EFFECTIVE DATE

(05-02-2023)

PURPOSE

(1)   This transmits a revised IRM 5.9.16, Insolvency Case Monitoring, with table of contents and text.

MATERIAL CHANGES

(1)   The content in IRM 5.9 16, The table below shows substantive changes within this IRM revision.

Number	IRM	Change
1	5.9.16.2(3)	Updated Generating Transcripts with step by step instructions. IG SBSE 01-0223-0007 dated 02/22/2023.
2	5.9.16.2.4(2)	Violations of the Automatic Stay updated If and Then charts regarding Chapter 13 and Chapter 7 Field Action and payments not violated in the stay. IG SBSE 01-0223-0007 dated 02/22/2023.
3	5.9.16.2.4(3)	IF/THEN Chart Added instructions on how to work Economic Impact Payment (EIP) LTS transcripts. IPU 21U0637 dated 04/21/2021 and IPU 21U0880 dated 06/23/2021
4	IRM 5.9.16.3	Updated instructions on how to complete a Form 5792 due to Centralized Insolvency Operation (CIO) taking over processing. IPU 21U0880 dated 06/23/2021
5	5.9.16.4(1)	Changed printing to generating. IG SBSE 01-0223-0007 dated 02/22/2023.
6	5.9.16.4(2)	Changed printing to generating. IG SBSE 01-0223-0007 dated 02/22/2023
7	5.9.16.4(2)(a)	updated actions for Not Found on AIS Case Listing Reports. IG SBSE 01-0223-0007 dated 02/22/2023.

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Number	IRM	Change
8	5.9.16.4.1(3)	Updated Generating and Printing on BOE. IG SBSE 01-0223-0007 dated 02/22/2023.
9	5.9.16.4.2(2)	Updated Running LAMS Not Found on AIS Case Listing. IG SBSE 01-0223-0007 dated 02/22/2023.
10	5.9.16.4.2(4)	Update Query for reviewing the LAMS not Found on AIS Case Listing and added a note on decedent balance due notices. IG SBSE 01-0223-0007 dated 02/22/2023
11	5.9.16.4.3	Updated section on running LAMS Post-Petiton Case Listing. IG SBSE 01-0223-0007 dated 02/22/2023.
12	5.9.16.4.3(2)	Updated instructions from AIS-4 to AIS-5 BOE (Business Objects) Reports. IPU 21U0880 dated 06/23/2021
13	5.9.16.5(1)	Removed GUF. IG SBSE 01-0223-0007 dated 02/22/2023
14	5.9.16.5.2(5)	Updated Table to Add Examples to the Unpostable Codes. IPU 22U0699 dated 06/21/2022.
15	5.9.16.7(1)	Added IRM citations. IPU 21U0880 dated 06/23/2021.
16	Exhibit 5.9.16-1	Updated instructions on how to complete a Form 5792 due to Centralized Insolvency Operation (CIO) taking over processing. IPU 21U0880 dated 06/23/2021

(2)   Editorial changes were made throughout this section to add clarify and to update, correct, or add citations.

EFFECT ON OTHER DOCUMENTS

This material supersedes IRM 5.9.16 dated March 25, 2019 which includes IPU 21U0637 dated 04/21/2021, IPU 21U0880 dated 06/23/2021, IPU 22U0699 dated 06/21/2022, and IG SBSE 01-0223-0007 dated 02/22/2023.

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AUDIENCE

Field Insolvency Groups and the Centralized Insolvency Operation.

Rocco A. Steco, Acting Director, Collection Policy,
Small Business / Self Employed

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5.9.16
Insolvency Case Monitoring

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5.9.16.1
(03-25-2019)
Program Scope and Objectives

(1) **Purpose:** This IRM section contains guidance on Case Monitoring reports used by Insolvency caseworkers during the course of a bankruptcy case.

(2) **Audience:** Insolvency caseworkers and management in Specialty Collection Insolvency (SCI), which consists of Field Insolvency (FI) and the Centralized Insolvency Operations (CIO), are the primary users of this IRM section. Advisors, Revenue Officers (RO), and other SB/SE employees may also refer to these procedures. Employees in functions other than SB/SE may refer to this section when working with a taxpayer that has filed an insolvency proceeding.

(3) **Policy Owner:** The Director of Collection Policy is responsible for issuing policy for the Insolvency program.

(4) **Program Owner:** The program owner is Collection Policy, Insolvency (SCI) an organization within the Small Business / Self Employed (SB/SE) Division .

(5) **Primary Stakeholders:** The primary stakeholders are SCI and SB/SE Collection.

(6) **Program Goals:** The goal is to provide fundamental knowledge and procedural guidance to facilitate the effective monitoring of Insolvency cases. To promote timely and effective actions on behalf of the Government, and to promote the efficiency of Insolvency caseworkers by enabling them to manage their inventories based on necessary actions rather than on periodic general reviews of all cases.

5.9.16.1.1
(05-02-2017)
Background

(1) Internal Revenue Manual (IRM) 5.9, Bankruptcy and Other Insolvencies, contains the Service's position, procedures, information, instructions, guidance, and references concerning bankruptcy cases, stockbroker insolvencies, receiverships, assignments for the benefit of creditors, corporate dissolutions, and bulk sales.

5.9.16.1.2
(03-25-2019)
Authority

(1) The Insolvency program operates within the guidelines of the US Bankruptcy Code (11 USC) and the Federal Rules of Bankruptcy Procedure.

(2) IRM 5.9.3.1.2, Authority, and IRM 5.9.3.1.3, Responsibilities, also discuss Insolvency caseworkers' authority and responsibilities in the Insolvency program.

5.9.16.1.3
(03-25-2019)
Roles and Responsibilities

(1) **Field Insolvency:** FI retains responsibility for working most reports on cases assigned to their inventories. The CIO may refer certain cases on their assigned reports to FI for resolution. Reports handled by FI are:

- Bar Date Follow-up
- Court Closure Follow-up
- Courtesy Investigations
- Litigation Transcript System (LTS)
- Post-petition / Pre-confirmation BMF Monitoring
- Proof of Claim Follow-up
- Re-filing of the Notice of Federal Tax Lien (NFTL)
- Referral to Counsel
- Technician Review Follow-up

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(2) **Centralized Insolvency Operation:** CIO caseworkers monitor post-petition IDRS actions affecting cases by processing the following reports:

- Aged Case
- Litigation Account Management System (LAMS)
- Litigation Transcript System (LTS)
- Mirrorfail Transcript
- Unpostable

5.9.16.1.4
(05-02-2023)
Program Management
and Review

(1) **Program Reports:** Guidance for the various reports covered in this IRM section can be found in the following:

IRM	Title
IRM 1.4.51.7.3	Case Management Tools, contains guidance on the various reports utilized throughout the Insolvency program
IRM 1.4.51-9	Guide for Bar Date Follow-up (Field Insolvency)
IRM 1.4.51-10	Guide for Proofs of Claim Follow-up Report (Field Insolvency)
IRM 1.4.51-11	Guide for Litigation Transcript System Reports (Field Insolvency and CIO)
IRM 1.4.51-13	Guide for Court Closure Follow-up (Field Insolvency and CIO)
IRM 1.4.15.14	Guide for Tech Review F/U Report (Field Insolvency and CIO)
IRM 1.4.51-16	Guide for LAMS Closed Case Listing (Field Insolvency and CIO)
IRM 1.4.51-22	Guide for Referral to Counsel (Field Insolvency)
IRM 1.4.51-23	Guide for LAMS Not Found on AIS Case Listing (Field Insolvency and CIO)
IRM 1.4.51-27	Guide for Aged Case Report (Field Insolvency and CIO)
IRM 1.4.51-34	Guide for GUF Report (CIO)

(2) **Program Effectiveness:** National quality reviews and consistency reviews are conducted on a regular basis. See IRM 1.4.51.15.1, NQRS and IRM 1.4.51.15.2, EQ Consistency Reviews, for more information. Operational and Program reviews are conducted on a yearly basis. See IRM 1.4.51.16.2, Operational Reviews, and IRM 1.4.51.16.5, Program Reviews, for more information.

Note: The Monthly Assessment of Performance Report (MAP) and Monthly Resource Report (MRR) provide detailed inventory and productivity data.

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5.9.16.1.5 (05-02-2023) **Program Controls**	(1)	Managers are required to follow program management procedures and controls addressed in IRM 1.4.51.4.2 ,Reviews, and IRM 1.4.51.14, Controls, and IRM 1.4.51.15, Quality.
	(2)	Caseworkers and managers utilize the Automated Insolvency System (AIS) for case management, assignment and documentation of all insolvency and non-bankruptcy insolvency cases. See IRM 5.9.3.2 Automated Insolvency System (AIS).
	(3)	Certain case actions and determinations explained in this IRM section require managerial approval.

5.9.16.1.6 (03-25-2019) **Terms/Definitions/ Acronyms**	(1)	A glossary of terms used by Insolvency can be found in IRM 5.9.1-1, Glossary of Common Insolvency Terms.
	(2)	Common acronyms acceptable for use in the AIS history are listed in IRM 5.9.1-2 , Acronyms and Abbreviations.
	(3)	Acronyms used locally in this IRM section are shown below.

Acronym	Definition
AIS	Automated Insolvency System
ASED	Assessment Statute Expiration Date
CC	Command Code
cc	Closing Code
CCP	Centralized Case Processing
CIO	Centralized Insolvency Operation
CSED	Collection Statute Expiration Date
DOD	Date of Death
DPC	Designated Payment Code
FI	Field Insolvency
FPLP	Federal Payment Levy Program
GII	Generalized IDRS Interface
GUF	Generalized Unpostable Framework
IAT	Integrated Automation Technologies
IIP	Insolvency Interface Program
LAMS	Litigation Accounts Management System
LTS	Litigation Transcript System
MF	Master File

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Acronym	Definition
NFTL	Notice of Federal Tax Lien
NMF	Non-Master File
RTR	Remittance Transaction Research
SCI	Specialty Collection Insolvency
TC	Transaction Code
TIN	Taxpayer Identification Number
TPR	Trustee Payment Research
UPC	Unpostable Code

(4) Additional acceptable acronyms and abbreviations are found in the ReferenceNet Acronyms Database, which may be viewed at: *http://rnet.web.irs.gov/OldRnet/Other/acronymdb.asp*

5.9.16.1.7
(03-25-2019)
Related Resources

(1) Procedural guidance on Insolvencies can be found throughout IRM 5.9, *Bankruptcy and Other Insolvencies*.

(2) The US Bankruptcy Code and Rules.

(3) AIS User Guide, Document 13219.

(4) Insolvency/Bankruptcy, My SB/SE page *http://mysbse.web.irs.gov/Collection/insolvency/default.aspx*.

5.9.16.2
(05-02-2023)
Litigation Transcript System

(1) **Litigation Transcript System (LTS).** The Litigation Transcript System (LTS) program matches electronic litigation transcripts from master file with the TIN records of the AIS database. This program allows Insolvency caseworkers to manage their inventories based on necessary actions rather than on periodic general reviews of all cases assigned to them.

    a. Centralized Insolvency Operation. CIO units generate and work LTS reports for cases assigned to their inventory and forward specific reports, such as new assessments, to Field Insolvency when appropriate.

    b. Field Insolvency. FI generate and work LTS reports on cases currently assigned to their inventory. They also work transcripts for cases transferred to them from CIO because of complex issues.

    c. Weekly Extractions. MF data are sorted and transmitted to the AIS database once a week. After the data are matched and sorted by employee case assignment number, the transcripts can be printed.

    d. Time frame. Caseworkers must review their assigned transcripts within five workdays of receipt with one exception, After Petition transcripts must be reviewed within 2 calendar days of generation. In addition, CIO must review New Assessment and Closed Case transcripts within 15 calendar days of generation.

    e. Documentation. Follow the documentation guidelines found in IRM 5.9.5.4, **Automated Insolvency System (AIS) Documentation**.

    Note: SCI can utilize IAT/GII tools to reduce the volume of cases requiring manual review and AIS documentation.

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  f. Identification and Prevention of 11 USC Violations. LTS reports assist Insolvency employees to identify and to resolve violations of the Bankruptcy Code. Correction of actions taken in violation of the automatic stay must be initiated within two workdays of the date a violation is detected.

  g. Pending Refunds. LTS generates a Manual Refunds Pending for Review Report (with cases sorted by employee number) to identify possible refund issues that may require immediate handling. The report can be accessed by selecting "Reports" on the AIS Main Menu, scrolling down to the "Manual Refund" list and selecting "Pending Refunds". LTS loads the MF and AIS refund data automatically to the AIS manual refund screen.

  h. Refunds Generated by LTS. For each debtor's TIN, LTS generates a weekly Report of Refunds when a docket is open on AIS, a module has a current -V or -W freeze condition, or a TIN is added to the Manual Refund data screen for possible refund. IDRS overpayment information is added weekly to AIS. The report can be accessed by selecting "Reports" on the AIS Main Menu, scrolling down to the "Litigation Transcripts" list and selecting "Refunds Generated by LTS". See IRM 5.9.16.3, Manual Refunds.

(2) **Sorting LTS Transcripts.** The LTS transcripts are in one file and systemically sorted into the following types:

- Credit Balance
- Other Credit Balance
- New Assessments
- Case Closed on AIS
- All Other
- After Petition

(3) **Generating LTS Transcripts.** To generate LTS transcripts the user must take the following actions:

STEP	ACTION
1	Log into the BOE program
2	Go to the left side of the screen & select documents
3	Select public folders
4	Select AIS
5	Select Ad Hoc
6	Scroll down and select SCI-Field Reports
7	Select Field Bankruptcy Specialist Reports
8	Select letter A, mandatory weekly
9	Select the appropriate LTS report
10	Input the History start and end date, input the chapter
11	Click ok

(4) **Working LTS reports in lieu of transcripts.** SCI has the option of working Business Object reports in lieu of working each individual LTS transcript.

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(5) **LTS Retention.** LTS transcripts must be retained for one month. Local management must set procedures for storing the reports on site.

5.9.16.2.1
(05-02-2023)
**"Credit Balance" and
"Other Credit Balance"
Reports**

(1) **Pre-petition Credit and Pre-petition Liability.** LTS credit transcripts generate on all accounts with -V or -W freeze, regardless if the credit is frozen from refunding. The information from LTS Credit Balance is extracted to the Manual Refund Pending Report.

Note: SCI can work the Manual Refund Pending Report in lieu of working LTS "Credit Balance "transcript.

(2) If a credit and liability are both pre-petition, the caseworker must determine if the credit is a true module overpayment by reviewing all modules on Integrated Data Retrieval System (IDRS) Command Code (CC) SUMRY for the Transaction Code (TC) 520 and applicable closing code, along with the local rules or standing orders, prior to initiating any of the following actions to resolve the credit balance by:

   a.   manual refund to the debtor;
   b.   manual refund mailed to the trustee;
   c.   transfer of the credit to another period; or
   d.   partial refund to the taxpayer or mailed to the trustee.

(3) Pre-Petition Module with a Credit

IF...	THEN...
TC 520 cc 60, 61, 62, or 63 (prevents pre-petition to pre-petition offsets and freezes pre-petition refunds)	Follow the chart" When a True Module Credit Exists" below.
TC 520 cc 64 or 65 (allows pre-petition offsets and does not freeze pre-petition refunds)	Update "Manual Refund" screen on AIS to " never process" and document AIS history."
TC 520 cc 66 or 67 (allows pre-petition to pre-petition offsets and freezes pre-petition refunds)	Follow the chart "When a True Module Credit Exists" below.
TC 520 cc 83 (prevents all offsets and does not freeze pre-petition refunds)	Follow the chart "When a True Module Credit Exists" below.

(4) **Post-Petition Modules with a Credit**

IF...	THEN...
TC 520 cc 60 or 61 (allows post-petition to post-petition offsets and does not freeze post-petition refunds)	Update "Manual Refund" screen on AIS to "never process" and document AIS

IF...	THEN...
TC 520 cc 62, 63, 66, or 67 (allows post-petition to post-petition offsets and freezes post-petition refunds)	Follow the chart "When a True Module Credit Exists" below.
TC 520 cc 64 or 65 (allows post-petition offsets and does not freeze post-petition refunds)	Update "Manual Refund" screen on AIS to "never process" and document AIS
TC 520 cc 83 (prevents all offsets and does not freeze post-petition refunds)	Follow the chart "When a True Module Credit Exists" below.

(5) **When a True Module Credit Exists**

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IF...	THEN...
Standing orders or local rules allow offsets	**CIO Action:** Input a credit transfer on line. (See IRM 21.5.8.4.1H, IDRS Guidelines for Credit Transfers, and IRM 21.5.8.4.2, Credit Transfer Input on IDRS.) If an amended POC is required, reassign the case to the appropriate FI caseworker, documenting the AIS history with the reason for the reassignment. The FI caseworker will be advised of the potential need for case action via e-mail sent by AIS to their Outlook e-mail address. **FI Action**: Prepare Form 2424 and forward to Centralized Case Processing (CCP). The document may be sent electronically by secure e-mail to *SBSEccpinslv. gov*. If the credit transfer will not absorb the entire credit, prepare a manual refund to issue the credit to the debtor or trustee. *Note:* When preparing a credit transfer that will absorb the entire credit, caseworkers must access the "Manual Refund" screen on AIS to update the "issue to" field to "Never Process" to prevent the case from appearing on the Pending Manual Refund Report.
Standing orders or local rules do not allow offsets, and the dollar amount meets the criteria for referral to Counsel to request a lift of stay for offset	**CIO Action:** Reassign the case to the appropriate FI caseworker. Document the AIS history, noting the research results and basis for transferring the case to FI. The FI caseworker will be advised via e-mail sent by AIS to their Outlook e-mail address. **FI Action:** Depending on local agreement with Area Counsel, make a determination about requesting a lift of stay for offset.

IF...	THEN...
The credit is due to a TC 740 (S-freeze)	Review the account and if the bankruptcy freeze is not holding credit, document AIS as no action needed.
The credit is due to a TC 610, 640(-F freeze), 650 or 670 (no DPC) and TC 570 (-R freeze)	Document AIS history stating applicable TC and no actions is needed.
The credit is due to a TC 766	TC 766 credits with a reference number 337 **cannot** be refunded. Follow the Mirrorfail transcripts, IRM 5.9.16.7, Mirrorfail Transcript, procedures to resolve the non-refundable credit.
The credit cannot be offset and does not meet the criteria for referral to Counsel, (See IRM 5.9.4.15.4 , Referral Tolerances)	Prepare Form 5792, Request for IDRS Generated Refund (IGR), to refund the overpayment to the debtor or to send the credit to the debtor c/o of the trustee. If the overpayment came from the trustee, the overpayment should be sent back to the trustee. If the overpayment came from debtor or third party, the refund of the over-payment should be sent to the debtor or trustee, depending on whether the trustee has made a valid turnover request.

Note: The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (BAPCPA) allows offset of pre-petition income tax refunds to pre-petition income tax liabilities for cases filed on or after October 17, 2005.

(6) **Post-Petition Credit with Additional Liability.** If the LTS credit is post-petition, the caseworker must research IDRS to determine if post-petition liabilities exist.

IF...	THEN...
Research shows existing post-petition liabilities,	apply the credit to the existing post-petition liability unless offset is barred by local rules or standing orders. • **CIO Action:** input a credit transfer on line. (See IRM 21.5.8.4.1, IDRS Guide-lines for Credit Transfers, and IRM 21.5.8.4.2, Credit Transfer Input on IDRS. • **FI Action:** prepare Form 2424 (or other form accepted by CCP) requesting a credit transfer and send to CCP.)

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IF...	THEN...
More than one post-petition liability exists,	apply the credit to the most imminent CSED first, and continue in this same manner until the credit is exhausted unless offset is barred by local rules or standing orders.
The credit is not exhausted but standing orders or local rules allow post-petition credits to offset to pre-petition debts,	**CIO Action:** input a credit transfer on line. (See IRM 21.5.8.4.1, IDRS Guidelines for Credit Transfers, and IRM 21.5.8.4.2, Credit Transfer Input on IDRS.) Update the AIS history explaining actions taken. If a proof of claim has been filed, reassign the case to the appropriate Field Insolvency caseworker. The Field Insolvency caseworker will be advised of the potential need for case action via an E-mail sent by AIS to their Outlook E-mail address. • **FI Action:** prepare Form 2424 (or other form accepted by CCP) requesting a credit transfer and send to CCP. Amend claim or send credit letter to trustee as needed.
The case is Chapter 13, the credit is not exhausted, no standing orders exist for offset to pre-petition liabilities, but the dollar amount meets IRM criteria for referral to Counsel to request a lift stay,	• **CIO Action:** document the AIS history, noting the research results and the basis for transferring the case to the Field. Reassign case to appropriate FI caseworker. The FI caseworker will be advised of the potential need for case action via an E-mail sent by AIS to their Outlook E-mail address. • **FI Action:** consider requesting a lift of stay for offset based on local referral tolerances .
The credit is not exhausted, no standing orders exist for offset to pre-petition liabilities, and the amount does not meet the criteria for referral to Counsel to request a lift of stay,	prepare Form 5792, Request for IDRS Generated Refund (IGR), for any remaining credit and document the AIS history. The refund should be directed to the debtor or the trustee depending upon local rules or trustee turnover requests. IRM 5.9.16.3, Manual Refunds.

Caution: Caseworkers must update the "Issue to" field to "Never Process" on the refund screen on AIS when a 5792 will not be issued.

Note: Because of time constraints, generally referrals for lift of stays will not be made on Chapter 7 cases based on LTS reports.

(7) **Post-petition Credit and No Additional Liability.** If the credit is post-petition and no additional liabilities are identified, and the TC 520 prevents systemic post-petition refunds, the caseworker must prepare Form 5792, Request of IDRS Generated Refund asking a refund be issued to either the debtor or payable to the debtor and mailed in care of the trustee. IRM 5.9.16.3, Manual Refunds.

(8) **Payment Posting IRM Section.** IRM 5.9.15.7 , Proper Application of Payments, guidance can be followed on determining the most appropriate manner in which to address credits identified by LTS reports.

5.9.16.2.2
(05-02-2023)
"New Assessment" Reports

(1) Identified by Transaction Codes. For each debtor TIN on an open AIS case, LTS generates a New Assessment report when the following newly posted transaction codes appear on a balance due module:

- TC 150 - Return posted with assessment
- TC 240 - Miscellaneous penalty
- TC 290 - Additional tax assessment
- TC 300 - Additional tax or deficiency by Examination
- TC 671 - Dishonored check

Note: The LTS New Assessment reports are not worked in Chapter 7 No Asset cases and, when generated, may be discarded into classified waste.

(2) **Transaction Code Analysis.** Caseworkers must analyze the transcripts for cases in their inventory to determine which transaction codes are present and what the next appropriate action is. Additional AIS and IDRS research may be required.

IF...	THEN...
The new assessment is on a pre-petition period, and the case is a Chapter 13 or Chapter 7 Asset bankruptcy,	**CIO Action:** re-assign the case to the appropriate FI caseworker; and document actions in the AIS history. **FI Action:** determine if a new claim should be filed or if an existing claim should be amended. (See IRM 5.9.5.4, AIS Documentation and IRM 5.9.14.3.1, Amends Process.
The new assessment is on a pre-petition period and the case is a Chapter 7 Asset assigned to FI, Chapter 11, or Chapter 12,	**FI Action:** determine if a new claim should be filed or if an existing claim should be amended.

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IF...	THEN...	
The new assessment is on a post-petition Chapter 13 period	**CIO Action:** input TC 520 cc 84 (See, IRM 5.9.10.8(5), TC 520 Input on Post-Petition Modules), update the AIS history (example - Working LTS New Assessment for XX-20XX12 for $XX, TC 520 cc 84 input, discard) and discard the transcript in classified waste.	# # # # # #
The new assessment is on a post-petition Chapter 13 period and IDRS indicates full pay has been received based on the systemic balance due notice,	**CIO Action:** document AIS and place the transcript in classified waste if full payment has been received.	

IF...	THEN...
The new assessment is on a post-petition Chapter 13 period, and IDRS indicates full pay has NOT been received based on the systemic balance due notice, and	**CIO Action:** • Input TC 520 cc 84 (See, IRM 5.9.10.8(5), TC 520 Input on Post-Petition Modules. • Check to see if the petition date is within the last 4 calendar years. If not, update the AIS history (example - Working LTS New Assessment for XX-20XX12 for $XX, petition date not within last 4 calendar years, TC 520 cc 84 input, and discard the transcript in classified waste. • If the petition date is within the last 4 calendar years, update the AIS history (example - Working LTS New Assessment XX-20XX12 for $XX, TC 520 cc 84 input, reassigned to the appropriate FI case-worker. • The FI caseworker will be advised of the potential need for case action via an e-mail sent by AIS to their Outlook e-mail address notifying them of the case transfer. **FI Action:** • Follow local procedures for addressing post-petition liabilities. Annotate the AIS history explaining how post-petition liabilities are to be handled upon discharge. (See IRM 5.9.5.4 , AIS Documentation).

The "#" marks appear in the right margin alongside the second bullet point.

> **Note:** Tolerances for transferring cases from the CIO to Field Insolvency for post-petition new assessments are determined by mutual agreement between the CIO and Field Insolvency.

(3) **Amending Proofs of Claim.** IRM 5.9.13.18.1, Unassessed Claims, provides direction for amending claims. Some Insolvency offices send the trustee a credit letter rather than file an amended claim if a liability proves to be less

than is shown on the Service's claim. Insolvency specialists should accede to the wishes of their trustee in choosing to file an amended claim or send a credit letter.

5.9.16.2.3
(03-25-2019)
"Case Closed on AIS"
LTS

(1) **Case Closed on AIS.** For each debtor TIN, LTS generates a "Case Closed on AIS" transcript when AIS shows a closed docket, and a current -V or -W freeze condition is present on at least one MF module. The caseworker must analyze IDRS to determine if TC 521 is input on all modules where the Insolvency TC 520 had previously posted.

Caution: Other functions, such as Appeals, use TC 520 transaction codes. The closing code (CC) associated with the TC 520 identifies which area has restricted the tax account. See Document 6209 for explanations of the closing codes associated with TC 520.

IF...	THEN...
The TC 521 has not posted on all modules,	use IDRS command code REQ77 to input TC 521 to those modules where TC 521 is lacking. See IDRS Command Code Job Aid on SERP.
The TC 521 has posted on all modules,	review IDRS for the status of TC 520s. For multiple TC 520s, determine which TC 520 remains unreversed. See *"Caution"* above.
The TC 521 has gone unpostable on at least one module because of an incorrect closing code,	use IDRS command code REQ77 to input TC 521 with the correct closing code to those modules where TC 521 unposted. See IDRS Command Code Job Aid on SERP

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IF...	THEN...
The TC 520 relates to the LTS report bankruptcy case and the bankruptcy TC 521 has posted,	**CIO Action:** 1. Using command code REQ77, input TC 470 with no transaction date. 2. At the same time input TC 472 with no transaction date, but with a one cycle delay. (Status 72 will change to status 47 and then to status 50 systemically) 3. Once the case is in status 50, input command code STAUP, using status of case prior to bankruptcy and 00 cycles to remove the status 72 indicator. See IDRS Command Code Job Aid on SERP **FI Action:** Request the above actions from CCP.
The TC 520 relates to an Appeals case or other non-bankruptcy litigation,	no action is necessary as the TC 520 is valid.
The TC 520 applies to a bankruptcy case not related to the LTS report case,	no action is necessary.

When the LTS "Case Closed on AIS" transcript has been resolved, the caseworker must document the AIS history on all cases where action was taken and retain the transcript per managerial direction.

Note: When another tool or automated report is available to identify TC 520s on closed cases that may need reversal, that tool or report may be used in lieu of the case "Closed on AIS" LTS.

(2) **Integrated Automation Technologies (IAT) Closed Bankruptcy Tool.** An IAT tool was developed for use by CIO to perform research on the LTS Case Closed on AIS. The tool researches IDRS to determine if the appropriate TC 521/522 has been input on a list of TINs. If the tool determines the TINs do not have the appropriate TC 521/522 input (TC 521/522 releasing the -V or -W freeze) the tool will input and transmit the TC 521/522 to the account. The tool will provide an output report listing the cases for which a determination could not be made. Cases on this output report will require manual review by a caseworker. In order to use the IAT tool you must generate the Business Objects "Closed Case by MGC (LTS Closed Case for IAT Tool)" report. The IAT Closed Bankruptcy Tool output report can be worked in lieu of working and documenting each individual transcript.

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5.9.16.2.4
(05-02-2023)
"All Other" LTS

(1) **All Other.** For each debtor TIN, LTS generates an "All Other" transcript when AIS has an open docket and:

    a.   IDRS shows a current -V or -W freeze condition;
    b.   a TC 670 has recently posted with a designated payment code other than 03 or 11 or
    c.   a TC 846 has recently posted
    d.   any other condition that generates a transaction code.

Note: "All Other" LTS is optional for all SCI, with the exception of the "All Other TC 846 Found" transcript.

(2) **Violations of the Automatic Stay.** AIS and IDRS must be researched to determine if payment(s) are in violation of the automatic stay. (See IRM 5.9.3.5.1 , Violations of the Automatic Stay, IRM 5.9.6.5.1, Debtor Payments on Dischargeable Taxes, and IRM 5.9.6.5.2, Voluntary Payments on Non-Dischargeable Taxes.)

IF...	THEN
The case is a Chapter 13 or a Chapter 7 No Asset bankruptcy and payments have a DPC 05 and are in violation of the automatic stay,	prepare Form 5792, Request for IDRS Generated Refund.
The case is a Chapter 13 or a Chapter 7 No Asset bankruptcy with DPC 06, 07, or 08, and payments are in violation of the automatic stay,	. **FI Action:** Review case and consult Counsel for guidance.
The case is a Chapter 7A, 11, or 12 bankruptcy, and payments are in violation of the automatic stay,	a decision must be made to refer the case to Counsel for a motion for offset or adequate protection or to prepare Form 5792.
Payments are not in violation of the automatic stay,	determine if other liabilities exist where an offset is applicable.
Payments are not in violation of the automatic stay, and an offset is applicable,	apply the payment according to the Bankruptcy Code or local rules/standing orders. **FI Action:** prepare Form 2424 (or other form accepted by CCP) requesting a credit transfer and send to CCP. Amend claims or send credit letters as needed.
Payments are not in violation of the automatic stay, but an offset is not applicable,	prepare Form 5792

When the LTS All Other transcript has been resolved, the caseworker must document the AIS history and retain the transcript according to managerial instruction.

(3)   **All Other TC 846 Found.** A LTS will generate when a systemic refund (TC 846) was issued to the debtor. Caseworkers must review IDRS to locate the TC 846 to ensure a systemic release of a trustee payment did not occur. If a TC 846 posted in the same cycle as a TC 670, 680, 690 with DPC 03 take the following actions:

IF...	THEN...
The refund is due to trustee payment that posted to a pre-petition or post-petition period	**CIO Action:** • Input TC 520 cc 81 • Update the freeze screen • Reassign the case to FI • Document actions **FI Action:** review the account and follow the chart in IRM 5.9.15.7.2, Multiple Refunds.
The refund is due to other non trustee payments, such as a voluntary payment	**CIO Action:** review the entire taxpayer account including RTR (Remittance Transaction Research) System, if available, to ensure the voluntary payment was posted to the correct tax period. If the taxpayer designated the payment for tax period other than the period the payment was posted to, issue Letter 510C ,Refund in Error: Returned Check. Use paragraph F, T, U, W, a, b, e, h.
The refund is due to a joint liability and both debtors filed individual bankruptcies	**CIO Action** • Input TC 520 cc 81 • Update the freeze screen • Reassign the case to FI • Document actions **FI Action** review the account and follow the chart in IRM 5.9.15.7.2, Multiple Refunds.
The refund is due to an economic impact payment: (EIP 1: The Coronavirus Aid, Relief and Economic Security CARES Act; EIP 2: The Consolidated Appropriation Act of 2021; EIP 3 American Rescue Plan Act of 2021)	**CIO Action & FI Action:** No action necessary. No AIS history is needed.

Caution: In additional to a TC 846, you may notice prior a TC 826, Overpayment Offset occurred, and the offset is pre-pre or post-post. Reassign the case to Field Insolvency to amend the claim. Also, send a credit letter to the trustee or withdraw the claim.

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(4) **Generalized IDRS Interface (GII) CIO Trustee Payment Refund (TPR) Tool.**
A GII tool was developed to perform research on the LTS All Other TC 846 Found transcripts. The tool will perform IDRS research on a listing of cases identifying modules where the TC 670 with Designated Payment Code (DPC) 03 and a TC 846 posted in the same IDRS cycle. The GII TPR output report can be worked in lieu of working and documenting each individual transcript.

5.9.16.2.5
(05-02-2017)
"After Petition" LTS

(1) **After Petition Transcripts.** LTS generates "After Petition" transcripts when specific transaction codes post after the petition date. These transcripts will assist Insolvency caseworkers in recognizing potential bankruptcy stay violations.

(2) **Transaction Code (TC) 670.** LTS will generate a transcript for a TC 670 payment when the payment is made after the petition date listed on AIS. These transcripts will only be generated for cases that have no confirmation date or a confirmation date of 02/02/2222 on AIS. Follow the instructions in the chart below for processing transcripts with TC 670 payments.

IF...	THEN...
DPC code: Blank or 99	• Check RTR , if available • If NFTL or levy payment, follow IRM 5.9.5.8, Levies and Bankruptcy • If not a NFTL or levy payment, follow IRM 5.9.4.5.1, Addressing Credits, Refunds, and Offsets, update AIS history with all actions taken.
DPC: 04, 20, or 21 (State levy) • 05 (levy) • 07 (payment received expressly for full or partial payoff of the Notice of Federal Lien) • 18 (FPLP Primary) • 19 (FPLP Secondary)	• Follow IRM 5.9.5.8, Levies and Bankruptcy • Update AIS history with all actions taken
DPC other than 04, 05, 07, 18, 19, 20, or 21	Update AIS history listing reason for no additional action, example "Working LTS After Petition for cycle 2016XX for MFT - Period on TIN, TC 670 DPC is 03, no action needed."

(3) **Transaction Code (TC) 582.** LTS will generate a transcript when a TC 582 is posted to IDRS after the bankruptcy petition date listed on AIS. Follow the instructions in the chart below for processing transcripts with TC 582.

IF...	THEN...
AIS history shows NFTL period already addressed	Update AIS history stating NFTL was already addressed and no additional action is needed.
AIS history doesn't support leaving NFTL in place	• Follow IRM 5.9.5.1, NFTL Filed after Bankruptcy Filing • Update AIS history with actions taken. *Note:* You must read the case history and access the NFTL on Automated Lien System (ALS) to determine if the lien was in fact filed in violation. The existence of the TC 582 on IDRS should not be the only indicator used to determine the validity of a lien.

(4) **Transaction Code (TC) 291/301**. LTS will generate a transcript when a TC 291/301 posts (Tax adjustment generally from an amended return) to IDRS after the bankruptcy petition date listed on AIS. Follow the instructions in the chart below for processing transcripts with TC 291/301.

IF...	THEN...
Chapter 7N	Update AIS history stating Chapter 7N and no action is needed.
All Chapters other than 7N and not credit balance	**CIO action:** • Review for possible reas-signment to FI to amend Proof of Claim (POC). • Update AIS history will all actions taken. **FI Action:** • Amend POC if needed. • Update AIS history with all actions taken.
All Chapters other than 7N and credit balance	• Follow IRM 5.9.4.5, Credits, Refunds, and Offsets • Update AIS history with all actions taken.

(5) **Transaction Code (TC) 706**. LTS will generate a transcript when a TC 706 (offset) posts to IDRS after the bankruptcy petition date listed on AIS. These

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transcripts will only be generated for cases that have no confirmation date or a confirmation date of 02/02/2222 on AIS. Follow the instruction in the chart below for processing transcripts with TC 706.

IF...	THEN...
Pre-petition to pre-petition or post-petition to post-petition	update AIS history stating offset allowed and no additional action needed.
Pre-petition to post-petition or post-petition to pre-petition	review, IRM 5.9.18.6.7, Post-petition Payment, and *Bankruptcy Law Advisory Rules Engine (BLARE)* see if offsets are allowed. • If allowed, no action needed. • If not allowed, reverse offset. • Update AIS history with all actions taken.

(6) **Transaction Code (TC) 610/640/650.** LTS will generate a transcript when a TC 610/640/650 posts to IDRS after the bankruptcy petition date listed on AIS. Follow the instructions in the chart below for processing transcripts with TC 610/640/650.

IF...	THEN...
TC 610 (Remittance with Return) • TC 640 (Advance Payment of Determined Deficiency or Underreporter Proposal) • TC 650 (Federal Tax Deposit)	Update AIS history stating transaction code and no action is needed.

5.9.16.3
(05-02-2023)
Manual Refunds

(1) **Form 5792 , Request for IDRS Generated Refund (IGR).** The need to issue a manual refund may be identified by a debtor, attorney, trustee, LTS report, etc. Below is a non-inclusive listing of reasons to issue a manual refund:

a. Trustee Turnover is in place, see IRM 5.9.6.2.3, Chapter 7 Tax Refunds to Trustees.
b. Trustee Overpayment, see IRM 5.9.15.3.4, Surplus Payments from Trustee.
c. Violations of the Automatic Stay, see IRM 5.9.3.5.1, Violations of the Automatic Stay.
d. Voluntary payment, see IRM 5.9.4.5.2, Post-Petition Payments and Credits.
e. Original or Amended Return filed with a refund and a bankruptcy freeze (TC 520, see IRM 5.9.5.6.1, Closing Codes) that prevents systemic release. See IRM 5.9.16.2.1, Credit Balance and Other Credit Balance Reports.

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f.   Court Order, see IRM 5.9.4.5.1, Addressing Credits, Refunds and Offsets.

g.   Preference Levy Payments, see IRM 5.9.4.7, Preferences.

h.   Non-Debtor Spouse (NDS) payment or offset, see IRM 5.9.4.5, Credits, Refunds and Offsets.

Regardless of the source, manual refunds are prepared through the same steps. The format to input refund data can be accessed by selecting the Manual Refund screen on AIS. The AIS User Guide, Document 13219 provides instructions to prepare and print Form 5792 on AIS. If AIS is not available, manual refunds may be completed using the current Form 5792 available on SERP or by using the Manual Refund IAT tool.

(2) **Issue To Hold Status.** If there is a reason not to issue the refund at the current time, but it is anticipated that a manual refund will be requested at another time, update the "Issue To" status to **Hold** on the AIS Manual Refund Screen. Below is a non-inclusive listing of reasons to update the refund to "**Hold**" status:

- C- freeze: refund return filed prior to February 15th meeting PATH Act criteria
- -R freeze: Injured Spouse, IVO or CI claim
- -L freeze: Account held for audit, and TC 520 cc does not allow systemic release
- -A freeze: Amended or duplicate return filed
- Open Control Base: contact employee with open control base prior to taking an action

(3) **TC 520 Closing Codes.** Caseworkers should review IDRS to locate the TC 520 closing code present on all available modules. If there is only one TC 520 closing code present and it allows credits to offset and/or refund systemically, you should not take actions to initiate a manual refund or credit transfer. If multiple bankruptcy closing codes are present and at least one freezes (prevents) offsets and/or systemic refunds, the credit must be resolved manually (i.e. credit transfer and/or manual refund). If a non-bankruptcy TC 520 is posted to the module, contact the appropriate Appeals Office or Advisory Group prior to making any account adjustments. See the Litigation Contacts listed in IRM 21.5.6.4.46 , -W Freeze.

Note: Information on TC 520 closing codes can be found in IRM 5.9.5.6.1, Closing Codes, and Document 6209, Section 11, Collection Status Indicators, TDI TC 520 Closing Code Chart.

(4) **Chapter 13 Processing.** When working the "pending" Manual Refund Report for Chapter 13 cases, since the Proof of Claim (POC) may need to be amended, review the "Taxpayer" screen on AIS to see if a POC was filed, this is found under "POC Information", review the POC screen to verify.

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IF....	THEN...
POC was filed	**CIO:** reassign case to FI. Document AIS history " Reassigned to FI for amended POC determination, credit not processed". **FI:** follow IRM 5.9.14.3.6, APOC Amends Flag Conditions and Resolution.
No POC was filed	Continue resolving the credit, see below

(5) **BPI Codes.** ,IRM 5.9.4.5.3.1, Offset Bypass Indicators, explains the correct offset bypass indicators to use when preparing a manual refund for a taxpayer in bankruptcy. BAPCPA has required modifications to the code previously used.

(6) **Required Inputs.** As mentioned above, AIS provides a template of Form 5792. Some fields are systemically populated, such as the current name (to whom the refund is being issued),from the AIS Taxpayer screen (may need to be updated to match IDRS cc ENMOD or INOLES),the refund tax period, the amount of the refund, the return Document Locator Number (DLN), and the TIN, and remarks. Other fields require manual completion on the AIS Manual Refund screen or after the Form 5792 is generated from AIS. A drop-down menu is provided with the AIS Form 5792 to annotate the "Issue To" field with the appropriate recipient of the refund:

Value	Description
Trustee	Refund to be issued to the trustee.
Taxpayer	Refund to be issued to the taxpayer.
Hold	Hold for research, will require change to Trustee, Taxpayer or Never Process.
Never Process	Do not issue refund, do not process.
Pending	Refund determination has not been made.

Note: The name of the taxpayer on the Form 5792 should match the name on IDRS Command Code (CC) ENMOD. If necessary, the name systemically populated on the AIS Form 5792 can be manually overwritten. If the refund is being issued to the debtor in care of the trustee, the bankruptcy case number is systemically generated on line 16, 3rd name line of the Form 5792.

(7) **Data Needed for Completion.** Information from IDRS CC BMFOL, ENMOD, IMFOL or TXMOD are necessary to complete Form 5792.

a. The "Issue to" field gives the caseworker the option of issuing the refund to the debtor directly or the debtor in care of the trustee. In most instances, Insolvency issues the refund to the taxpayer unless the trustee

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directs that all refunds be sent to him or her.In the event that a refund that is property of the estate that should have been sent to the trustee is refunded to the debtor, the caseworker should **NOT** generate another refund to send to the trustee. If the trustee requests the refund, the caseworker should advise the trustee to request the refund from the debtor.

b.   If the debtor or trustee is entitled to interest, see Exhibit 5.9.16-1, Determining Interest , for detailed information to complete the **from** date.

> *Reminder:* The "to" date on the Form 5792 is completed by the caseworker inputting CC RFUND.

> (See IRM 3.14.1.6.6.2 ,Computing Credit Interest on Manual Refunds.)

> *Note:* If a trustee has requested a refund because they sent a payment on an account erroneously, interest will not be paid to the trustee unless that payment was an overpayment of the Service's claim.

c.   The employee processing F5792 is responsible for completing any applicable sections such as the interest "to" date. If Form 5792 is faxed or uploaded to submission processing after 12:00 p.m., the date of the second business day is used as the interest "to" date If F5792 is faxed and uploaded to submission processing after 12:00 p.m, the date of the second business day is used as the interest "to" date. The interest calculated is placed in Box 6, TC 770 Amount. Box 5 totals the combined amounts of interest in Box 6 and the overpayment amount from Box 7.

> *Note:* The employee processing Form 5792 is responsible for completing any applicable sections such as the interest **to** date.

d.   The initiator of the refund request must have a system in place to monitor and verify the posting of the refund requested on Form 5792.

(8)   **Field Insolvency Refund Requests.** When manual refunds are prepared by FI caseworkers, the Form 5792 must be approved by a delegated authority, and submitted to Special Collection - Insolvency see IRM 3.17.79.3.2.3, Manual Refund Digital Signature Requirement, and submitted to CSCO at the Philadelphia Campus via e-mail to CIO issues for processing. CIO will coordinate with delegated authority to digitally sign the manual refund after it processed through IDRS command code RFUND. See IRM 3.17.79.3.2.3, Manual Refund Digital Signature Requirement. *SBSE PSC CSCO Man Ref. gov* for processing.

> *Reminder:* Each e-mail should contain one taxpayer and be sent secured.

(9)   **Additional CIO Refund Steps.** In addition to completing Form 5792 and obtaining an approval digital signature from a delegated authority, CIO must ensure command code RFUND is input on IDRS via the Insolvency Manual Refund or the Manual Refund IAT tool.

> *Note:* CMODE to Ogden Service Center (OSC) is required prior to inputting command code RFUNDR.

(10)   **Monitoring.** When a manual refund is requested, the following monitoring is required until the TC 840 posts to Master File (MF):

a.   the caseworker requesting the manual refund must monitor on AIS, and

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b.   the CIO or CSCO caseworker who inputs CC RFUNDR must open an IDRS control base and monitor on IDRS according to IRM 21.4.4.6.1, **Monitoring Manual Refunds**.

> *Note:* For erroneous refund procedures see IRM 21.4.5.5, Erroneous Refund Categories and Procedures, and IRM 21.4.5.6, Category D Erroneous Refund Procedures.

(11)   **Documentation.** Matters concerning refunds and credits should be handled expeditiously by the Service and pertinent information promptly documented on AIS. This includes all actions and decisions made by caseworkers, technical leads, and managers, including preparing, reviewing, and approvals. See IRM 5.9.5.4(2), Automated Insolvency System (AIS) Documentation.

(12)   **NMF Manual Refunds.** Manual refunds for non master file (NMF) accounts must be prepared on Form 3753, Manual Refund Posting Voucher, and sent to the centralized NMF processing. See IRM 21.4.4.5.2, Preparation of the Form 3753, Manual Refund Posting Voucher.

5.9.16.4
(05-02-2023)
Litigation Account Management System (LAMS)

(1)   **Introduction.** The Litigation Accounts Management System (LAMS) interfaces account information from AIS with current downloaded master file (MF) data to allow a comparison of AIS information with MF data. Parameters can be established to permit generation of reports tailored to meet specific monitoring and inventory management needs.

(2)   **Unit Responsibilities.** CIO will generate and distribute reports available on LAMS for CIO and FI will be responsible for generating reports for FI.

a.   CIO caseworkers will work all Chapter 7 Not Found on AIS Case Listing reports regardless of case assignment. Meanwhile, FI and CIO caseworkers will work the Chapter 13 cases on the Closed Case Listing assigned to their respective functions. Certain types of cases on the Not Found on AIS Case Listing will be referred to FI for actions.

b.   FI caseworkers will be responsible for all Chapter 9, 11, 12, and 15 reports, as well as the Chapter 13 Post-petition Case Listing reports. FI is also responsible for working cases on the Not Found on AIS Case Listing that are referred from CIO.

> *Note:* Use of some LAMS reports is discretionary. See IRM 1.4.51.7.3, Case Management Tools0.)

5.9.16.4.1
(05-02-2023)
LAMS Closed Case Listing

(1)   **Unreversed Bankruptcy Freeze.** The LAMS Closed Case Listing identifies tax modules with an unreversed TC 520 and the only case on AIS with that TIN is closed. Entries on the LAMS report meet the following criteria:

- The TIN with the unreversed TC 520 was not found on any open AIS case.
- The TIN was found in at least one AIS closed case.
- The AIS closed date was at least 21 days before the creation of the LAMS tape.

> *Note:* If the TIN is found in more than one AIS case, the docket number with the most recent AIS closed date is selected,

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(2) **Determining the Stay Lift Date.** For cases filed before October 17, 2005, the date upon which the automatic stay is lifted is determined by the earliest of the time the case is closed, dismissed, or discharges.

    a.   Chapters 7, 12, and 13: the earliest of the time the case is closed, dismissed or discharge.

    b.   Chapter 11: the earliest of the discharge date which is the same as the confirmation date or the court dismiss date.

        Note: There is no discharge in a non-individual Chapter 7 case.

        For cases filed on or after October 17, 2005, the imposition of the automatic stay may vary for certain bankruptcies filed by individuals that have filed multiple bankruptcy petitions.(See IRM 5.9.5.7, Serial Filers.)

(3) **Generating and Printing.** Togenerate the report, take the following steps:

    a.   Sign onto Business Objects Enterprise (BOE),
    b.   Go to the top left side of the screen and select folders,
    c.   Select public folder,
    d.   Select AIS,
    e.   Select Ad Hoc,
    f.   Select AIS-5 LAMS,
    g.   Select Closed Case Listing,
    h.   Enter Organization parameters for report,
    i.   Enter **Begin date** and **Finish date**,
    j.   Run report.

(4) **IAT Bankruptcy Research Too**l. An IAT tool was developed for use by CIO to perform research on the LAMS Closed Case Listing. The tool researches IDRS to identify and provide an output report listing only the cases if the module still has a –V or –W freeze. Take the following steps in order to prepare the report for IAT.

    a.   Generate the report following the steps in (3) above,
    b.   Delete the columns labeled "FS", "SFS", "PRO SNN", and "PFS",
    c.   Rename and save the report in EXCEL (CSV file).

The report is now ready for the IAT Bankruptcy Research Tool.

(5) **Working the LAMS Closed Case Listing.** Once the report has been generated, and distributed appropriate actions by the caseworker may include:

    a.   Researching AIS data base by querying the TIN on the TIN Screen (this option simultaneously searched all open and closed files) to determine if a case is present. Based on the results of the search, the appropriate action may be adding or correcting the TIN field on AIS, inputting a TC 521 with the proper closing code, or checking for prior bankruptcies to verify the correct TC 520 was reversed if the case is open; or

    b.   Researching electronic court records Public Access To Court Electronic Records (PACER) to check case status.

    c.   Researching tax periods on IDRS, if no open TC 520 is present, no action is required. This could occur because a TC 521/522 was input after the listing was created, but before the case was reviewed.

    d.   The chart below provides instructions for resolving issues:

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IF...	THEN...
TC 520 is on a period and systemic mirroring is incomplete (Example - unreversed TC 520 on MFT 31 and there is a TC 400 on the module but no TC 402)	• Re-open case on AIS. • Reassign the case to CIO Operation Support Team. Use the *SERP - CIO Team Assignment - Who/Where (irs.gov)* on SERP to locate the correct SEID. • Document AIS history.
TC 520 is on a period and account that was transferred to Non-Master File (NMF) because the transaction section has exceeded maximum posting size. An overflow account is identified by a TC 400 with a "999" DLN.	You cannot reverse the open TC 520 on the MFT 30 account. The MFT 30 account has been transferred to NMF. You must order NMF transcript and take the appropriate action to process the dismissal or discharge actions. • CIO caseworkers should refer the case to their technical lead. • FI caseworkers should refer the case to CIO via *CIO Issues e-mail.

IF...	THEN...
A subsequent bankruptcy case has been filed	Review cases beginning with the most current case, • If the unreversed TC 520 is for the most current bankruptcy and the case is still open on AIS, no action is needed. • If the unreversed TC 520 is for previous bankruptcy and case is closed on AIS, follow procedures below for appropriate action. ***Note:*** Closing previous bankruptcy may close (reverse) all TC 520s. If so, you will have to re-input TC 520 for the new bankruptcy. • If the unreversed TC 520 is a previous bankruptcy and the case is on AIS, research PACER to see the if the case is closed. If PACER shows the case is closed, initiate closing action for dismissal or discharge. ***Note:*** You need to ensure there is a posted TC 520 for the most current bankruptcy. If the TC 520 for the previous bankruptcy was not reversed, the new TC 520 may not have posted to IDRS. An IIP error or unpostable may have generated. • If most current bankruptcy is open on AIS and no posted TC 520 on IDRS, set a follow-up to input TC 520 after previous TC 520 is closed. Document AIS history with action taken including case number and petition date of previous bankruptcy. • If most current bankruptcy is closed on AIS and no posted TC 520 on IDRS for this bankruptcy petition date, reopen case, set follow-up to input TC 520 after previous bankruptcy case is closed. After TC 520 posts on previous filed case, need to process dismissal or discharge. Document AIS history with action taken, including case number and petition date of previous bank-ruptcy. • If all cases are closed determine which 520s are unreversed on IDRS. For 520s that are unreversed follow instructions bellow for ap-propriate closure method. • Notate on listing action taken.
The case was **dismissed**	• Input TC 521 to IDRS. • Document AIS history. • Notate action on listing.

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IF...	THEN...
the case was **discharged**	- Review for stay violations, (such as injunctions where post-petition refunds offset to dischargeable debts). If a violation are found, take corrective action(s). - Check for unresolved Discharge Determination Report (DDR). If found take appropriate action(s). ***Note:*** If appropriate action requires follow-up, reopen the case on AIS. - Update the AIS history (Example: "Working LAMS Closed Case Listing, unreversed TC 520 ccXX on MFT/TXYR. Period addressed.) - If stay violations are found, take appropriate action(s) and document AIS and notate on listing. ***Note:*** If case is reopened on AIS for monitoring or follow-up, close the case after all corrective action(s) have been taken.
The case was closed, No Liability (NL) with no balance due remaining	Request closure through IIP See IRM 5.9.17-1, Closing Dismissals.
The case was closed NL, but a pre-petition balance due remains	Take appropriate action to address the balance due which may include making a CNC determination, inputting TC 521 or abating the balance.
The case was closed as Other, Full Paid, or Administrative Court Closing	- Input TC 521 to IDRS, using the current date. - Document AIS history, and notate on listing action taken.
The case was filed on or after October 17, 2005, and the stay was not imposed	Follow instructions in IRM 5.9.5.7, Serial Filers

5.9.16.4.2
(05-02-2023)
LAMS Not Found on AIS Case Listing Report

(1) **No Corresponding TIN(s).** TIN(s) for cases on the report cannot be matched with any TIN(s) in the AIS database. Cause for the TIN(s) not being on AIS can include the following:

- The corresponding AIS case was removed from the system.
- The TIN listed in the AIS TIN field is different from the TIN on the LAMS file.

(2) **Running the LAMS Not Found on AIS Case Listing.** To print the report the caseworker must:

1. Sign onto BOE ,
2. Go to the top left side of the screen & select folders,
3. Select public folder,

4. Select AIS,
5. Select Ad Hoc,
6. Select AIS-5 LAMS,
7. Select Not Found On AIS Case Listing,
8. Enter values for Universal Location Code (ULC),
9. Select OK to run report.

Note: LAMS Not found on AIS Case Listing Report rolled down to FI managers by SCI Analyst. FI managers will assign reports to frontline employees to work as needed.

(3) **IAT Bankruptcy Research Tool.** An IAT tool was developed for use by CIO to perform research on the LAMS Not Found on AIS Listing. The tool researches IDRS to identify and provide an output report listing only the cases if the module still has a –V or –W freeze. Take the following steps in order to prepare the report for IAT.

1. Generate the report following the steps in (2) above,
2. Insert a column before and after the column labeled "NAME CTRL",
3. Rename and save the report in CSV format.

The report is now ready for the IAT Bankruptcy Research Tool.

(4) **Reviewing the LAMS Not Found on AIS Case Listing.** To review this LAMS listing, the caseworker must check AIS by querying the TIN on the Search Case File Screen. The files may also be searched by last and first names in the Case Information field of the Search Case File screen. If the case is found on AIS, follow the instructions in the charts below. If the case cannot be located on AIS and a balance due is found on IDRS, the caseworker should research PACER for the current status of the bankruptcy. Additional research methods include:

-   If TIN or related TIN on listing is not on AIS or PACER, check IDRS command code INOLE for cross reference TIN.
-   If cross reference TIN is found and case is not located on AIS under cross reference, then check PACER on cross reference TIN.
-   If MFT 31, look for cross reference TIN on TXMOD, cross reference will show with TC 971 ac 100. If MFT 31 has no TC 402, refer to CIO Operation Support Team.
-   If there is a MFT 55, look for cross reference TIN on TXMOD.
-   If there is a MFT 55, and unable to locate IMF cross reference or name, check MFT 55 period for BMF cross reference. Check AIS and PACER for BMF cross reference TIN. If found under BMF number and it is a Chapter 7A, 7N, or 11, follow the instructions in the IF/Then charts below.
-   If EIN on listing, check IDRS for cross reference or name
-   If MFT 51,or MFT 52, check IDRS with a V after the TIN (XXX-XX-XXXXV). If the TC 520 date is the same as the petition date on AIS under regular TIN follow instructions below for open and closed cases. Refer to Technical Advisor if not on AIS or PACER, notate state where TP lived.

Note: Refer MFT 51, MFT 52, and decedent balance due cases not on AIS or PACER to the applicable Field Collection CEASO group. MFT 51 and MFT 52 balances are worked by CEASO's Estate Tax Lien group. Decendent issues are worked by local CEASO groups based on the state where the

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decedent last resided. Publication 4235 provides a listing of Field Collection CEASO groups, their contact information, and the states they work.

(5)   Follow these directions for Chapter 11 cases:

IF...	THEN...
You locate the case and it is a Chapter 11 open, dismissed, discharge, or terminated.	**CIO** Notate listing with case #, including court key, chapter, bankruptcy status and state the taxpayer is located in. **Do not** add case to AIS, forward case to the CIO Technical Advisor. **FI** Review the case. Reverse the TC 520 using TC 522 if the TC 520 was input to IDRS in error. If input of the TC 520 was correct, add the TIN to the TIN screen on AIS. After the TIN is added to the TIN screen, add each module containing a TC 520 to the AIS Freeze Screen. If no case on AIS and one should be added, send the case to CIO to add. *Note:* A TC 520 should not be input on the MFT 55 accounts of parties responsible for the TFRP when the business file bankruptcy. Follow the instructions in , IRM 5.9.8.10(7), Withholding Collection of Assessed TFRPs . Reverse the TC 520 using a TC 522 when the TC 520 was input erroneously to withhold collection from the responsible parties. The CSED is not suspended on the account of the responsible parties unless they are personally in bankruptcy. If the responsible party(ies) are in bankruptcy, the TC 520 on their MFT 55 account should not be reversed unless their case had been dismissed, discharged, discharge denied, etc. If the bankruptcy filed by the responsible parties is not on AIS, request that CIO add the bankruptcy case.

(6)   Follow these directions for non-debtor spouse cases:

IF...	THEN...
SSN listed is for a non-debtor spouse (NDS) in an open bankruptcy case on AIS (Example: trustee turnover exists and the NDS filed a joint return with the debtor).	• Add the SSN to the TIN screen and select "Non-Petitioning Spouse" as the debtor type. • Document AIS history and notate on listing action taken.
SSN listed is for a NDS in a **closed** trustee turnover case on AIS (**TTEE RFND** on classification screen), no IDRS balance due.	if the refund was already issued (TC 840/846) • Manually input TC 522.
SSN listed is a NDS for a **closed** bankruptcy case.	• Manually input TC 522.

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IF...	THEN...
SSN listed is a NDS for an **open** bankruptcy case on AIS, and AUR or another function requested up-front mirroring and the mirroring is complete.	• Manually input TC 522 on MFT 31 tax period for NDS. • Add MFT 31 to freeze table for debtor.
Case is not on AIS and TIN listed is a NDS on a closed bankruptcy case for their spouse, and there are no unreversed TC 520s on the debtor's TIN and no balance due on the NDS.	• Manually input TC 522

(7)   Follow these directions for cases either open or closed on AIS.

IF...	THEN...
EIN/SSN listed is for an **open** bankruptcy case on AIS.	• Add the SSN to the TIN screen and select the **correct file source** (If MFT 51, select TIN with a V file source.) • Document history and notate on listing action taken. *Note:* If EIN is a Corporation and open bankruptcy is under SSN, refer to FI for determination if the TC 520 should have been input.
EIN/SSN listed is for a **closed** bankruptcy case on AIS.	• Reopen case. • Add the SSN to the TIN screen and select **correct file source** (If MFT 51 select TIN with a V file source). • Assign case to CIO if Chapter 7A, 7N, or 13, if not already in CIO's inventory. For all other Chapters assign to FI. • If dismissed, request input of TC 521 through IIP. • If discharged, remove the closed on AIS date, (ensure no stay violations have occurred, including discharge injunctions where post-petition refunds offset to dischargeable debts. If a violation is found, corrective action must be taken within two work days); check for DDR, determine if applicable actions not performed or if all actions needed were taken, take necessary actions, manually input TC 521 and close case on AIS. • Document AIS history "LAMS NOT on AIS Listing, unreversed TC 520 XX on MFT/ TXYR that need to be addressed" and notate on listing action taken.

(8)   Follow these directions for cases not on AIS, but found on PACER.

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IF...	THEN...
Case not on AIS, found on PACER and case remains **open**.	• Add case to AIS. • Document AIS history and notate on listing action taken.
Case not on AIS, found on PACER and case has been **dismissed** or **discharged** and there are **no CSED** issue (any periods that are less than 10 years old).	• Add case to AIS. • If dismissed, input dismissed and noticed dates. • Add TC 520 and closing code to freeze screen. • Input method of closure on AIS Taxpayer Screen and request input of TC 521 through IIP. • If discharged, input the discharge date and notice date on AIS taxpayer screen. Initiate ADS closing action by updating the method of closure with **CH7&HARDSHIPCH13 RI** or **13 PLAN COMPLETED SI** I on the taxpayer screen. Ensure no stay violations have occurred, including discharge injunctions where post-petition refund offset to dischargeable debts. If a violation is found, corrective action must be taken within two work days. • Document AIS history "LAMS Not on AIS Listing, unreversed TC 520 XX on MFT/TXYR addressed and notate on listing action taken.
Case not on AIS, found on PACER and case has been **dismissed** or **discharged** and there are **CSED** issues (any period that are 10 years old or older).	If DLN of TC 520 is other than 28 or 28 and posting is prior to cycle 2006, • Notate listing with the case # including court key, chapter, status, and state the taxpayer is located in. • Refer to CIO Technical Advisor. • FI review the case, if the CSED has expired, follow guidance in IRM 1.4.51.14.2, *CSED Accounts*. If the CSED has not expired, follow the procedures above. • If DLN of TC 520 is 28 and CSED expired, consult your lead. If the lead agrees that the CSED expired, follow guidance in , IRM 1.4.51.14.2 *CSED Accounts* . If the CSED has not expired, follow procedures above.

(9)   Follow these directions for cases not on AIS or PACER.

IF...	THEN...
TIN is not found on AIS and is not found on PACER and TIN is not a cross reference or NDS for a bankruptcy case.	• Check tax period on IDRS with open TC 520 to see if there is a deleted unpostable TC 521/522. If there is a deleted unpostable TC 521/522 with a date after the TC 520 date and different closing code, re-input with same closing code as open TC 520. • Check other tax periods on IDRS to see if TC 520 closed out another period. If TC 521/522 found on another period reversing TC 520 with the same date, input TC 521/522 with same date as TC 521/522 that posted on other tax period. If no TC 521/522 found on another tax period, input TC 522 via IDRS on all open TC 520 periods. *Note:* If the closing code is 81 or 84 follow the instructions in the chart section for **Closing Code 81** or the chart for **Closing Code 84**

(10)   Follow these directions for cases on Non-Master File (NMF), MFT 17, 20, 28, 32, 50, 66, 74, 76, or 96.

IF...	THEN...
EIN / SSN listed is found on AIS without the N file source on an **open** bankruptcy case.	• Add the SSN to the TIN screen and select the **correct file source** (If MFT 17, 20, 28, 32, 50, 66, 74, 76, or 96, use N as the file source). • Document AIS history and notate on listing action taken.

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IF...	THEN...
EIN / SSN listed is found on AIS without the N file source on an **closed** bankruptcy case.	• Reopen case. • Add the SSN to the TIN screen and select the **correct file source** (If MFT 17, 20, 28, 32, 50, 66, 74, 76, or 96, use N as the file source). • Assign case to CIO if Chapter 7A, 7N, or 13, if not already in CIO's inventory. For all other Chapters assign to FI. ***Note:*** Instructions below for CIO and FI • Order NMF transcripts to verify actions taken on NMF. • Ensure no stay violations have occurred, including discharge injunctions where post-petition refunds offset to dischargeable debts. If a violation is found, corrective action must be taken within two work days. • If dismissed and NMF transcripts show no TC 521 input, prepare Form 3177, Notice of Action for Entry on Master File, requesting input of TC 521 on NMF. • If discharged and NMF transcripts shows no TC 521 and balance due, make discharge determination If dischargeable, prepare Form 1331B, Notice of Adjustment, (to adjust tax, penalty and/or interest) Prepare Form 3177, requesting input of TC 521 on NMF. • If discharge and NMF transcripts shows no TC 521 and no balance due. Prepare Form 3177, requesting input of TC 521 on NMF. • Document AIS history "LAMS Not on AIS Listing, unreversed TC 520 XX on MFT/ TXYR and action taken" and notate on listing action taken.

IF...	THEN...
EIN / SSN is not on AIS but found on PACER and the case been **dismissed** or **discharged** and there are **no CSED** issues (any periods that are less than 10 years old).	• Add case to AIS. • Add the SSN to the TIN screen and select the **correct file source** (If MFT 17, 20, 28, 32, 50, 66, 74, 76, or 96, use N as the file source). • Assign case to CIO if Chapter 7A, 7N, or 13, if not already in CIO's inventory. For all other Chapters assign to FI. *Note:* Instructions below for CIO and FI • Order NMF transcripts to verify actions taken on NMF. • Ensure no stay violations have occurred, including discharge injunctions where post-petition refunds offset to dischargeable debts. If a violation is found corrective action must be taken within two work days. • If dismissed and NMF transcripts show no TC 521 input, prepare Form 3177, Notice of Action for Entry on Master File, requesting input of TC 521 on NMF. • If discharged and NMF transcripts shows no TC 521 and balance due, make discharge determination If dischargeable, prepare Form 1331B, Notice of Adjustment, (to adjust tax, penalty and/or interest). Prepare Form 3177, requesting input of TC 521 on NMF. • If discharge and NMF transcripts show no TC 521 and no balance due. Prepare Form 3177, requesting input of TC 521 on NMF • Document AIS history "LAMS Not on AIS Listing, unreversed TC 520 XX on MFT/ TXYR and action taken" and notate on listing action taken.

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IF...	THEN...
EIN / SSN is not on AIS but found on PACER and the case been **dismissed** or **discharged** and there are **CSED** issues (any period that are 10 years old or older).	If DLN of TC 520 is other than 28 or 28 and posting is prior to cycle 2006, • Notate listing with the case # including court key, chapter, status, and state the taxpayer is located in. • Refer to the CIO Technical Advisor • FI review the case, if the CSED has expired, follow guidance in IRM 1.4.51.14.2 ,*CSED Accounts*. If the CSED has not expired, follow the procedures above. • If DLN of TC 520 is 28 and CSED expired, consult your lead. If the lead agrees that the CSED expired, follow guidance in IRM 1.4.51.14.2, CSED Accounts. If the CSED has not expired, follow procedures above.

(11)   Follow these directions for cases with TC 520 closing code 81.

IF...	THEN...
Taxpayer is deceased and date of death (DOD) is the same date as TC 520 date.	Notate the state where taxpayer lived and refer to lead for referral to CIO Technical Advisor.

Case is located on PACER and petition date matches TC 520 date.	If DLN of TC 520 is 28
	• Check IDRS to see if return filed and if refund issued.
	• If no balance due and refund issued to taxpayer, manually input TC 522.
	• If return filed, refund is due but not issued.
	• Add case to AIS.
	• Input "TTEE RFND" in the classification screen.
	• Prepare Form 5792 to trustee, input a 14 day follow-up on the AIS letter screen to monitor posting of TC 840.
	• Document AIS history.
	   • If return not filed.
	
	   • Add case to AIS.
	   • Input "TTEE RFND" in the classification screen.
	   • Input a 180 day follow-up from the due date of the return.
	   • Document AIS history.
	
	If DLN of TC 520 is other than 28.
	• Notate on list state where taxpayer lives.
	• Refer to FI via lead.
	• Do not add case to AIS, forward to CIO Technical Advisor.

(12)   Follow these directions for cases with TC 520 closing code 84.

IF...	THEN...
You locate the case on PACER and the case is **7N** that has been terminated and is **not on AIS** or has been **closed on AIS or PACER**.	**IMF** • TC 520 on IMF account because the individual is an officer, partner, etc. of the business that filed bankruptcy. Refer case to FI. FI must determine if the TC 520 should have been input on the SSN. • Document AIS history and notate on listing action taken. **EIN is Corporation** • Check to see if the modules with open TC 520(s) have a TC 530 closing code 07 or 10. If yes, input TC 521 with terminated date. If no, follow instructions in IRM 5.9.17.11, Closing Corporate Chapter 7 and Chapter 7 Limited Liability Companies (LLC) **EIN is Partnership** • Input TC 521 with terminated date.

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5.9.16.4.2

IF...	THEN...
You locate the case on PACER and the case is a **7N** that has been terminated and it is **open on AIS**.	IMF • TC 520 on IMF account because the individual is an officer, partner, etc. of the business that filed bankruptcy. Refer case to FI. FI must determine if the TC 520 should have been input on the SSN. • Document AIS history and notate on listing action taken. EIN is Corporation - Refer to IRM 5.9.17.11, Closing Corporate Chapter 7 and Chapter 7 Limited Liability Companies (LLC) • Review Case Classification screen to determine if there is an open item requiring action prior to closing. Based on findings address classification issue or proceed with closure. • If unresolved issues remain open, then case is kept open on IDRS and AIS for monitoring. Document history and do not take any further actions. • If no issues remain open, input a TC 521 with a two cycle delay and a TC 530 cc 07 with jurisdiction code 3 on all unpaid modules. • Document history to reflect actions taken. • Input Closure Method of "Other Closing Action". • Input on AIS date with current date. EIN is Partnership - Refer to IRM 5.9.17.10, Closing Chapter 7 or Liquidating Chapter 11 Partnerships • Review Case Classification Screen to determine if there is an open item requiring action prior to closing. Based on findings address classification issue or proceed with closure. • If unresolved issues remain open then case is kept open on IDRS and AIS for monitoring. Document history and do not take any further action. • If no issues remain open, a TC 521 must be input on all unpaid IDRS modules. • Document history to reflect action taken. • Input Closure Method of "Other Closing Action. • Populate on AIS Field with current date.

IF...	THEN...
You locate the case on PACER and the case is a **7A** that has been terminated and is **not on AIS** or has been **closed**.	**IMF** • TC 520 on IMF account because the individual is an officer, partner, etc. of the business that filed bankruptcy. Refer case to FI. FI must determine if the TC 520 should have been input on the SSN. • Document AIS history and notate on listing action taken. **EIN is Corporation** • Check to see if the modules with open TC 520(s) have a TC 530 closing code 07 or 10. If yes, input TC 521 with terminated date. If no, follow instructions in IRM 5.9.17.11, Closing Corporate Chapter 7 and Chapter 7 Limited Liability Companies (LLC) **EIN is Partnership** • Input TC 521 with terminated date.
You locate the case on PACER and the case is a **7A** that has been terminated and it is **open on AIS**.	**IMF** • TC 520 on IMF account because the individual is an officer, partner, etc. of the business that filed bankruptcy. Refer case to FI. FI must determine if the TC 520 should have been input on the SSN. • Document AIS history and notate on listing action taken. **EIN is Corporation** • Review AIS history to locate direction from FI caseworker. History should request the input TC 530 cc 07 and TC 521. The filing requirements may be requested to be closed. There should also be a history entry to reflect managerial approval of the TC 530 cc 07. • Managerial approval documented, proceed with actions. ***Note:*** Use a 2 cycle delay for TC 521. • No managerial approval present, reassign the case to FI. Update history to reflect no managerial approval for TC 530 cc 07. **EIN is Partnership** • Reassign to FI.
You cannot locate the case on PACER and the taxpayer is deceased and the date of death (DOD) is the same date as the TC 520.	Notate the state where taxpayer lived and refer to lead for referral to CIO Technical Advisor.

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5.9.16.4.3
(05-02-2023)
**LAMS Post-Petition
Case Listing**

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(1) **Post-Petition Liabilities**. This report is run and worked by FI offices for all chapters except Chapter 7.

(2) **Running the Post-Petition Case Listing.** To run the report the caseworker must:

1.   Sign onto BOE, Business Objects,
2.   Select Reports from the menu from the left side,
3.   Scroll down to LAMS,
4.   Select Post-petition case listing,
5.   Enter Organization parameters for report,
6.   Enter the Chapter and minimum dollar tolerance amount,
7.   Select report output format, and
8.   Run report.

(3) **Tolerance Amounts.** The tolerance amount for this report will be determined annually by the Insolvency managers based on resources.

(4) **FI Actions.** FI caseworkers must review each report and take appropriate actions based on local procedure for post-petition accruals, annotating the AIS history with the results of their review for each report received.

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5.9.16.5
(05-02-2023)
Unpostable Reports

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(1) **General Unpostable Framework (GUF).** The Insolvency function, FI or CIO, that entered the transaction(s) that went unpostable is responsible for resolution of the resulting unpostable condition(s). General guidance for identifying and resolving unpostable transactions can be found in IRM 21.5.5, Account Resolution, Unpostables.

(2) **Time Frame for Completion** .

*   CIO reports are worked weekly when the listing becomes available.
*   FI reports are worked monthly when the listing becomes available.

Managers must follow guidance in IRM 1.4.51, Resource Guide for Managers, Insolvency, for review, oversight, and retention guidelines for unpostable reports.

(3) **Examination List**. CIO may receive action lists of cases for which Examination has issued a statutory notice of deficiency and for which assessment is prohibited by IRC 6213. CIO caseworker will research the status of each Exam case and reply by the deadline set by Exam .(See IRM 5.9.4.4(2), Exam's Suspense File.)

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5.9.16.5.1
(03-25-2019)
Overage Report

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(1) **Local Controls/Monitoring.** CIO usually pulls their overage reports via Control-D or Overage Report Compiler and Sorter (ORCAS) on a weekly basis. FI receives their overage reports from SB/SE Collection IDRS Data Security Group in Collection Automation Support and Security (CASS) monthly.

(2) **Analyzing of Unpostables**. New unpostables should be analyzed to determine the following:

*   The type of corrective action required
*   If the unpostable relates to an open or closed bankruptcy case

(3) **CIO Unpostable 168 Tool.** CIO developed the Unpostable 168 tool to resolve the majority of unpostable codes 168 (i.e., TC 521 or 522 attempted to post

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but no unreversed TC 520 is present). The tool will identify 168 Unpostables from a report and either close the caseworker's IDRS control base or re-input the TC 521 or 522. Cases the tool is unable to resolve will be assigned and controlled to the caseworker for resolution.

(4) **Campus Assistance**. If a specific case is not located, the case should be forwarded to the originating Campus. That Campus will resolve the unpostable by locating the responsible work unit or by posting the action if no work unit is located. Document 6209, *IRS Processing Codes and Information,* lists the conditions causing unpostable transactions.

(5) **Follow-up**. AIS users can select follow-up dates as a part of the unpostable processing. Exhibit 5.9.4-1, Inputting Follow-up Dates gives instructions for establishing follow-up dates on AIS.

(6) **ASED Protection**. The follow-up date should be selected to ensure that any ASEDs do not expire prior to the next scheduled review of the unpostable list. Factors to consider in establishing the follow-up date are the:

- Chapter of the bankruptcy if a Notice of Deficiency has been issued, (for example: the Chapter 13 stay may last as long as five years while the Chapter 7 stay for individuals generally lasts less than nine months)
- Date the bankruptcy was filed in relation to how much time remains on the original statute (imminent ASED)
- Type of unpostable (return or adjustment)

(7) **Closing Unpostables.** Unpostables may be closed through IDRS using command codes UPRES and UPCASZ to notify Campus (non-Insolvency) employees to take corrective actions or through paper notifications where the responsible Campus is located elsewhere. Where paper notification is used, Insolvency should annotate the unpostable list with instructions that a return or adjustment is to be assessed by making entries, in red, of:

- The petition date MM/DD/YYYY format
- The date the stay was lifted MM/DD/YYYY
- The date the TC 521 was input
- Any other pertinent information

The list should be sent to the affected Campus via Form 3210, fax, or per local procedures.

(8) **ASED Imminent**. The Unpostable Unit is responsible for resolving any case in which the bankruptcy extended ASED is within 60 days of expiration. All actions must be documented accordingly, and management should be informed, as appropriate.

(9) **Managerial Involvement.** Cases where the bankruptcy extended ASED have expired must be referred to management for further direction.

5.9.16.5.2
(05-02-2023)
**Nullified Distribution List
(NULL DIST LST)**

(1) **Non-Return/Non Adjustment.** The Nullified Distribution unpostable list typically consists of non-adjustment or non-return related transaction codes. These are frequently TCs 520, 521, 522, 550, 560, 971, etc., relating to bankruptcy case processing, input by Insolvency.

(2) **Insolvency Control Base.** Nullified Unpostable systemically generates an open control base assigned to Insolvency on IDRS.

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(3) **CIO IAT Nullified Tool.** CIO developed an IAT tool to review and reassign nullified unpostables created systemically by the Insolvency Interface Program (IIP) which are assigned to the Automatic Process Control (APC) support case-worker who ran the IIP process. The tool will review the Nullified Distribution List (Control D NULL DIST LST) provided by the caseworker. The listing is available each week on Wednesday and determine which technical team should work the unpostable, based on the state abbreviation. Once a determi-nation is made, the tool will use command code ACTON to assign each case to the team IDRS Number 05XXX33333. The case will appear on the CIO technical team's weekly ORCAS report the following Monday.

(4) **FI Nullified Distribution List.** The FI Nullified Distribution listing is available weekly from Collection Automation Support & Security (CASS). This weekly listing is processed by the CIO Unpostable 168 IAT tool, see IRM 5.9.16.5.1 above. Cases from the listing that cannot be resolved by the tool will be assigned to the FI caseworker overage listing the following month for resolu-tion.

(5) **Resolving Unpostables.** Most cases on the weekly/monthly unpostable listings can be resolved by re-input of the action or by closing the open control. Below is a listing of the most common Insolvency unpostables.

UPC-RC	Cause	IRM	RESOLUTION
168-0	This condition occurs when an input TC 521/ 522 attempted to post to a TC 520 that has not previously posted.	See IRM 3.12.179.66, Transaction Fails to Find Original Related TC.	1) Close control base. • TC 520 has already been reversed . No other action needed.
171-4	This condition occurs when TC 520 cc 6X with a different transaction date attempts to post to an account with a posted TC 520 cc 6X.	See IRM 3.12.179.68.12 (7), Condition RC 4.	1. Close control base. 2. If the period is mirroring: • Chapter 7 & 13: refer to CIO for input of new TC 520. • Chapter9 11 & 12: monitor and manually re-input TC 520.

UPC-RC	Cause	IRM	RESOLUTION
186-0	This condition occurs when a TC attempts to post to a module with M- freeze.	See IRM 3.12.179.82.1, UPC 186 Reason Code 0.	1. Close control base. 2. Chapter 7 & 13 refer to CIO for input of new TC 520. • Chapter 9,11, 12, 15, Assignments and Receiverships, monitor and manually reinput new TC 520.
189-5	This condition occurs when a TC 971 AC 031, attempts to post to a module with a total balance that is zero or credit.	See IRM 3.12.179. 85.8, UPC 189 Reason Code 2-6.	1) Close control base. • The balance is abated. No other action is required
192-0	This condition occurs when TC 520 attempts to post to an account which has a TC 520 already posted and closing codes are in-compatible.	See IRM 3.12.179.90.1, UPC 192 Reason Code 0-1.	1. Close the control base. 2. Reverse the in-compatible TC 520. 3. Use cycle delay to input new TC 520 **or** monitor for posting of unre-versed TC 520 and input new TC 520.
194-2	This condition occurs when a TC 521 contains a transaction date prior to the transaction date of TC 520 being reversed.	See IRM 3.12.179.92.3, UPC 194 Reason Code 2.	1. Close control base. 2. Reinput TC 521 with correct date.
313-1	This condition occurs when an input TC 521/ 522 attempted to post to a TC 520 that has not previously posted.	See IRM 3.12.279.82, UPC 313 Reason Code 1 No Related Transac-tion.	1. Close control base. 2. Input TC 520. 3. Use cycle delay to input new TC 521/ 522 **or** monitor for posting of TC 520 and input TC 521/ 522.

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UPC-RC	Cause	IRM	RESOLUTION
320-7	This condition occurs when a TC 520 with Closing Code 06X/083/085 and module contains an unreversed TC 520 with Closing Code 06X/ 083/085 other than the one input.	See IRM 3.12.279.106, UPC 320 Reason Code 7 Uncollectable Account -Auto Closed..	1. Close the control base. 2. Reverse the compatible TC 520. 3. Use Cycle delay to input TC 520 or monitor for posting of reversed TC 520 and input new TC 520.
354-3	This condition occurs when a TC 971 ac 031 attempts to post.	See IRM 3.12.279.161, UPC 354 TC 971 Attempting to Post-Auto Closed.	1. Close control base. • The balance is abated. No other action is required.

Additional UPC guidance can be found in IRM 3.12.179, Individual Master File (IMF) Unpostable Resolution, and IRM 3.12.279, BMF/CAWR/PMF Unpostable Resolution

(6) **Closing an Open Control Base On IDRS.** After completing the necessary action on an account, input actions to close the control base. Use IDRS command code ACTON to close an IDRS open control base, access the module using command code TXMOD or ENMOD. Overlay the screen with the following:

- ACTON, page down and enter to clear the row,
- Control Group Number, a comma, Activity Code, a comma, Case Status Code.

- ACTON
- Cnn,ACTIVITY,C

or

- ACTON
- Cnn,,C

The nn in the second line of ACTON should be your Control Group Number. The ACTIVITY in the second line is the reason you are closing the control.

5.9.16.6
(05-02-2023)
Aged Case Reports

(1) **Introduction.** CIO generates and works aged case reports for Chapter 7 and Chapter 13 cases in its inventory. FI will generate and work the aged case reports for accounts in its inventory. These reports identify cases that should have been converted to another chapter or closed by court discharge or dismissal orders.

(2) **Definitions of "Aged" Cases.** A Chapter 7 No Asset case is considered aged if it has been open nine months or more since the petition date. Chapter 7 Asset cases become aged two years after the petition date. Chapter 11 cases are defined as aged if still open six years after the petition date. A Chapter 13

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case is designated aged when it remains open on AIS more than six years after the petition date. Valid legal or processing reasons may keep cases open longer than the time frames given above.

(3) **CIO PACER Match.** The PACER Match identifies cases on PACER that have been discharged or dismissed and identifies cases on AIS that can be populated with the discharge or dismissal date. The PACER Match is completed prior to CIO working the aged report as it allows for bulk information to be pulled from PACER which saves resources from the manual PACER research.

(4) **Aged Case Report Actions.** The report is worked annually for all chapters. The following tables reflect the process steps to run and work these reports.

STEP	Generating the Report ACTION
1	Log on to AIS.
2	Select *Reports*, from the menu on the left side.
3	Select *Aged Cases*, from the inventory menu.
4	Enter Organization parameters for report.
5	Select a specific chapter type or all.
6	Select report output format.
7	Run report.

STEP	Researching Case ACTION
1	Access the appropriate court electronic records (PACER).
2	If the case has been closed or converted, annotate the overage report with the date of the discharge, dismissal, or conversion. For conversions also annotate the new chapter to which the bankruptcy has converted. See the following tables for actions to be taken on AIS.
3	**CIO:** If the case is still open in the court, follow instructions given in paragraphs (4) and (5) below. **FI:** If the case is still open in the court, annotate the AIS history that the aged case report has been worked; include pertinent research findings, if any.

Note: IRM 5.9.17-1, Closing Dismissals, provides Instructions for inputting dismissal dates

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5.9.16.7
(05-02-2023)
Mirrorfail Transcripts

(1) *Introduction.* Mirrorfail transcripts will generate to the functional area as a result of the mirroring process. Once the MFT 31/65 modules are created, only certain transactions will systemically cross-reference to the related MFT 31/65 module The credit transaction posting to the relating MFT 31/65 module will post as a TC 766 Reference Number 337 or debit transaction TC 767 Item Reference Number (IRN) 337.

- Input of the TC 972 AC110 will stop the systemic cross-referencing.
- **DO NOT** manually refund any credit that is the result of a mirrored credit. The TC 766 IRN 337 is a mirrored credit and not available for refund or offset. The true credit will be posted under the related MFT 31/65 module as a credit transaction TC 61X, 70X , 80X, or 82X.
- If initial research identifies a case mirrored by a function other than Insolvency and the account is not in Status 72, contact the functional area responsible for creating the mirrored account. Contact information is available on SERP - MFT 31 & Mirrored Assessment Responsibility by Program Area. Document the AIS history.
- If the module contains TC 971 AC100s and both MFT 31/65 modules do not reflect all payments/credits on both modules, determine which payment/credit or portion of payment/credit is missing from the module. Input a TC 766 IRN 337 transaction on the MFT 31/65 module that does not have the payment/credit cross-referenced. You will need to make a separate adjustment for each missing payment.

Caution: **CAUTION** Do not create a credit balance when cross-referencing payments. If the amount is more than the balance due, input the balance due amount using CC INTST to determine the correct amount.

Exception: **EXCEPTION** If the credit being mirrored was received prior to an existing credit on the module, a credit balance can be created. However, you must resolve the credit balance to prevent a subsequent transcript. Refer to IRM 21.6.8.9.2 RFFMFT31/REFMF65 Transcripts.

- If the overpayment was created by a mirrored credit or a mirrored adjustment, reverse the credit for the amount of the overpayment. You will need to input a separate adjustment for each mirrored credit that created the credit balance. See below for IDRS input.
- If an overpayment consists of both real and mirrored credits, it may be necessary to issue a manual refund. When a manual refund is issued input a HC 4 on your REQ54 adjustment. Input TC 972 AC 110 on both MFT 31/65 modules to prevent future payments from mirroring. .

Note: When inputting the TC 972 AC 100, use the transaction date of the TC 971 AC 110.

- When two refunds have offset to the MFT 31/65 modules causing a true credit and a false credit within 3 cycles of one another, ensure only the proper amount of tax, penalty and interest has been collected between the two accounts. It may be necessary to reverse a refund offset with a TC 706, instead of the TC 766.

Note: When offsets occur in the same cycle and the overpayments are the same, divide the individual offset by the total offset. The percentage calculated,

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multiplied by the amount of overpayment, will determine the amount to return to the individual. This would also apply if payments are made in the same cycle.

DO NOT work cases when research identifies the following:

- -Y Freeze - contact Offer in Compromise (OIC), Contact information is available on SERP
- Open REFM31, REFM65 or DUPASMT (Accounts Management (AM) function transcript as a result of the mirroring process) control on IDRS and the account is not is ST 72
- Open INNS IDRS control and the account is not in ST 72
- AIS history states action previously input, it takes approximately 2 cycles for cross-reference transaction to post

To identify the ″FAILED″ systemic cross-reference transaction, research the MFT 31/65 module and locate the words 'MISC>MIRRORFAIL' posted for the cycle date of the transaction. The transaction listed above is the transaction which did not cross-reference to the other MFT 31/65 module.

(2) ***GII Tool.*** IAT/GII developed a tool for CIO which researches IDRS and identifies the most common causes for the Mirrorfail transcripts providing CIO with a output report in order to address and correct the most common Mirrorfail Transcript Errors. Follow the procedures listed below when working cases from the report.

a. **Dollar amount ($) listed in Original TIN SC Mod Bal column and the cross-reference TIN (X-Ref) SC Mod Bal column is blank.** Indicates the X-Ref MFT 31/65 module is abated, full paid or CSED is expired for the X-Ref TIN. Research the TIN's using IDRS cc TXMOD and IMFOL for possible Violation of Stay (VOS), if necessary take corrective action. Input TC 972 AC 110, if needed, to prevent future unwarranted transcripts. If follow-up actions are needed, establish follow-up date, re-open the case on AIS and transfer to the Operation Support Team (OST). Document the AIS history with your review.

b. **Original TIN SC Mod Bal column is .00 and $ is listed in X-Ref TIN SC Mod Bal column.** Indicates the Original MFT 31/65 module is abated, full paid or the CSED expired for the Original TIN. Research the Original TIN using IDRS CC TXMOD and IMFOL for possible VOS, if necessary take corrective action. Input TC 972 AC 110, if needed, to prevent future Mirrorfail transcripts. If follow-up actions are needed, establish follow-up date, re-open the case on AIS and transfer to the OST. Document the AIS history with your review.

c. **Both TIN SC Mod Bal and X-Ref Mod Bal columns are blank and only one or both TINs are listed.** Indicates the MFT 31/65 for both TINs are in ST-12, zero balance and: TC 972 AC 110 is posted on only one MFT 31/65 module or TC 972 AC 110's are posted on both MFT 31/65 modules in different cycles. Research the related TIN(s) using IDRS CC TXMOD and IMFOL for possible VOS, if found, take corrective action. Input the missing TC 972 AC 110 to prevent future Mirrorfail transcripts. If follow-up actions are needed, establish follow-up date, re-open the case on AIS and transfer to the OST. Document the AIS history with your review.

d. **$ listed in TIN SC Mod Bal column and $ listed in the X-Ref SC Mod Bal column match.** Perform a side by side comparison of both MFT

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31/65 modules. Identify the cause of the Mirrorfail transcript. Research
the related TIN's using IDRS CC TXMOD and IMFOL for possible VOS,
and if necessary, take corrective action. Ensure all payments, offsets and
credit transfers posted after the TC 604 are cross-referenced to the
related module. Input the missing TC 972 AC 110 to prevent future Mir-
rorfail transcripts. If follow-up actions are needed, establish follow-up
date, re-open the case on AIS and transfer to the OST. Document the
AIS history with your review .

e. **Different $ listed in the Original TIN SC Mod Bal and X-Ref SC Mod
Bal columns.** Is an indication transaction(s) posted to one MFT 31/65
module. Perform a side by side comparison of both MFT 31/65 modules
and ensure all payments, offsets and credit transfers after the posting of
TC 604 are cross-referenced to the related module. Research the related
TINs using IDRS CC TXMOD and IMFOL for possible VOS, if needed,
input corrective action. If follow-up actions are required, establish
follow-up date, re-open the case on AIS and transfer to the OST.
Document the AIS history with your review .

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Exhibit 5.9.16-1   (05-02-2023)
Instructions for Preparing Form 5792

All Form 5792 should be prepared using the electronic version on AIS when possible.

Prepare one Form 5792 for each tax period.

Exception: A portion of the refund will be issued to the trustee and the remainder is to be issued to the debtor.

Ensure all entries are legible. Only original entries, no strike through, correction tape, liquid white-out.

Acceptable forms of punctuation are:

- Valid characters for the first name line are A-Z, 0-9, -, &, and blank.
- Valid characters for the second name line are A-Z, 0-9, -, &, %, and blank
- Valid characters for the address lines are A-Z, 0-9, -, /, and blank

The Form 5792 must be digitally signed by an approving official on the active Form 14031, Manual Refund Signature Form for the current processing year. . See IRM 3.17.79.3.2, Processing Manual Refunds .

Note: The digital signature on the Form 5792 must be a **VALID** HSPD 12 compliant Digital Signature that contains a signature issued by the **U.S. Government** or **Department of Treasury.** The signature must include SEID and the Name of the signer (example 12DOE John Robin). See IRM 3.17.79.3.2.3 Manual Refund Digital Signature Requirement. Form 14031, Manual Refund Signature Form
, for the current processing year.

FI should submit Form 5792 via secure to their approving manager with an e-mail subject line containing their territory number, approving managers initials, current date, the word "refund", and tax year being refunded. For example, T1 XX 1-1 REFUND 2020. The FI approving manger will leave an approval history on AIS and forward via secure e-mail to *CIO issues ★*SBSE PSC CSCO Man Ref.gov* for processing. CIO will submit digitally signed Form 5792 for both CIO and FI to Ogden's Submission Processing. Accounting Site via secured e-mail to W&I SP Manual Refunds Ogden.

Follow these line-by line instructions:

Section I. Account Information

BLOCK	Description	ACTION
1	TIN and File Source	Enter the Taxpayer Identification Number (TIN) and the file source (if applicable) of the account from which the refund will be issued. The file source is a character immediately following the TIN such as ★ or a P.to the designated team by secure e-mail for
2	MFT Code	Enter the Master File Tax (MFT) Code.

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Exhibit 5.9.16-1 (Cont. 1) (05-02-2023)
Instructions for Preparing Form 5792

BLOCK	Description	ACTION
3	Tax Period	Enter the Tax Period as YYYYMM. **Exception:** Tax Period ending for MFT 52 is always "000000".
4	Plan Number	**CIO:** Input the plan /report number, applicable for MFT 46, 74,- 76 and 84-86. **FI:** Leave blank, Campus personnel will enter the plan number, if applicable.
5	Name Control	Enter the four character name control.
6	TC 840 Amount	If an interest computation is required leave blank. If no interest is required enter the over-payment amount.
7	TC 770 Amount	If interest computation is required leave blank If no interest is required, enter "0" or ".00"
8	Overpayment Amount	Enter the original amount to be refunded, before interest
9	Line No:	Enter the appropriate line number. See IRM 2.4.20-12, *Description of Line Item Numbers.*
10	Interest Indicator	Input the appropriate interest indicator code. • **N** Normal Interest • **R** Restricted Interest • **0** Zero Interest Refer to IRM 20.2.4.7.5, **45-Day Rule.**
11	ULC Code	Input the Universal Location Code (ULC). See Document See Document 6209, Section 8C. 10,for listings of ULCs I The ULC matches the primary Location Code found on IDRS for the taxpayer.
12	Sequence Number	Leave blank.
13	Block Series Number	Leave blank.

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Exhibit 5.9.16-1 (Cont. 2) (05-02-2023)
Instructions for Preparing Form 5792

BLOCK	Description	ACTION
14	First Name Line	This will self-populate from AIS. However,the taxpayers name should match CC ENMOD or CC INOLES unless there is a name change or the refund is being issued to the trustee or represen-tative. Valid characters for the first name line are A-Z , 0-9, - ,&, and blank. Do not address the first name line to a deceased taxpayer. Use the name and title, if appropriate of the person claiming the refund as the payee The deceased taxpayer's name is shown on the second name line. The "Decd" in the second name line should be entered after the given name of the deceased taxpayer on a joint account or after the surname of the taxpayer on a joint account or after the surname of the taxpayer on an individual account. When the refund is being issued to the trustee, the trustee is shown on the third name line with the docket number on the 4th name line. *Example:* (surviving spouse) 1st name line (surviving spouse) Jane Doe 2nd name line John Dec'd and Jane Doe *Example:* (trustee) first name line (surviving spouse): Jane Doe 2nd name line: John Dec'd and Jane Doe 3rd name line: (Bank-ruptcy Trustee): Jim Jones, Executor 4th name line: Bankruptcy docket number.

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Exhibit 5.9.16-1 (Cont. 3) (05-02-2023)
Instructions for Preparing Form 5792

BLOCK	Description	ACTION
15-19	Second Name Line and Address Lines	These blocks will self-populate for AIS depending on you selection of who the refund should be issued to, taxpayer or trustee. . The taxpayer's address should match CC ENMOD or CC INOLES unless there is an address, or the refund is being issued to the trustee Valid characters for the second name line are A-Z, 0-9, -, /, and blank. ***Note:*** If the address on F5792 does not match the address on Master File, an explanation must be provided in Remarks section of the form.
20	Remarks	The following information must be included in the remarks section: • TC 520 cc XX on MFT/6 digit Tax Period (YYYYMM) • No pending TC 521 • Reason for the manual refund, (refund overpayment, levy, trustee refund, etc.) • No RSED issues
21	Initiating BOD	AIS automatically selects SBSE.
22	Document Locator Number(DLN)	Input the controlling DLN of the return.
23	Bankruptcy Code Case	AIS automatically checks the box.
24	TC 130	Must be checked if the account contains a TC130. ***Note:*** The IAT Manual Refund tool or Insolvency Manual Refund tool used to input CC RFUND will systemically check thids box when the module contains a TC130 (V-freeze). i

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Exhibit 5.9.16-1 (Cont. 4) (05-02-2023)
Instructions for Preparing Form 5792

Section II. Manual Refund Authority (Complete all Applicable Items).Block 1 thru 10: AIS has been programmed to populate items 1C, 5B, 6, and 8. If circumstances exist for other line items to be checked the Insolvency employee will need to do this manually. **Block 11, Bypass Indicator (BPI):** Input one of the following indicators:

- Pre-BAPCPA or Levy/IA/TTEE **(03)**
- Post-BAPCPA **(07)**
- Injured Spouse (Secondary) **(08)**
- Injured Spouse (Primary) **(09)**

Block 13 Control Base Opened: Check the box for every form prepared.

Section III. Interest Computation. Leave blank unless interest will be paid. If interest is to be paid, enter the following:

- **Amount...** the amount being refunded not including interest
- **Interest Factor...** COMPA
- **"To" date...** leave blank, the employee inputting CC RFUND will complete
- **"From" date...** see IRM 3.14.1.6.6.2, Computing Credit Interest on Manual Refunds.

Determining Interest The 45-day rule provides for a processing period during which interest is limited on overpayments originating from:

- Original tax returns, IRC 6611(e)(1). See IRM 20.2.4.7.5.2, 45-Day Rule and All Original Tax Returns.
- Amended tax returns/claims for credit or refund, IRC 6611(e)(2). See IRM 20.2.4.7.5.3, 45-Day Rule and Amended Returns and Claims, OBRA 1993.
- IRS initiated adjustments, IRC 6611(e)(3). See IRM 20.2.4.7.5.5, 45-Day Rule and IRS Initiated Adjustments.

Note: An exception to the 45-day rule applies to individuals who have served in a combat zone. If a taxpayer's original return is timely filed (determined by taking into account the combat zone suspension period) the 45-day rule of IRC 6611(e)(1) through IRC 6611(e)(3) shall not apply.

To determine whether the 45-day period has been met for an original return overpayment, consider these dates:

- The normal return due date
- The return received date
- The Return Processable Date (RPD)/Correspondence Received Date (CRD)

Add 45 days to the **later** of these dates. If the refund check is not dated on or before that date, interest must be paid on the refund.

Caution: Form 5792 must be input using CC RFUND and the Form 5792 sent to Accounting for verification (REFAPed) by the 42nd day. When the 42nd day falls on a Friday, Saturday, Sunday, or federal holiday, input CC RFUND refund on the immediately preceding business day that is not a Friday.

- If the interest-free period has expired, we must pay interest on the overpayment. Interest is allowed from the availability date of the overpayment to the refund schedule date.
- The availability date of the overpayment is determined by the payment(s) and or credit(s) of which it is comprised. See IRM 20.2.4.3.1, Availability Dates for Overpayments - Payment and Credit Types.

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Exhibit 5.9.16-1 (Cont. 5) (05-02-2023)
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If the payment and/or credit is a	then the availability date of the overpayment is the
Prepaid or timely credit (e.g., estimated tax payment, withholding, or a payment on or before the due date, determined without regard to any extension of time for filing),	due date of return (determined without regard to any extension of time for filing).
Subsequent payment or credit made or dated after the due date (determined without regard to any extension of time for filing),	payment received date or credit date.

Since an overpayment can be made up of multiple payments and/or credits, it may have more than one availability date. Refund payments or credits comprising the overpayment in the order of **last-in, first-out.**

Reminder: The earliest available payments or credits are offset in the order of **first-in, first-out.**

Interest may be computed from **other than** the availability date of the overpayment when the original tax return was filed late (IRC 6611(b)(3)), or in unprocessable form (IRC 6611(g)). In the event the return was filed late or unprocessable, interest on the refund of an overpayment is allowed from the **later** of the date of the overpayment, the delinquent return received date or the return processable date (provided the RPD is after the due date, including any extensions of time for filing).

If the return is	then allow interest from the *later* of:
Timely filed (i.e., return received by the original or extended due date),	the return due date (determined without regard to any extension of time for filing), the date of the overpayment (as determined in the preceding table), or the return processable date (provided the RPD/CRD is **after** the due date, including any extension of time for filing).
Late filed (i.e., return **not** received by the original or extended due date),	the late return received date, the date of the overpayment (as determined in the preceding table), or the return processable date.

Exception: **Interest is not paid in these situations:**

*   Trustee Request: If the trustee requests a refund because they sent in a payment in error.
*   Levy payment: Levy payments that are being returned, unless the levy proceeds belong to someone other than the taxpayer(s). IRC 6343 permits payment of interest only on property/funds wrongfully levied (i.e., wages, bank account, property, etc. belonging to someone other than the taxpayer who owes the liability). See IRC 6343(f)(1)(A)(ii)

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Exhibit 5.9.16-1 (Cont. 6) (05-02-2023)
Instructions for Preparing Form 5792

- Installment Agreement payment: Post-petition installment agreement payments. Interest is paid, however, if the payment results in an overpayment of the module.

Section IV: Manual Refund Approval Block 1, IDRS Number of Employee Inputting RFUNDR via IDRS:
Leave Blank. The employee who will be inputting the CC RFUND will enter their IDRS Number. **Block 2, 2a, & 3:** AIS will populate the name, SEID, and phone number of the Insolvency caseworker's manager preparing Form 5792 **Block 4, Approving Official:** The Approving Official who digitally signs the refund must be on the Authorized Signature List maintained by the Manual Refund Unit in the Campus Accounting Function. The Approving Official must digitally sign in block 4 using a "SEID" signature format on Form 5792 . (The digital signature must include the name or e-mail and SEID of the approving official on the active Form 14031 , Section II on file.

Note: Form 5792, must be reviewed to verify manual refund is appropriate, proper IDRS research was completed, and form was accurate. The Approving Official's digital signature certifies to the Accounting Function the form was reviewed and is correct.

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Exhibit 5.9.16-2 (03-25-2019)
Mirrorfail Job Aid

Manually mirror the credit by following the steps below for input of IDRS CC ADJ54 or to complete Form 3870, Request for Adjustment.

1. Access the module in question on IDRS using CC TXMODA
2. Overlay CC TXMODA with CC REQ54
3. This will bring up the IDRS CC ADJ54
4. Input the following:

Step Input for IDRS CC ADJ54
BS or BLK (Blocking Series) 05
CASE-STS-CS C
IRS-RCVD-DT ★
ACTIVITY BANKRUPTCY
RET-PROD-DT input the posting date of the credit
OVERRIDE-CD S if adjusting a Statute Year
RFSCDT today's date
TC 290 .00 with
SRCE-CD (Source Code) - 0
RSN-CDS (Reason Code) - 099
HOLD CD (Hold Code) - 3
PRI-CD (Priority Code) - 9
Reference number (CD) 337 for the
AMT amount of the credit
SOURCE-DOC-ATTACHED N
REMARKS CROSS-REF PAYMENT or CROSS-REF CREDIT

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Exhibit 5.9.16-2 (Cont. 1) (03-25-2019)
Mirrorfail Job Aid

```
ADJ54 XXX-XX-XXXX MFT>31  PLAN>000  TX-PRD>20XX12   NM-CTRL>NNNN
SEQ-NUM>1   BLK>05 DT-TRNSFR>        CORSP-DT>        INTCMP-DT>
CASE-STS-CD>C  IRS-RCVD-DT>*       CTRL-CAT>     2%-INT-DT>
ACTIVITY>BANKRUPTCY  PYE-DT>         TCB-DT>        CR-INT-TO-DT>
RET-PROC-DT>07032018 RVRSN-DT>          OVERRIDE-CD>S   RFSCDT>11292018
DB-INT-TO-DT>          COMP-INT-AMT>          OTN>   -
DATA-REF-1>     REF-CHG-1>0         DATA-REF-2>     REF-CHG-2>0
CUSIP>          SIG>  CR-BOND> CSED>
*****************************TRANSACTION CODES*********************************
TC>290 AMT>.00         TC>  AMT>           TC>   AMT>
TC>  AMT>          TC>  AMT>
******************************************************************************
SRCE-CD>0 RSN-CDS>099-  -  -   RCA-IND>  MTH-ERR-CDS> -   FLC>
HOLD-CD>3 PRT-CD>9 PSTNG-DLAY-CD>  CP-NTC-SUPP-IND>  AMD-CLMS-DT>
ACK-LTR?>N TRANS-REG-IND>  DMF-AG>   SUB-AG>  XREF-TIN> -
*********** ITEM-REF-CDS/ABST-CDS/CR-REF-CDS/FUTA-STATE-CD/DRI-CD *************
CD>337 AMT>261.01      CD>  AMT>          CD>  AMT>
CD>  AMT>          CD>  AMT>          CD>  AMT>
CD>  AMT>          CD>  AMT>
******************************************************************************
CIS-IND>  SOURCE-DOC-ATTACHED?>N  REMARKS>CROSS REF PYMT
```

Figure 5.9.16-1

Cat. No. 39974Z (05-02-2023)   Internal Revenue Manual   **Exhibit 5.9.16-2**
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