRM 4.19.23.3.2.1 Batching and Controlling Replies, updated the tax years for Replies.

(4)   IRM 4.19.23.3.2.2 Batching and Controlling Reconsiderations, updated the tax years for Reconsiderations.

(5)   IRM 4.19.23.3.2.3, IPU 24U0253 dated 2/12/2024 updates the batch control information for prior year Reconsiderations.

(6)   Various editorial changes made throughout the IRM to update websites, IRM references, and any other changes as necessary.

EFFECT ON OTHER DOCUMENTS

This material supersedes IRM 4.19.23 dated 09-15-2023. This IRM incorporates the following IRM procedural Updates (IPUs): IPU 24U0253 dated 2/12/2024. .

AUDIENCE

Employees in SB/SE

Heather J. Yocum
Director, Exam Field and Campus Policy
Small Business/Self-Employed

4.19.23
FUTA Control

Table of Contents

4.19.23.1 (10-15-2024) **Program Scope and Objectives**	(1) **Purpose**: This manual contains information on Business Master File (BMF) accounts with discrepancy issues related to the Federal Unemployment Tax Act (FUTA), to provide clerical procedures regarding unemployment taxes.
	(2) **Audience**: The primary users of this IRM are the FUTA clerical staff in the Small Business Self Employed site.
	(3) **Policy Owner**: Director, Exam Field and Campus Policy.
	(4) **Program Owner**: Small Business/Self Employed (SB/SE) BMF Document Matching.
	(5) **Primary Stakeholder**: Small Business/Self Employed (SB/SE)
	(6) **Program Goals**: Program goals for this type of work can be found in IRM 1.4.23, FUTA Manager and Coordinator Guide.
4.19.23.1.1 (09-13-2021) **Background**	(1) FUTA provides the cooperation between state and federal governments in the establishment and administration of unemployment insurance. Under this dual system, the employer is subject to a payroll tax levied by the federal and state government. The taxpayer is allowed a maximum credit of 5.4 percent against the Federal tax of 6.0 percent, provided all payments were made to the state by the due date. Employers whose payments are received by the state after the due date are allowed 90 percent of the credit that would have been allowed, had the payments been made on time. As a result of FUTA, IRS is responsible for receiving and processing the Form 940 and/or Schedule H. All revenue associated with these tax returns is turned over to the Department of Labor (DOL). DOL is responsible for dispensing the revenue deposited in the FUTA Trust Fund. DOL is charged with monitoring the Unemployment Insurance Systems for each state and can withhold funds from a state, if the state does not comply with Federal standards.
4.19.23.1.1.1 (09-18-2017) **Authority**	(1) The authority for the procedures of FUTA can be found under Title 26, Subtitle C, Chapter 23 of the Internal Revenue Code (Section 3301 through Section 3311).
4.19.23.1.1.2 (09-18-2017) **Roles and Responsibilities**	(1) The Director, SB/SE Exam Field and Campus Policy is responsible for the FUTA program.
	(2) Management officials are responsible for:
	• Providing internal controls relating to the program, process and activity. • Ensuring the instructions are communicated to and carried out by the proper officers and employees.
4.19.23.1.1.3 (10-15-2024) **Program Management and Review**	(1) Headquarters plans to conduct program reviews for each campus when possible. The reviews will target recommendations made during the prior visitations, adherence to the IRM and Policy directives, movement of inventory, management and employee reviews and feedback, and any areas of concern.
4.19.23.1.1.4 (09-18-2017) **Program Controls**	(1) This program is monitored through the FUTA Case Processing System (FCP).

(1)   Below is list of acronyms and their definitions:

Term	Definition
ASED	Assessment Statute Expiration Date
BMF	Business Master File
CAF	Centralized Authorization File
CATRS	Consolidated Annual Tax Reporting System houses both the CAWR and FUTA programs.
cc	Closing Code
CII	Correspondence Imaging Inventory (CII) replaces CIS
EIN	Employer Identification Number
FCP	FUTA Case Processing
FUTA	Federal Unemployment Tax Act
IAT	Integrated Automation Technologies
IDRS	Integrated Data Retrieval System
IMF	Individual Master File
IRC	Internal Revenue Code
IRM	Internal Revenue Manual
MFT	Master File Tax
POA	Power of Attorney
RECON	Reconsideration
RSED	Refund Statute Expiration Date
SSN	Social Security Number
TC	Transaction Code
TIN	Taxpayer Identification Number
TAS	Taxpayer Advocate Service
TBOR	Taxpayer Bill of Rights

(1)   IRM 1.4.23, FUTA Manager and Coordinator Guide.

(2)   IRM 4.19.5, Certification of State Federal Unemployment Tax Act.

| 4.19.23.2
(10-15-2024)
Statute Awareness | (1) | A statute of limitation is a time period established by law to review, analyze and resolve taxpayer and/or IRS related issues. The Internal Revenue Code (IRC) requires the Internal Revenue Service (IRS) to assess, refund, credit, and collect taxes within specific time limits. These limits are known as the Statutes of Limitations. When they expire, the IRS can no longer assess additional tax, allow a claim for refund by the taxpayer, or take collection action. The determination of Statute expiration differs for Assessment, Refund, and Collection. |

(2) Failure to protect an assessment statute can result in disciplinary action against the responsible employee. The responsible area/employee is identified as the area/employee who had the case, when the case was within 90 days of the ASED and either took no action to protect the statute or allowed the statute to expire (barred statute).

(3) In the FUTA Clerical team, a Statute imminent case is identified by the Assessment Statute Expiration Date (ASED) which is three years from the due date of the return, or three years after the return was actually filed, whichever is later.

Example: 202112 tax year returns were due by 01/31/2022; therefore, the ASED for 202112 cases will be 01/31/2025. The ASED can be found on IDRS command code TXMOD or command code BMFOLT.
Per IRC Sec. 6501(a), IRM 25.6.1.6.4(1) and IRM 4.19.5.4.5(3) the ASED is based on the date the return was filed unless the return was filed before the due date of the return

(4) The Integrated Automation Technology (IAT) SBSE DM (Document Matching) Batcher Tool will assist you in identifying a statute tax year case. The tool will not batch the case but will print out an error listing with the comment **ASED EXPIRING** in the additional issues section.

(5) To manually batch these cases, use the following procedures:

1. Input CX,TYRECONXXXX,A,TPLR.
2. Control the case to the 10 digit IDRS number of the designated management official with the correct IRS received date.

| 4.19.23.3
(09-06-2022)
FUTA Correspondence | (1) | FUTA receipts will be responses to: |

a. Letter 4010-C, FUTA Certification-Proposed Tax Increase to FUTA Tax.
b. Letter 4011-C, FUTA Certification-Proposed Tax Decrease to FUTA Tax.

Note: You may also receive the Spanish versions of either Letter 4010-SP, FUTA Certification-Proposed Tax Increase to FUTA Tax Spanish Version or Letter 4011-SP, FUTA Certification-Proposed Tax Decrease to FUTA Tax Spanish Version.

c. Adjustment notices.
d. Notices of intent to levy.
e. Letter 380-C, State Certification Tax Adjustment Explained Form 940/ Schedule H or Letter 380-SP, State Certification Tax Adjustment Explained Form 940/ Schedule H Letter 4011-SP, Spanish Version.
f. Letter 3786-C, FUTA Certification No Change to Tax Liability or Letter 3786-SP, FUTA Certification No Change to Tax Liability Spanish Version.
g. Balance due notices.

(2)   Further research may be needed to identify and process these cases.

(3)   Correspondence may be received by mail, fax and/or referrals.

(4)   FUTA cases can be defined as Reply, Recon , Prior Recon , or Undeliverable.

    a.   A Reply is any case without a date on FCP.
    b.   A Recon is any case with a closing date on FCP.
    c.   A Prior Recon is any case no longer on FCP.
    d.   An Undeliverable is mail returned as not delivered to the taxpayer.

(5)   Form 3870 Recon and TAS cases will also be received as receipts, both are now controlled on FCP and IDRS. Further instruction for processing Form 3870 Recon and TAS cases are detailed below see IRM 4.19.23.3.2.4.1 and IRM 4.19.23.9.

4.19.23.3.1
(08-17-2020)
Processing Incoming Receipts

(1)   Upon receipt of all correspondence:

    a.   Stamp correspondence with the date received in the FUTA area.
    b.   Perform a quick sort to determine if the correspondence is in response to a FUTA discrepancy.
    c.   Sort correspondence by tax year.

4.19.23.3.1.1
(09-15-2023)
Researching New Receipts

(1)   **FCP Research**-to determine the status of the case.

If	Research FCP	Then
The correspondence is a Letter 4010-C, Letter 4011-C, Letter 380-C or Letter 3786-C.	If the case is a new receipt	1. Enter the reply date through the "Edit-Clerk-Replies Received "Screen. 2. IRM 4.19.23.3.1.2(3) a) thru f) for control case procedures. 3. The case is now ready to be batched.
The correspondence is a Letter 4010-C, Letter 4011-C, Letter 380-C or Letter 3786-C.	If the case is with additional correspondence	1. Print or electronically scan a TXMOD Screen from IDRS 2. Associate the additional correspondence to the original reply.
The correspondence is a Letter 4010-C, Letter 4011-C, Letter 380-C or Letter 3786-C.	If the case is a Recon	1. Enter the reply date through the "Edit Clerk-Replies Received "Screen. 2. IRM 4.19.23.3.1.2(3) a) thru f) for control case procedures. 3. The case is now ready to be batched.

(2)   **IDRS Research**

    1.   When you can't determine if the correspondence belongs to FUTA, you will need to research IDRS.

2. To determine if the correspondence is a FUTA **Reply**, research TXMOD for an open "M" (monitor) control to the FUTA Unit.

3. To determine if the correspondence is a FUTA **Recon** or **Prior Recon** , research CC TXMOD for a TC 290/291 adjustment with blocking series 50/51 or 12 for Statute Function assignment (MFT 10) or 05 (MFT 05 or MFT 30) for the tax year you are working.

> *Note:* If only an SSN is available, you will need to research CC IMFOLR to obtain the X-REF TIN/EIN. This EIN will be used to access the case on FCP. All Schedule H Replies, Recons and Prior Recons **must** be controlled on the SSN.

4.19.23.3.1.2
(09-15-2023)
4010C/4011C and
Miscellaneous
Controlling Procedures

(1) All receipts **must** be controlled no later than 14 days from the earliest IRS received date **or** 3 business days from receipt into the department.

(2) The IRS received date is determined by oldest received date stamped on correspondence. If there is no received date (other than the FUTA stamped date) see below:

a. Latest postmark or private delivery service date on the envelope.
b. Service Center Automated Mail Processing System (SCAMPS) digital dates.

Exception: If the only available date is from a copy of a previously filed return, do not use the copied signature's date.

c. Today's date minus 10 days.

(3) To control the receipts on FCP:

a. Click on "EDIT".
b. Choose "Clerk".
c. Click on "Replies Received".
d. Enter earliest IRS received date (before the current date).
e. Enter Employer Identification Number (EIN) or Taxpayer Identification number (TIN) and Tax Year.
f. Click on "Search"

(4) Batch the miscellaneous receipts as follows:

When you are prompted to Batch	Then
" Update the reply date on this Letter 4010-C /Letter 4011-C issued"	1. Click "OK." to update the reply date on the correspondence. 2. Choose **Cancel** when prompted to add a case to a batch. 3. Keep cases sorted by program and received date in groups of no more than 25. 4. See IRM 4.19.23.3.2.1, Batching and Controlling Replies.

When you are prompted to Batch	Then
No matching correspondence records are found **AND** you have double checked the EIN and the tax period for accuracy and it is correct	1. You have misrouted mail or a prior year case. 2. IRM 4.19.23.3.1.1, Researching New Receipts.
The "case is already closed in FCP"	1. Research FCP and IDRS to determine if the case was closed. 2. Add the case to control as a Recon.. 3. Keep cases sorted by program and received date in groups of no more than 25. 4. IRM 4.19.23.3.2.2, Batching and Controlling Recons .
The "case does not exist in FCP"	1. Research IDRS to determine if this is a Recon case belonging to your site. 2. Add the cases to the Recon Table. 3. Keep cases sorted by program and received date in groups of no more than 25. 4. If you determine the case **does not** belong to your site; route the case to the appropriate site, or program using the following hyperlink, the CAWR-SSA Share Point.*CAWR-SSA Share Point site*

4.19.23.3.2
(09-15-2023)
Controlling on IDRS

(1) All replies and Recons must be controlled accurately and timely. Efficient inventory management is essential to meeting your program objectives.

(2) Clerical management must set up and maintain an inventory management process to ensure each batch:

    a. Consists of no more than 25 cases of the same program and received date.
    b. Will be recorded and tracked utilizing a separate log for each program.
    c. Must be assigned to a tax examiner in received date order.
    d. The batch number is built according to the program type as outlined in IRM 4.19.23.3.2.1, Batching and Controlling Replies, IRM 4.19.23.3.2.2, Batching and Controlling Recons, and IRM 4.19.23.3.2.3, Batching and Controlling Prior Recons .
    e. Designate specific IDRS numbers to maintain your reply, Recon and prior Recon inventory.

Note: It is mandatory to use the IAT SBSE DM Batcher Tool for this process. The tool streamlines the clerical process in batching and controlling cases directly

to IDRS. The tool allows the user the option to send interim **Letter 5825-C** on prior year cases, automatically inputs the applicable STAUP or TC 470/90 on all cases, and alerts the clerical staff when the cases have an ASED expiring within 90 days.

4.19.23.3.2.1 (10-15-2024) **Batching and Controlling Replies**	(1) Once cases are controlled on FCP, you can continue to the batching stage. (2) Issue a Letter 5825-C when appropriate and must be issued within 30 days of the IRS Received Date to adhere to Policy Statement P-21-3 guidelines.

Note: FCP now sends a Letter 5825-C on all open cases in the database that have aged to 25 days. A follow up interim contact letter will be issued by FCP on all cases still open when the initial letter ages to 55 days old. Subsequent interim contact letters will be issued automatically every 55 days until the case is closed.

Note: Management will monitor the CCA listing for any cases assigned to the staging area that are no longer on FCP, not closed within 55 days and a second Letter 5825-C will be issued.

(3) FUTA batches will be numbered as follows:

Tax year	Program	Sequence Number
AA = the last two digits of the release year of the cases.	BBB = FUTA Replies will be notated as **RPLY**.	CCCC = Next Sequential Number available in the log.

Example: 21RPLY0001 = first batch created for FUTA Replies for 2021 cases.

(4) Retrieve cases already previously sorted (no more than 25 cases), of the same program and IRS received date and assign the next available batch number from the appropriate log book.

(5) Follow procedures below to update IDRS control:

  a.   Access CC TXMOD.
  b.   Find CX -control number.
  c.   Access CC ACTON.
  d.   Assign the batch to the appropriate Status "A" control labeled TPRR and reassign it to the number designated for FUTA Replies.

Example: CXX,21RPLY0001 (TY2021). The "XX" will stand for the "CX" and will overlay the existing FUTA control number.

Note: It is mandatory to use the IAT SBSE DM Batcher Tool for this process. The tool streamlines the clerical process in batching and controlling cases directly to IDRS. It allows the user the option to send interim **Letter 5825-C** on prior year cases, automatically inputs the applicable STAUP or TC 470/90 on all cases, and alerts the clerical staff when the cases have an ASED expiring within 90 days.

(6) Create a cover sheet listing each EIN/TIN of the batch, IRS Received Date,

and Batch Number. See Exhibit 4.19.23-1 for a sample cover sheet and place the sheet on top of the batch.

(7) File completed batch in inventory staging area separated by program in batch number order.

4.19.23.3.2.2
(10-15-2024)
Batching and
Controlling
Reconsiderations

(1) Sort Recons by received date.

(2) Access the FCP system, mark the Replies field, enter the received date. The Status Code field will update to RECON, only if the current Status is a Close Code.

(3) Repeat this process for any re-occurring Recons received, as long as they are on the FCP system. For Prior Recons , see IRM 4.19.23.3.2.3.

(4) Suppress all balance due notices by inputting STAUPS or inputting TC 470 with CC 90.

(5) Issue a Letter 5825-C **must** be issued within 30 days of the IRS Received date to adhere to Policy Statement P-21-3 guidelines.

Note:　FCP now sends a Letter 5825-C on all cases in the database that are open after 55 days. Management will monitor the CCA listing for any cases assigned to the staging area that are no longer on FCP, not closed within 55 days and a second Letter 5825-C will be issued.

(6) FUTA Recon batches will be numbered as follows:

Tax Year	Program Recons	Sequence Number
AA = the last two digits of the tax year of the cases.	BBB = Recons will be notated as **RECON**.	CCCC = Next Sequential Number available in the log.

Example:　20RECON0001 = first batch created for FUTA Recons for 2020 cases.

(7) Retrieve cases already previously sorted (no more than 25 cases), of the same program and IRS received date, and assign the next available batch number from the appropriate log book.

(8) Follow procedures below to update IDRS control:

    a.　Access CC TXMOD.
    b.　Access CC ACTON.
    c.　Create a new "A" Status control labeled TPLR and reassign it to the number designated for the program you are working.

Example:　CX,20RECON0001,A,TPLR (TY 2020)
　　　　　　　IDRS Unit number and TE Number,Rec'd Date

Note:　It is mandatory to use the IAT SBSE DM Batcher for this process. The tool streamlines the clerical process in batching and controlling cases directly to IDRS. It allows the user the option to send interim **Letter 5825-C** on prior year cases, automatically inputs the applicable STAUP or TC 470/90 on all cases, and alerts the clerical staff when the cases have an ASED expiring within 90 days.

(9)   Create a cover sheet listing each EIN/TIN of the batch, IRS Received Date, and Batch Number. See Exhibit 4.19.23-1 for a sample cover sheet and place the cover sheet on top of the batch.

(10)   File completed batch in inventory staging area separated by program in batch number order.

4.19.23.3.2.3
(10-15-2024)
Batching and Controlling Prior Reconsiderations

(1)   When Prior Recons are sorted, you can proceed to the batching stage.

(2)   Suppress all balance due notices by inputting STAUPS or inputting TC 470 with cc 90.

(3)   Issue a Letter 5825-C within 30 days of the IRS Received date to adhere to Policy Statement P-21-3 guidelines.

Note: FCP now sends a Letter 5825-C on all cases in the database that are open after 55 days. Management will monitor the CCA listing for any cases assigned to the staging area that are no longer on FCP, not closed within 55 days and a second Letter 5825-C will be issued.

(4)   FUTA Prior Recon batches will be numbered as follows:

Tax Year	Program/Prior Recon	Sequence Number
AA = the last 2 digits of the latest release year dropped off the FCP System	BBB = FUTA Prior Recons will be notated as **PRREC**.	CCCC = Sequential Number available in the log.

Example: 14PRREC0001= first batch created for FUTA Prior Recons for a 2014 case.

(5)   Retrieve cases already previously sorted (no more than 25 cases), of the same program and IRS received date, and assign the next available batch number from the appropriate log book.

(6)   Follow procedures below to update IDRS control:

   a.   Access CC TXMOD.
   b.   Access CC ACTON.
   c.   Create a new "A" Status control labeled TPLR and reassign it to the number designated for the program you are working.

Example: CX,14PRREC0001,A,TPLR
            IDRS Unit Number and TE number,Rec'd Date

Note: It is mandatory to use the IAT SBSE DM Batcher Tool for this process. The tool streamlines the clerical process in batching and controlling cases directly to IDRS. It allows the user the option to send interim **Letter 5825-C** on prior year cases, automatically inputs the applicable STAUP or TC 470/90 on all cases, and alerts the clerical staff when the cases have an ASED expiring within 90 days.

(7)   Create a cover sheet listing each EIN/TIN of the batch, IRS Received Date, and Batch Number. See Exhibit 4.19.23-1 for a sample cover sheet place the cover sheet on top of the batch.

(8)   File completed batch in inventory staging area separated by program in batch number order.

4.19.23.3.2.4
(09-13-2021)
Retrieving Forms 3870

(1)   When a case is worked by the field, the revenue officer (RO), will send a Form 3870, Request for Adjustment, to request an abatement of the FUTA tax assessment and/or penalty. These requests will either be paper, fax, or sent to a secure e-mail box *SB/SE CCS XXXX CAWR-FUTA (XXXX= CINCY, MEM, or PHILA). The RO will put the taxpayer's Name Control, MFT, and the last four digits of the TIN in the subject line for each specific Form 3870 being sent.

(2)   The clerk or designated official:

1.   Retrieve the new electronic Form 3870 once a day.
2.   Print or electronically scan each Form 3870 with attachments and staple the documents together.
3.   Research IDRS to see if the cases are in the inventory and associate the Form 3870 with the case.
4.   Check IDRS to see If the cases are in the inventory and closed, batch them as category 3870 and record the receipts. Use the 3870 button on FCP to control the case as a 3870. This will ensure the case is recorded properly and will restrict interim letters from being issued.
5.   Research IDRS to see If an electronic Form 3870 was misrouted, forward the E-mail to the correct campus and cc the RO. If the misroute is paper, forward to the correct campus and alert the RO by E-mail.

Reminder: Batch the FUTA Recons separately from the Form 3870 Recons .

4.19.23.3.2.4.1
(09-06-2022)
**Batching and
Controlling Forms 3870
Reconsiderations**

(1)   Form 3870 Recons will be batched as 3870 Recons. Sort the Form 3870 Recons by received date and tax year and use the E-mail date as the received date.

Note: No more than 25 cases to a batch,

(2)   Control the case using the **3870 button** on FCP, this will ensure the case is recorded as a 3870 and will restrict interim letters from being issued.

Note: Do not issue an interim letter on these cases as the RO has already contacted the taxpayer. Be sure to unmark the box for the Interim letter on the Mandatory IAT SBSE DM Batcher Tool.

(3)   Suppress all balance due notices by inputting STAUPS or TC 470/90.

(4)   FUTA Form 3870 Recon batches will be numbered as follows:

Program Type	Category 3870 Recons	Sequence Number
A = FUTA 3870 Recons (previously called prior late replies) will be notated as **F.**	BBBB = Category will be notated as **3870**	CCCCC = Next sequential number available in the log.

Example: **F387000001** = first batch created for **FUTA3870** Recon (previously called prior Late Reply).

(5) Retrieve cases of the same program and IRS received date, then assign the next available batch number from the appropriate log book.

(6) It is mandatory to use the IAT SBSE DM Batcher Tool to streamline the clerical Form 3870 batching process. The Batcher Tool allows the user to input the applicable STAUP or TC470/90 on all cases and alerts the clerical staff when an ASED is expiring within 90 days.

(7) To manually assign Form 3870 Recons (previously called prior late replies) and create the IDRS control, follow the procedures below:

a. Access CC TXMOD
b. Access CC ACTON
c. Create a new "A" Status Control. Use Category Code **3870**.

Example: **CX,F387000001,A,3870**
   IDRS Unit Number, TE number, Received Date

(8) File completed batch in FUTA inventory staging area designated for Forms 3870 in batch number order.

4.19.23.3.2.5
(04-02-2009)
Assigning Work to Tax Examiners

(1) The procedures below must be followed when assigning work to a tax examiner:

a. Pull the batch with the earliest received date from the staging area.
b. Access CC TXMOD on IDRS and using CC ACTON, reassign the cases in the batch to the tax examiner's IDRS number.

Example: Batch 19XXXX0001 is assigned to 0123412345. To reassign the cases to 0123455555 enter:
   CXX
   0123455555

Note: The **"XXXX"** represents the case type and **XX** represents the appropriate control number on IDRS to be reassigned. When assigning a case use the specific IDRS tax examiner number.

4.19.23.4
(09-15-2023)
**Loose State
Certifications**

(1) At times, states will send loose State Certifications (Form 940C) for cases not yet in the FCP database. These certifications are to be treated as loose certifications only. Research FCP to ensure a previous state cert 940C has not been received. To research on FCP:

    1.   Click on **EDIT.**
    2.   Select **Clerk** then **Loose Certs Form 940C** from the drop down menu.
    3.   Enter the TIN number in **XX-XXXXXXX** format in the **EIN field** then **Enter** If FCP found your 940C cert it will display in the field, verify the tax period and company name.
    4.   If you cannot locate the 940C by the EIN, enter the Tax period and **enter** to search for the Loose 940C.
    5.   If you still cannot locate the 940C cert under the TIN or tax year, enter the **Company Name**, and enter, to search for the 940C information.
    6.   If certification is not found then file the 940C's as loose certifications.

(2) Inputting a New Form 940-C follow the steps below:

    1.   Click on **Edit** then select **Clerk** then **Loose Certs Form 940C**.
    2.   Select **New** to enter the new 940C information.
    3.   The Manage Loose Certs screen will come up: Enter the EIN, Tax Year, Company Name, contact name, contact Phone and any remarks.
    4.   Click the **Save** button and a message will display the 940C was added and saved. The new cert will display on the top of the loose cert field with an assigned number under the **ID** field. Enter this number on the 940C you just added.
    5.   If you have more loose certs to input you repeat the steps above, when you have completed all your certs select the **Close** button.
    6.   File the Form 940-C in the FUTA staging area using the assigned number.

4.19.23.5
(09-15-2023)
Undeliverables

(1) This section is to be used for all FUTA letters returned undeliverable. Undeliverable mail received from the mail room can be identified one of two ways:

    a.   Unopened original FUTA correspondence.
    b.   Opened original FUTA correspondence with the envelope affixed to the back.

(2) All undeliverable mail is to be reviewed within 7 calendar days of the IRS received date. This action will prevent the FCP System from closing the case as a "No Reply" before a new letter can be issued with the new address.

(3) Check the envelope for a yellow Post Office (P.O.) forwarding sticker.

(4) When there is no P.O. sticker research IDRS CC's ENMOD, INOLES, and NAMEE for a new/better address by using the IAT Research Address tool.

(5) If CC ENMOD shows an SSN that is responsible for the entity, use CC INOLES for the SSN to research for a new/better address. If CC ENMOD shows a Mr. and Mrs. listed, address the envelope only to the taxpayer that owns the SSN found on ENMOD for disclosure purposes.

If	Then
A new address is found **AND** It is within 30 days of the mail out date	The clerk will re-mail all information, including the original envelope to the new/better address.
A new address is found **AND** it is after 30 days of the mail out date	1. Select Edit, then Clerk. 2. click on Undeliverables Received. 3. Enter the received date (before the current date), the EIN number and tax year then select Search. 4. Batch the Undeliverable to a tax examiner.
A new address is NOT found	1. Select Edit, then Clerk. 2. Click on Undeliverable Received. 3. Enter the received date (before the current date), the EIN number and tax year then select Search. 4. Batch the undeliverable for a tax examiner to work.

(6)   Undeliverable batches will be numbered as follows:

Tax Year	Program/ Undeliverable	Sequence Number
AA = The last two digits of the tax year of the cases	BBB = FUTA Undeliverable will be notated as **UNDL**	CCCC = Next sequential number available in the log

Example: **21UNDL0001** = first batch created for FUTA Undeliverable for 2021 cases.

(7)   Retrieve cases previously sorted (no more than 25 cases) of the same program and IRS received date then assign the next available batch number from the appropriate log book.

(8)   Follow procedures below to update IDRS control:

   a.   Access CC TXMOD.
   b.   Access CC ACTON.
   c.   Ensure the previous "M" control is closed.
   d.   Create a new "A" Status control labeled UNDL and reassign it to the number designated for the program you are working.

Example: CX,21UNDL0001,A,UNDL
          *(Assignee employee number),MMDDYYYY(IRS receive date)

(9)   Create a cover sheet listing each EIN/TIN of the batch, IRS Received Date, and Batch Number. See Exhibit 4.19.23-1 for a sample cover sheet and place the cover sheet on top of the batch.

(10) File completed batch in FUTA inventory undeliverable staging area in batch number order or give directly to a tax examiner.

4.19.23.6
(01-12-2023)
Routing Documents

(1)   Clerical function is responsible for all outgoing mail. This mail may consist of internal mail, misdirected mail, or external mail.

(2)   Internal mail is routed to other areas using a Form 3210, Document Transmittal. The receiving area will acknowledge the receipt of the cases by sending a signed copy of the Form 3210 back to the originating area. These forms must be maintained in a log in the FUTA unit.

(3)   At times misdirected mail may be received, and not related to the FUTA program. This mail from other areas must be rejected back to the referring site.

Example: If misdirected mail is received from Accounts Management (AM), the received mail must be rejected back to the referring AM site.

(4)   When the tax examiners complete their daily work it is filed in brown folders. Follow local procedures for routing these folders to the Files Function.

4.19.23.7
(10-12-2022)
Discovered Remittance

(1)   Discovered remittance is a response and/or correspondence with an original form of payment attached such as a personal check, money order or cashier's check. Also, a loose check(s) discovered in an envelope or attached to a blank piece of paper.

Note: For voided or blank checks see (8) below.

(2)   If any of the items listed in (1) are discovered, both the Form 3244, Payment Posting Voucher and Form 4287, Record of Discovered Remittance **must** be completed.

(3)   Two copies of Form 3244, Payment Posting Voucher must be completed for each discovered remittance and contain entries in the following fields:

- TIN (SSN/EIN)
- Form number/MFT
- Tax period
- Transaction/Received date (IRS received date)
- Taxpayer name, address and Zip code
- Transaction Data, enter remittance amount next to code 640 (Advanced Payment of Deficiency)
- Remarks (the team manager's phone number and Mail Stop)
- Prepared by

(4)   Two copies of Form 4287, Record of Discovered Remittance must be completed to log all discovered remittances. The following fields must have entries:

- Stop number
- Unit
- Telephone Number

- Today's Date-in MM/DD/YYYY format
- Type of document- (for example, Form 940, Form 1040 Schedule H)
- Tax Period-(entire period XXXXXX)
- Type of remit
- Amount of remit-(total money amount including comma and decimal point)
- Received Date-in MM/DD/YYYY format
- Name (Taxpayer's entire name)
- TIN-(SSN/EIN)
- Discoverer-Name of person who discovered the remittance and their supervisor's name

(5) **If remittance is found attached to a case while working in the office, take the following steps:**

1. Attach one copy (original) to the remittance and give it to the Manager/ Lead Tax Examiner who will give it to the Clerical Manager/Lead Clerk to place in a **locked box** (lock box).
2. Attach the second copy of the Form 3244 to the response.

(6) **If the remittance is found attached to a case while teleworking, immediately take the following steps:**

1. Notify your manager immediately.
2. Email completed Forms 3244 and 4287 to your Manager and Coordinator/Technical Advisor.
3. Place the remittance in a **sealed envelope** and store in a secure place (locked desk or cabinet).
4. Document remittance details (i.e; leave a case note or history item).
5. Make an appointment to bring Discovered Remittance into the operation and deliver to the technical Manager/Lead tax examiner within **2 business days.**
6. Technical Manager/Lead Tax examiner will accept the discovered remittance, print Form 4287 and Form 3244.
7. Manager/Lead tax Examiner will deliver the discovered remittance to the Clerical Manager/Lead Clerk.

(7) **IRS CHECKS**- Returned IRS refund checks are handled differently than regular discovered remittance. If an IRS refund check is found, take it to the team Manager/Lead Tax Examiner to be routed to the Refund Inquiry Unit.

(8) **VOIDED CHECKS**-If the response has a **"VOIDED"** personal check attached, remove the check from the response and attach it to the Installment Agreement (IA) request. Route the "VOIDED" check with the Installment Agreement to Collections.

4.19.23.8
(04-02-2008)
Retrieving Phone Messages

(1) At times taxpayers or internal IRS areas may call to inquire about a FUTA issue. The clerical team will be responsible for retrieving and recording the information left on voice mail.

(2) On a telephone message slip record the following information:

a. Date and time of call
b. Name of individual calling and company name
c. Phone number and extension
d. Best time to reach caller

e.   EIN and tax period
f.   A brief explanation of issue
g.   The name of the clerk retrieving the message

(3) When the case has an open "A" control on IDRS place the message slip in the tax examiner's designated mail box.

(4) When the case is not controlled give the message slip to your lead for further research.

4.19.23.9
(09-15-2023)
Taxpayer Advocate Service/Taxpayer Bill of Rights

(1) 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. Employees are responsible for being familiar with and acting in accord with taxpayer rights. See IRC 7803(a)(3), Execution of Duties in Accord with Taxpayer Rights. For additional information about TBOR, see *Taxpayer Bill of Rights* .

(2) The Taxpayer Bill of Rights (TBOR), adopted by IRS in June 2014, outlines the ten fundamental rights of taxpayers. Pub 1, Your Rights as a Taxpayer, was updated to include the modified language from the Taxpayer Bill of Rights.

(3) Under the **Right to Quality Service**, taxpayers have the right to expect a fair and just tax system which provides taxpayers with the opportunity to have their facts and circumstances considered when it might affect their underlying liabilities, ability to pay or ability to provide information timely. Taxpayers have the right to receive assistance from the Taxpayer Advocate Service (TAS) if they are experiencing financial difficulty or if the IRS has not resolved their tax issues properly and timely through normal channels.

(4) Refer to Taxpayer Advocate when the contact meets the TAS criteria see IRM 13.1.7.3, Taxpayer Advocate (TAS) Case Criteria, or when Form 911, Request for Taxpayer Advocate Assistance (and application for Taxpayer Assistance Order), is attached and steps cannot be taken to resolve the taxpayer's issue the same day. See IRM 13.1.7.5, Same Day Resolution by Operations. When making a TAS referral, use Form 911, and forward to TAS in accordance with your local procedures.

Exhibit 4.19.23-1 (08-17-2020)
Batch Control Sheet

Below is an example of the Batch Cover Sheet used by the IAT SBSE DM Batcher tool. The header will show the IRS Received date, Batch number and the Case Type.

TIN	MFT	Tax Period	Program	Control	STAUPS	Interim Letter Issued	Additional Issues	Fed Contractor Ind
EIN Number	XX	XXXXXX	FUTA	XXXXXX	XXXXXX	XX/XX/ XXXX	N/A	N/A
EIN Number	XX	XXXXXX	FUTA	XXXXXX	XXXXXX	XX/XX/ XXXX	N/A	N/A