



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

21.4.3

SEPTEMBER 20, 2024

EFFECTIVE DATE

(10-01-2024)

PURPOSE

- (1) This transmits revised IRM 21.4.3, Refund Inquiries, Returned Refunds/Releases.

MATERIAL CHANGES

- (1) IRM 21.4.3.3 - Updated to advise that returned refund checks are to be returned to the IRS campus Refund Inquiry Unit associated to the taxpayer's state of residency for processing. Change made for IRM consistency. IPU 24U0420 issued 03-15-2024
- (2) IRM 21.4.3.5 - Updated to include procedures for Employee Retention Credit (ERC). Change made for IRM consistency. IPU 23U1094 issued 11-16-2023
- (3) IRM 21.4.3.5 - Updated to include information to be included on Form 3913 and address for where to send the returned check and form. Changes made to clarify information. IPU 24U0420 issued 03-15-2024
- (4) IRM 21.4.3.5 - Updated to include information regarding closing letters. Changes made to clarify information. IPU 24U0741 issued 06-11-2024
- (5) IRM 21.4.3.5.2 - Updated to include procedures for taxpayer correspondence received on POC cases. Changes made to clarify information. IPU 24U0618 issued 05-07-2024
- (6) IRM 21.4.3.5.2 - Updated to include procedures for determining the appropriate campus routing on POC cases. Changes made to clarify information. IPU 24U0741 issued 06-11-2024
- (7) IRM 21.4.3.5.3 - Updated to include a link to Oral Statement Address Changes and to advise that refunds cannot be issued to a temporary address. Change made for IRM consistency. IPU 23U1094 issued 11-16-2023
- (8) IRM 21.4.3.5.3 - Updated to add that refunds cannot be systemically issued to a temporary address a manual refund would be required. Change made for IRM consistency. IPU 23U1193 issued 12-18-2023
- (9) IRM 21.4.3.5.3 - Updated to provide direction for perfections to the name line. Changes made to clarify information. IPU 24U0618 issued 05-07-2024
- (10) IRM 21.4.3.5.4 - Updated to advise that the Form 3210 and Form 3913 be sent to the IRS campus Refund Inquiry Unit associated to the taxpayer's state of residency for processing. Change made for IRM consistency. IPU 23U1193 issued 12-18-2023
- (11) IRM 21.4.3.5.4.1 - Updated to provide procedures for Spanish correspondence received. Change made for IRM consistency. IPU 24U0420 issued 03-15-2024
- (12) IRM 21.4.3.5.5 - Updated to include procedures for Employee Retention Credit (ERC), Amended BMF returns and returned EIP checks. Change made for IRM consistency. IPU 23U1094 issued 11-16-2023
- (13) IRM 21.4.3.5.5 - Updated to advise that the Form 3210 and Form 3913 be sent to the IRS campus Refund Inquiry Unit associated to the taxpayer's state of residency for processing. Change made for IRM consistency. IPU 23U1193 issued 12-18-2023

- (14) IRM 21.4.3.5.5 - Updated to include information regarding a joint check being reissued in one name only. Change made for missing scenario. IPU 24U0420 issued 03-15-2024
- (15) IRM 21.4.3.5.5 - Updated to add direction to monitor the move of funds to excess collections. Change made for missing procedure. IPU 24U0618 issued 05-07-2024
- (16) IRM 21.4.3.5.5 - Updated to give direction for EIP refunds if no current address is located or no response is received. Change made for missing scenario. IPU 24U0741 issued 06-11-2024
- (17) IRM 21.4.3.5.6 - Updated to include refunds older than seven years when S- freeze is present. Change made for missing procedure. IPU 24U0184 issued 02-01-2024
- (18) Editorial changes made throughout the IRM for clarity and updated plain language, grammar, web addresses, IRM, legal references and to update organizational title Wage and Investment to Taxpayer Services. IPU 24U0618 issued 05-07-2024

EFFECT ON OTHER DOCUMENTS

IRM 21.4.3, Returned Refunds/Releases, dated 09-13-2023, (effective 10-02-2023) is superseded. This IRM also incorporates the following IRM Procedural Updates (IPUs): 23U1094 (effective 11-16-2023), 23U1193 (effective 12-18-2023), 24U0184 (effective 02-01-2024), 24U0420 (effective 03-15-2024), 24U0618 (effective 05-07-2024), 24U0741 (effective 06-11-2024).

AUDIENCE

Employees located in all business operating divisions who have contact with taxpayers either on the phone, by correspondence, or personal contact.

LuCinda J Comegys
Director, Accounts Management
Taxpayer Services Division

21.4.3

Returned Refunds/Releases

Table of Contents

21.4.3.1 Program Scope and Objectives

21.4.3.1.1 Background

21.4.3.1.2 Authority

21.4.3.1.3 Responsibilities

21.4.3.1.4 Program Management and Review

21.4.3.1.5 Program Controls

21.4.3.1.6 Acronyms

21.4.3.1.7 Related Resources

21.4.3.2 Returned Refunds/Releases Overview

21.4.3.3 What is a Returned Refund/Refund Release?

21.4.3.4 Returned Checks Research

21.4.3.5 Acknowledgment of Returned Check

21.4.3.5.1 Checks Returned to Regional Financial Center (RFC) by the Taxpayer or U.S. Postal Service

21.4.3.5.2 Recertified or Original Returned Refund Checks

21.4.3.5.3 Undeliverable Refund Checks

21.4.3.5.3.1 Undelivered Refund Notices

21.4.3.5.3.2 Local Undelivered Refund Check Listing (URCL)

21.4.3.5.4 Returned Refund Check Procedures

21.4.3.5.4.1 Returned Refund Check with Taxpayer Correspondence

21.4.3.5.5 Resolving Returned Refunds (Unexpired Checks)

21.4.3.5.5.1 Check for Different Amount

21.4.3.5.5.2 Negotiation by Another Party

21.4.3.5.5.2.1 Issuing Checks in Another Name

21.4.3.5.5.2.2 Joint Filers Request Refund Check in One Name

21.4.3.5.6 Resolving Returned Expired Refunds Limited Payability

21.4.3.5.6.1 Resolving Limited Payability Retention Cases

21.4.3.5.7 Use of Listings to Monitor Returned Refund Cases

21.4.3.1
(10-01-2019)
Program Scope and Objectives

- (1) **Purpose:** This IRM provides instructions and procedures for all Customer Service Representatives and Taxpayer Assistance Center functions who address various returned refunds and refund releases in performance of their daily duties.
- (2) **Audience:** The primary users of the IRM are all the IRS employees in Business Operating Divisions (BODs) who are in contact with taxpayers by telephone, correspondence, or in person.
- (3) **Policy Owner:** Director of Accounts Management is the policy owner of this IRM.
- (4) **Program Owner:** Accounts Management Policy and Procedures IMF (PPI), is the program owner of this IRM.
- (5) **Primary Stakeholders:** The primary stakeholders are organizations with whom Accounts Management collaborates (e.g., Return Integrity and Compliance Services (RICS) and Submission Processing).
- (6) **Program Goals:** Program goals for this type of work are:
 - Achieve a high customer accuracy rate for phone calls and paper adjustments related to Refund Inquiries
 - Efficiency in resolving paper adjustment cases related to Refund Inquiries
 - Continuous assessment for program vulnerabilities and opportunities for improvement.
 - Effective communication with customers.

The *Accounts Management Program Letter* on the AM website has more information on these goals. A copy of the Accounts Management Program Letter is also in IRM 1.4.16, Accounts Management Guide for Managers.

21.4.3.1.1
(06-07-2017)
Background

- (1) Employees in the Accounts Management (AM) organization respond to taxpayer inquiries, phone calls, process claims and other internal adjustment request related to Returned Refunds/Releases.

21.4.3.1.2
(10-01-2019)
Authority

- (1) The authorities for this IRM include:
 - IRM 1.2.1.13, Policy Statements for Customer Account Services Activities
 - IRC 6402(a); Treas. Reg. 301.6402-1.
 - *Murray v. U.S.*, 300 F.2d 804, 806 (1st Cir. 1962).
- (2) In addition to established IRM guidance, consider the Bureau of the Fiscal Service (BFS) regulations when issuing a check in another name. These regulations include, but are not limited to, the following:
 - The BFS procedure requires documentation that is consistent with the Assignment of Claims Act, 31 USC 3727. The Act covers the payment aspect of a claim, which is the relevant aspect for purposes of the subject actions; see 31 USC. 3727(a)(2) (“assignment” includes “the authorization to receive payment for any part of the claim”). In general, the Act requires that the assignment be attested to by two witnesses

and the person making the assignment shall acknowledge it before an official who may acknowledge a deed, and the official shall certify the assignment.

- Under the BFS procedure the claimant's financial institution evaluates the documentation.
- The availability of the BFS alternative procedure for a claimant may be taken into account when considering how much risk IRS should undertake.

21.4.3.1.3
(10-01-2019)
Responsibilities

- (1) The Taxpayer Services Commissioner oversees all policy related to this annually published IRM.
- (2) The Director of Accounts Management (AM) oversees the instructions to the employees contained in the IRM content.
- (3) Accounts Management Policy and Procedures IMF (PPI) Tax Analyst(s) oversees the content in this IRM and acts as a point of contact for all Accounts Management sites.
- (4) Managers and leads ensure compliance with the guidance and procedures in this IRM for Returned Refunds/Releases case resolution.
- (5) Employees resolve Refund Inquiry requests following procedures in this IRM.

21.4.3.1.4
(10-01-2019)
Program Management and Review

- (1) **Program Effectiveness:** Program Effectiveness is measured and controlled through:
 - a. Managerial reviews
 - b. Quality reviews
 - c. Quarterly PPI reviews

21.4.3.1.5
(10-01-2019)
Program Controls

- (1) Program Goals are measured and controlled through:
 - Quality data and guidelines for measurement are referenced in IRM 21.10.1, Embedded Quality (EQ) Program for Accounts Management, Campus Compliance, Field Assistance, Tax Exempt/Government Entities, Return Integrity and Compliance Services (RICS), and Electronic Products and Services Support
 - Campus Compliance
 - Field Assistance
 - Tax Exempt/Government Entities
 - Return Integrity and Compliance Services (RICS) and Electronic Products and Services Support
 - Goals, measures and operating guidelines are listed in the yearly Program Letter

21.4.3.1.6
(04-25-2023)
Acronyms

- (1) Common acronyms listed throughout this IRM:

Acronym	Definition
AM	Accounts Management

Acronym	Definition
AMS	Accounts Management Service
BFS	Bureau of the Fiscal Service
BMF	Business Master File
CC	Command Code
CDN	Claims Disposition Notice
CEBA	Competitive Equality Banking Act
CFIF	Check Forgery Insurance Fund
CII	Correspondence Imaging Inventory
CI-SDC	Criminal Investigation-Scheme Development Center
CP	Computer Paragraph (Notice)
CSR	Customer Service Representative
DD	Direct Deposit
DLN	Document Locator Number
E-Fax	Electronic Fax
EQ	Embedded Quality
ERC	Employee Retention Credit
FI	Financial Institution
IAT	Integrated Automation Technologies
ICCE	Integrated Customer Contact Environment
ICT	Image Control Team
IDRS	Integrated Data Retrieval System
IMF	Individual Master File
IRC	Internal Revenue Code
IRM	Internal Revenue Manual
IRS	Internal Revenue Service
ITAS	Individual Taxpayer Advisory Specialists
LP	Limited Payability
MFT	Master File Tax
NCOA	National Change of Address
NFL	National Forensics Lab
NMF	Non-Master File
POA	Power of Attorney

Acronym	Definition
POC	Payment Over Cancellation
R&C	Receipt and Control
RAC	Refund Anticipation Check
RAL	Refund Anticipation Loan
RFC	Regional Finance Center
RI	Refund Inquiry
RICS	Return Integrity and Compliance Services
RIVO	Return Integrity and Verification Operations
RTN	Routing Transit Number
SERP	Servicewide Electronic Research Program
SS	Secret Service
TAC	Taxpayer Assistance Center
TBOR	Taxpayer Bill of Rights
TC	Transaction Code
TCIS	Treasury Check Information System
TOP	Treasury Offset Program
TS	Taxpayer Services
WMR	Where's My Refund

21.4.3.1.7
(10-02-2023)

Related Resources

- (1) Refer to the related resources below (list is not all inclusive):
 - IRC 6402, Authority To Make Credits Or Refunds
 - Public Law 100-86, Title X, Government Checks, of the Competitive Equality Banking Act of 1987 (known as the Limited Payability provision), 31 USC § 3328, Paying checks and drafts
 - Bureau of the Fiscal Service - Treasury Check Information System
 - *Document 6209 (IRS Processing Codes and Information)*
 - *Integrated Automation Technologies (IAT) Tool Instructions*
 - *Refund Inquiry Unit Addresses*
 - Treasury Check Information System (TCIS)
 - *Integrated Automated Technologies (IAT) - Missing Refund (CHKCL) tool*
 - *Integrated Automated Technologies (IAT) - Reissue Refund (CHK64) tool*
 - IRM 21.4.1, Refund Research
 - IRM 21.4.2, Refund Trace and Limited Payability
 - IRM 21.4.4, Manual Refunds
- (2) The Taxpayer Bill of Rights (TBOR) lists rights that already existed in the tax code, putting them in simple language and grouping them into 10 fundamental rights. Employees are responsible for being familiar with and acting in accord

with taxpayer rights. See IRC 7803(a)(3), Execution of Duties in Accord with Taxpayer Rights. For additional information about the TBOR, see *Taxpayer Bill of Rights*.

21.4.3.2 (10-01-2005) Returned Refunds/Releases Overview

- (1) Always adhere to the time frame listed in IRM 3.30.123, Processing Timeliness: Cycles, Criteria, and Critical Dates, to ensure all time frames are met when resolving cases. The following time frames are listed within that specific Internal Revenue Manual (IRM).
 - IRM 3.30.123.13.2, Undelivered and Limited Payability Refund Checks
 - IRM 3.30.123.13.3, Deleted/Returned Refund Checks and Recertification Credits
 - IRM 3.30.123.13.4, Non-receipt, Lost, Stolen, or Destroyed Refunds
 - IRM 3.30.123.20.4, Taxpayer Initiated Refund Inquiries
- (2) Refund checks issued to taxpayers may be returned to the IRS or Regional Financial Center (RFC) for many reasons. This section of the IRM provides information and instructions for processing returned refund checks.

Caution: Before discussing any tax information, you must be sure you are speaking with the taxpayer or authorized representative. See IRM 21.1.3.2, General Disclosure Guidelines. Before leaving any message on a taxpayer's answering machine, review IRM 10.5.1.6.7.2, Answering Machine or Voicemail. Fax procedures contained in IRM 10.5.1.6.9.4, Faxing, must be reviewed prior to faxing confidential information to the taxpayer.
- (3) In addition to account research on the Integrated Data Retrieval System (IDRS), review Account Management Service (AMS) for prior taxpayer contact.

21.4.3.3 (03-15-2024) What is a Returned Refund/Refund Release?

- (1) Refund checks are returned for several reasons. Some of the most common are:
 - Incorrect address, U. S. Postal Service was unable to deliver check.
 - The taxpayer is not entitled to a refund.
 - The credit that created the refund belongs on another module.
 - The check is issued in the wrong name.
 - The check cannot be negotiated (joint/deceased taxpayer).
 - The check is expired and cannot be cashed (older than 12 months).
- (2) The Receipt and Control (R&C) function within a Campus receives the returned refund checks and directs them to the Campus Refund Inquiry (RI) Unit.
- (3) Returned refund checks must be stamped or written "non-negotiable" on the front of the check, **or** have the word "void" stamped or written on the front or back of the check. At the time of receipt, the employee should stamp "void" on the returned check.
- (4) Refund checks returned to a Taxpayer Assistance Center (TAC) must be forwarded to the IRS campus RI Unit associated to the taxpayer's state of residency. Individual Master File (IMF) returned checks will be worked at IMF campuses and Business Master File (BMF) will be worked at BMF campuses.

For fax numbers and addresses, see *Refund Inquiry Unit Addresses*, located on Servicewide Electronic Research Program (SERP) under the Who/Where tab. Follow the procedures in the table in IRM 21.4.3.5.5, Resolving Returned Refunds (Unexpired Checks).

21.4.3.4
(11-01-2018)
**Returned Checks
Research**

- (1) Returned refund checks must be worked by campuses in the proper Business Operating Division (BOD). Individual Master File (IMF) returned checks will be worked at IMF campuses and BMF will be worked at BMF campuses. Send misrouted cases to the proper campus.

Note: If a case involves both IMF and BMF returned checks, the receiving campus must coordinate case actions with the proper Refund Inquiry team.

- (2) Taxpayer identification numbers (TINs) are no longer printed on refund checks. If a refund check is received without a TIN, research command code (CC) IMFOLC or CC BMFOLC using the check number and symbol located on the check in the upper right-hand corner. CC IMFOLC and CC BMFOLC will search for the matching tax module and return the correct CC IMFOLT or CC BMFOLT screen. Since CC IMFOL and CC BMFOL will only try to access the valid TIN, be sure to compare the check with the tax module to ensure you have the correct module. See IRM 2.3.51, Command Code IMFOL, for complete command code instructions.

Note: For more information on refund check origin, review IRM 3.17.79-4, Refund Schedule Number Format.

21.4.3.5
(06-11-2024)
**Acknowledgment of
Returned Check**

- (1) Upon receipt of a returned refund check, Refund Inquiry (RI) employees will use the Returned Refund program in Account Management Services (AMS) to:
 - a. Control the case on the Integrated Data Retrieval System (IDRS), Status B, Category 3913.
 - b. Send Letter 4427C, Acknowledgement of Returned Refund Check, to the taxpayer, unless a completed Form 3913, Acknowledgement of Returned Refund Check, is received with the case from an IRS Taxpayer Assistance Center (TAC). In those cases, Form 3913 will serve as an acknowledgement letter. No interim letter is required, unless the 60-day time frame stated on Form 3913 cannot be met.

Note: Keep a copy of Form 3913 with cases received from TACs.

Note: If no acknowledgement letter has been issued to the taxpayer, follow procedures in IRM 21.3.3.3.4, Quality and Timely Response, and issue a final response to the taxpayer, prior to closing the case control.

- c. Send voided checks less than one year old to the Philadelphia Regional Financial Center (RFC) on Form 3210, Document Transmittal, for cancellation. Form 3210 is generated by the Returned Refund program in AMS.

Note: If the automated system is down due to technical difficulty for more than one day, manually control the case on IDRS. Send Letter 4427C and manually complete Form 3210. Send to RFC.

Exception: Upon receipt of a returned refund check attached to Form 941-X, Form 943-X, Form 944-X or Form CT1-X indicating "Withdrawn" on the left

margin of the first page, after using the Returned Refund program in Account Management Services (AMS), make two photocopies of the returned refund check and stamp both as "photocopy". Also, make one copy of the first page of the Employee Retention Credit (ERC) Withdrawal request and stamp that as "photocopy". Route the original ERC Withdrawal request and one check photocopy to Image Control Team (ICT) on a Form 3210 clearly marked "ERC Withdrawal" to be scanned into CII. The second check photocopy and the photocopy of the Form 94X-X or Form CT1-X will be kept by RI until the TC 841 has posted.

- (2) When answering taxpayer's calls regarding previously returned refund checks:
 - a. Determine the date the taxpayer mailed the refund check back to the IRS.
 - b. If an open control has been identified, advise taxpayers to allow 60 days from the control date for the returned check to be processed.
 - c. If at least 4 weeks have passed since the taxpayer mailed the check and no open control is found, send a referral Form 4442/e-4442 to the Refund Inquiry Team where the taxpayer returned the check. Select Referral Type **IRM** with Category - Other Write-In. For Write-In description, use **IRM 21.4.3.5** - Acknowledgment of Returned Check, and for Reason, select Other or Complex Issue/Training Specialization. Send to the Refund Inquiry Unit at the campus where the taxpayer states they mailed the check.
 - d. Provide the following information on the referral: the date on which the check was returned to the IRS, the check amount, the 4-digit check symbol number and 8-digit check serial number; this information can be found on CC IMFOL# or CC IMFOLC. Include in your referral the taxpayer's intention for the funds - for example, apply funds as credit elect to following year, etc. Indicate on the referral that a refund trace should be input using a **non-receipt code H** on CC CHKCL.
 - e. If at least four weeks have not passed since the taxpayer mailed the check to the IRS, advise the taxpayer to call back when four weeks have passed.

21.4.3.5.1
(10-03-2022)

**Checks Returned to
Regional Financial
Center (RFC) by the
Taxpayer or U.S. Postal
Service**

- (1) Sometimes taxpayers return refund checks directly to the RFC instead of sending them to the campus.
- (2) If the check has not expired, the Accounting Function receives SF 1098, Schedule of Cancelled Checks, from the RFC. The Accounting Function may forward the list to the Refund Inquiry (RI) Unit at their campus for notification purposes. If received in RI, the list may be kept in the unit files or destroyed as classified waste.
- (3) Correspondence received from the taxpayer will be sent with the SF 1098 list. See paragraph 9 below for instructions.
- (4) Undelivered checks are identified on the SF 1098 list as "Code 2". Checks returned to RFC by the taxpayer are identified as "Code 3".
- (5) Transaction code (TC) 841, blocking series and serial number "99999", on the module, identifies checks returned by the taxpayer.

Exception: Some Economic Impact Payments were returned systemically, not by the taxpayer (i.e., conditions in SERP Alerts 20A0278, 20A0259 and 20A0392).

Below are some examples of instances when a taxpayer will return a check and steps that should be taken:

If taxpayer returns check	Then
Without cashing the check	Make the proper adjustment to the account if necessary, and issue correct refund.
Requesting the refund be applied to a different module, and the refund was not the result of a misapplied payment, was not due to IRS error or credit elect was not indicated on the return	Apply the refund to the module indicated. See IRM 21.4.3.5.5, Resolving Returned Refunds (Unexpired Checks), for procedures on applying the refund.
Because check is “non-negotiable”, through no fault of the IRS.	Reissue refund with no additional interest.

- (6) TC 740, blocking series and serial number “99999”, identifies checks returned by the U.S. Postal Service.

Note: The credit for “Code 2” and “Code 3” cases will post in approximately two to three weeks from the date the check was received by the RFC. In many instances, the credit is usually posted by the time the case is received.

- (7) When the RFC receives a refund check for cancellation, they send the following to the RI function:

- Correspondence from the taxpayer
- Envelopes from the postal service

- (8) The RFC or U. S. Postal Service will annotate on correspondence:

- Check and symbol number
- Taxpayer is deceased (if applicable)
- Taxpayer moved and left no forwarding address

- (9) The RI function will:

- Control case on IDRS.
- Acknowledge the correspondence, send Letter 4427C, Acknowledgment of Returned Refund Check, if the taxpayer returned the check.
- Resolve P- or S- freeze condition.
- Input CC STAUP or TC 470 on balance-due modules if TC 841 or TC 740 has not posted back to the account.

Note: See IRM 21.4.3.5.3, Undeliverable Refund Checks, and IRM 21.4.3.5.5, Resolving Returned Refunds (Unexpired Checks), for further guidance.

21.4.3.5.2
(06-11-2024)
**Recertified or Original
Returned Refund
Checks**

(1) A recertified check is any check reissued to the taxpayer to replace an original check. If a check was cancelled, the account will show a credit for the refund, TC 841 or TC 740. A refund may be cancelled for any of the following reasons:

- Undelivered refund - See IRM 21.4.3.5.3, Undeliverable Refund Checks
- Limited Payability - See IRM 21.4.2.4.7, Limited Payability (LP) Rules
- Result of a refund claim (CC CHKCL) - See Exhibit 21.4.2-1, Command Code (CC) "CHKCL" Input
- Refund intercept (CC NOREF) - See IRM 21.4.1.5.10, Refund Intercept Command Code NOREF with Definer "P"
- Refund returned by the taxpayer - See IRM 21.4.3.5.4, Returned Refund Check Procedures, IRM 21.4.3.5.5, Resolving Returned Refunds (Unexpired Checks), and sub-sections, and IRM 21.4.3.5.6, Resolving Returned Expired Refunds Limited Payability, and sub-sections

Note: When a refund check is cancelled, there is no "stop payment" placed on the check. The original check appears negotiable and is often cashed. If a check is cashed after being cancelled, a debit TC 843, Payment Over Cancellation (POC), will post to the account. POCs are handled by the Accounting Function. If correspondence is received regarding a POC, take no action on the account, route the inquiry to the Accounting function with the open control, or originating site based on RSN, for resolution. To determine the appropriate campus for routing see IRM 21.4.2.4.14 (2), Account 6565 Processing for Refund Inquiry Function. Notate AMS with actions taken and close the refund inquiry control base. Accounting will address the taxpayer's correspondence as needed.

(2) When the taxpayer returns **either the original, recertified, or both checks**, use the following procedures:

Row	If the check is	And it	Then
1	The original check	Has not expired	<ol style="list-style-type: none"> 1. Prepare and attach Form 3210, Document Transmittal, with notation "Previous Cancellation". 2. Send check to Philadelphia Regional Financial Center (RFC). 3. Send Letter 4427C, Acknowledgment of Returned Refund Check, to the taxpayer. 4. Close control base "PREVCANC". <p>Note: No TC 841 will post due to prior cancellation.</p>
2	The original check	Has expired	<ol style="list-style-type: none"> 1. Send Letter 4427C to taxpayer. <p>Note: Do not return the check to Philadelphia RFC.</p> <ol style="list-style-type: none"> 2. Close control base and destroy the check. <p>Note: No TC 740 will post due to prior cancellation.</p>
3	The original check	Previous CC CHKCL initiated	<ol style="list-style-type: none"> 1. Account shows replacement issued, close 3913 base "PREVCHKCL". 2. Destroy original check.
4	The recertified check	Has not expired, nor has the taxpayer cashed the original refund check	<ol style="list-style-type: none"> 1. Send to Philadelphia RFC for cancellation. 2. Send taxpayer Letter 4427C. 3. Update control base "841TOPOST." 4. Monitor until TC 841 posts. 5. Follow the instructions provided in taxpayer's correspondence and advise taxpayer of the action taken, if applicable. 6. If control base does not update within 45 days to "841P" take follow-up action to locate and apply the credit correctly.
5	The recertified check	Has expired, but the taxpayer has not cashed the original refund check	<ol style="list-style-type: none"> 1. Do not return check to the RFC. 2. Send Letter 4427C to the taxpayer and follow expired return refund check procedures. See IRM 21.4.3.5.6, Resolving Returned Expired Refunds Limited Payability.
6	The recertified check	Has not expired and taxpayer has cashed the original refund check	<ol style="list-style-type: none"> 1. Send to Philadelphia RFC for cancellation. 2. Update control base or history "CASHEDORIG". 3. Monitor for TC 841. 4. Close base with input of TC 290 .00, Hold Code 2 to set a -K freeze and hold the credit. (TC 843, POC, will post from Bureau of the Fiscal Service).

21.4.3.5.3
(05-07-2024)
Undeliverable Refund Checks

- (1) If the U.S. Postal Service cannot deliver the refund check to the taxpayer's address they will return the check to the Bureau of the Fiscal Service (BFS) Regional Finance Center (RFC).
- (2) The RFC cancels the undelivered refund checks weekly and transmits the undeliverable refund checks to Martinsburg Computer Center (MCC) for posting of TC 740 to credit the correct taxpayer's account. If a Treasury Offset Program (TOP) offset was made on the original refund, TOP will generate a TC 899 code 1 to reverse it.
- (3) Review the module for conditions that could determine allowable credit interest (e.g., identity theft (IDT), etc.) and take the proper action, including a manual computation of interest if necessary, before releasing the refund.
- (4) An **S-** freeze occurs when:
 - a. An undelivered refund check less than one year old is returned by the postal service (TC 740 Blocking Series 99999) and the address has not been updated since the refund was issued.

Exception: Undeliverable Economic Impact Payments will not set an **S-** freeze and will be systemically reversed after the following dates: first and second round after 12/31/2020, third round after 12/31/2021. Instead, the taxpayer may claim the Recovery Rebate Credit on their 2020/2021 tax return as appropriate, if eligible. See IRM 21.6.3.4.2.14, Recovery Rebate Credit, for more information.

Note: Refund checks not cashed within 12 months of issue date are considered expired checks and are identified by a TC 740 Blocking Series 66666. See IRM 21.4.3.5.6, Resolving Returned Expired Refunds Limited Payability.

Note: The IRS will update the taxpayer's address of record per the procedures in Rev. Proc. 2010-16 which includes clear and concise written notification. Taxpayers may notify the IRS of an address change using various methods (e.g., Form 8822, Change of Address; Form 8822-B, Change of Address or Responsible Party - Business; Form 3911, Taxpayer Statement Regarding Refund; correspondence described in section 5.04(1)(a) of the revenue procedure, etc.). Taxpayers can also request an address change via oral statement, see IRM 21.1.3.20.1, IMF and BMF Oral Statement Address Changes.

Caution: Refunds cannot be systemically issued to a temporary address. If the address provided is a temporary address, a manual refund is required.

- b. A return is filed without an address and a "Campus Address" is assigned. For campus address cases, see IRM 21.4.1.4.5, Return Processed but No Address on File.
 - c. Responses to CP 231, Undelivered Refund Check Returned to Us, and Letter 533C, Refund Check Undelivered or Not Negotiated, received in Refund Inquiry must be assigned using category code "UDRF".
- (5) For SCADDRESS transcripts received in Refund Inquiry (RI), take the following actions for case resolution:
 - a. Research CC IRPTRL for taxpayer address
 - b. Send Letter 533C, to the CC IRPTRL address(es) requesting the taxpayer furnish their current address
 - c. Close case

- d. Take proper action on Letter 533C replies
 - e. For transcripts that involve Identity Theft (IDT) or Return Integrity and Verification Operations (RIVO), see IRM 21.2.4.3.18, Return Integrity and Verification Operations (RIVO) and Criminal Investigation (CI), Transcript Issues, and IRM 21.2.4.3.19, Transcripts with Identity Theft (IDT) Involvement
- (6) Do NOT input a CC CHK64 under the following conditions (reissue refund as a manual refund):
- a. Original refund was a TC 840, and circumstances still exist where the taxpayer requires a manual refund.
 - b. Original refund was a TC 846 with a Bypass Indicator (Injured Spouse).
 - c. Deceased taxpayer and no CCC L or W on CC TXMOD or CC RTVUE for applicable period. See IRM 21.6.6.2.21, Decedent Accounts, for more information on decedent account refunds.
 - d. Form 8038-CP, Return for Credit Payments to Issuers of Qualified Bonds (MFT 46, Doc Code 88) - Any address correction in response to a CP 231, Undelivered Refund Check, should not be updated on master file.

Note: See IRM 21.7.7.7.4.5.4, Form 8038-CP Manual Refund Guidelines, for more information about manual refunds.

- (7) Any of the following will release an **S-** freeze.

- a. The filing of a subsequent return (TC 150)
- b. CC CHK64 to generate a TC 018 on CC ENMOD

Note: Reissue Refund (CHK64) Tool is available as an IAT tool and is mandatory unless a manual refund must be issued.

- c. Systemic module update with TC 013 Business Master File (BMF) or TC 014 Individual Master File (IMF) updating from the Postal Service National Change of Address (NCOA) database.

Exception: Systemic releases will not occur if a name change has occurred since the return was filed. The NCOA and IRS records must match exactly. See IRM 3.13.5.42, Determining National Change of Address (NCOA) Address Changes.

- d. A taxpayer-initiated address change through Internet Refund Fact of Filing (IRFOF) will post as a TC 014 (IMF only) with a source code of 1.

Note: The address change option in IRFOF is currently disabled.

- e. Input of TC 014 on IMF and TC 013 or TC 014 on BMF after posting of the TC 740

Reminder: Refund will not release if the TC 846 and TC 740 are for different amounts.

- f. Module balance becomes zero or debit

- (8) Customer service representatives (CSRs), tax examiners (TEs) and RI Unit Examiners will input CC CHK64 (TC 018) to change the address.

Note: Perfections to the name line which do not significantly alter the basic character of the entity, such as correction of typographical errors or omissions in name can also be input to ensure the name line is correct.

Note: Taxpayer should receive a CP 564, Refund Check Not Delivered - New Check To Be Issued, when applicable. Therefore, do not use CC INCHG or CC BNCHG to update the address, use CC CHK64. For trustee changes, refer to IRM 21.7.1.4.9, Fiduciary Name/Address Change.

Caution: When using the 2nd name line on CC CHK64 for a foreign address, you must use the current year in the tax year field regardless of the tax year for which the refund is being issued. For example, if the claim is for tax year 2017, and it is made after January 1, 2018, you must use 2018 in the tax year field. If this same claim is received after January 1, 2019, you must use 2019 in the tax year field.

Note: Do not correspond for a current address on undeliverable refunds, unless specifically instructed to in the IRM.

- a. CC TXMOD must precede CC CHK64. (It cannot be input on a dummy module.)
- b. If there are multiple **S-** freezes, CC CHK64 input on any account with an **S-** freeze will release all **S-** freezes.
- c. Request must be from an authorized party. On a joint return, this would be either spouse (both signatures are required to negotiate the check). When updating our records through oral statement, advise taxpayer to change their address at their local post office.

Note: If the secondary taxpayer on a joint account requests an address change, determine if the change applies to the joint account or only the spouse. If the change applies only to the secondary taxpayer, make no change to the primary taxpayer's address. Advise the requestor the primary taxpayer must contact us or submit a Form 8822, Change of Address. IRM 21.4.2.4 (5), Refund Trace Actions, provides guidance for an acceptable oral statement.

- d. CC CHK64 can be input based on an oral statement or written correspondence from the taxpayer received via Correspondence Imaging Inventory (CII).
- e. Certain situations will require the CP 564 to be stopped (e.g., if the credit will not refund due to an offset). The CP 564 can be stopped by overlaying the notice indicator on the CC CHK64 screen with an "N". See IRM 25.25.12.9, Limited Direct Deposit Refund Procedures.

Note: If a CP 53 series notice was issued for the tax period in question, see IRM 21.4.1.4 (3), Refund Inquiry Response Procedures, for more information.

(9) Use the chart below to release an **S-** freeze:

Reminder: After CC CHK64 is input a refund check will be reissued in about 4 weeks, unless otherwise stated below.

Note: Additional information regarding allowable interest calculations can be found in IRM 20.2.4.8.5.1, Undeliverable Refund Checks.

Row	If	And	Then
1	An unauthorized person requests the release		Advise the unauthorized person that the refund release request must come from the taxpayer or the taxpayer's authorized representative. Do not disclose any information.
2	An authorized person requests the release	The refund is a TC 846 and was returned undeliverable	<ol style="list-style-type: none"> 1. Verify the address. 2. Input CC CHK64. 3. Advise the requestor to allow up to 4 weeks for a refund check to be reissued.
3	An authorized person requests the release	The refund is a TC 840 (manual refund) and returned undeliverable	Determine if the refund must be re-input as a manual refund. If a manual refund is not necessary, input CC CHK64.
4	An authorized person requests the release	Pending TC 018 or TC 014 on CC ENMOD	<ol style="list-style-type: none"> 1. Verify the address. 2. Advise the requestor to allow up to 4 weeks for a refund check to be reissued.
5	An authorized person requests the release	Pending TC 018 or TC 014 is on CC ENMOD, address is incorrect	<ol style="list-style-type: none"> 1. Input CC NOREFP to stop the refund. 2. Update the address by using CC ENREQ, INCHG. 3. Advise the requestor to allow up to 8 weeks for a refund check to be reissued. 4. Release the P- freeze when the TC 841 posts.
6	An authorized person requests the release	<ul style="list-style-type: none"> • S- freeze after CC CHKCL action • No open control • No Pending TC 018 or TC 014 	<ol style="list-style-type: none"> 1. Verify the address. 2. Input CC CHK64. 3. Advise the requestor to allow up to 4 weeks for a refund check to be reissued.
7	An authorized person requests the release	S- freeze after the CC CHKCL action and has an open control	RI will contact area with open control for release of the refund. CSRs will forward Form 4442/e-4442, Inquiry Referral, with the new address, to the area with an open control. Advise the requestor to allow up to 6 weeks for a refund check to be reissued.
8	An authorized person requests the release	<ul style="list-style-type: none"> • Multiple freeze conditions • No open control 	Follow the instructions for each freeze condition. See IRM 21.5.6, Freeze Codes.

Row	If	And	Then
9	An authorized person requests the release	<ul style="list-style-type: none"> Multiple freeze conditions Open control 	Contact the employee/area with the control and coordinate the resolution of the conditions. See IRM 21.5.6, Freeze Codes. CSRs will forward Form 4442/e-4442 with the new address, to the area with an open control. Advise the taxpayer they will hear from the IRS in approximately 30 days.
10	Exempt Organization sub-module on BMF CP 231 , Undelivered Refund Check		CC CHK64 will unpost, a manual refund is required. Note: For trustee changes, refer to IRM 21.7.1.4.9, Fiduciary Name/Address Change
11	Invalid TIN shown on CC ENMOD or CC TXMOD		Research invalid condition and input CC CHK64, to release S- freeze, if appropriate.
12	If CC ENMOD shows an incorrect/incomplete address		Input CC CHK64 with correct address.
13	45-day interest-free period is in jeopardy. Interest free period expires 06/01 on IMF refund returns filed by 04/15	Delay is due to IRS error	<ol style="list-style-type: none"> Allow interest. Overlay interest indicator“ N” on CC CHK64 with “Y.”
14	45-day interest-free period is in jeopardy. Interest free period expires 06/01 on IMF refund returns filed by 04/15	Delay is not due to IRS error	Do not allow interest. Note: Leave the interest indicator as N on CC CHK64.

- (10) Additional research may be required to determine the type of refund to send to the taxpayer. If there appears to be a need for further research on the account, take the proper action. This may include contacting other IRS functions or more communication with the taxpayer, see Letter 533C, Refund Check Undelivered or Not Negotiated.
- (11) If additional research or contact with the taxpayer results in moving the overpayment to a different tax module, follow the guidance in IRM 21.4.3.5.5 (5), Resolving Returned Refunds (Unexpired Checks).
- (12) Take the proper action on Computer Paragraph (CP) replies.

21.4.3.5.3.1
(07-27-2020)

Undelivered Refund Notices

- (1) Letter 533C, Refund Check Undelivered or Not Negotiated, or CP 231, Undelivered Refund Check, informs the taxpayer a refund check was returned undelivered and requests a correct address. These notices will no longer be reviewed before mail out. If these notices are received in RI, route them to machine services for immediate mail out.
- (2) Destroy all undelivered CP 231 notices, Letter 533C and envelopes that have a new address provided by the U. S. Postal Service or the current resident at the mailing address, as classified waste without further action.

Note: On July 2011, a “2-D Bar Code” pilot program involving various CP notices was implemented. Some of the notices still display the entire SSN while others have the SSN redacted/masked (e.g., XXX-XX-1234). To identify the account, a “handheld” bar code scanner must be used to read the taxpayer account information. If the scanner cannot read the bar code, CC TPIIP must be used. For more information on CC TPIIP, refer to the *IDRS Command Code Job Aid* located on SERP under IRM Supplements.

21.4.3.5.3.2
(07-21-2015)

Local Undelivered Refund Check Listing (URCL)

- (1) The Undelivered Refund Check List (URCL) is no longer provided for publication. However, a news release is issued each year to inform the public that there are refunds that have gone undelivered and could be available to the appropriate taxpayer. The news release advises the taxpayer to access Where’s My Refund or call the refund hot line if they believe their refund check may have gone undelivered.

21.4.3.5.4
(12-18-2023)

Returned Refund Check Procedures

- (1) If the taxpayer calls or sends in a request on how to return their refund check, the customer service representative (CSR) or tax examiner at the IRS Campus Refund Inquiry (RI) Unit, should first confirm the refund check was issued by the IRS. Refer to IRM 3.8.44-7, Agency Location Codes (ALC), to confirm the ALC is on the list. If the ALC (begins with 2009XXXX) located at the top of the check next to the date is on the listing, advise taxpayer to write “void” in the endorsement area on the back of the check. Advise taxpayer to mail the check with a letter of explanation to the IRS campus RI Unit associated to the taxpayer’s state of residency. See the *Refund Inquiry Unit Addresses* link for the correct address. Advise the taxpayer not to write on the front of the check. If the ALC is not on the list, advise taxpayer the check was not issued by the IRS, but by another federal agency.

Caution: If the check is a Refund Anticipation Loan (RAL) or a Refund Anticipation Check (RAC), advise the taxpayer to send the check along with an explanation of why they are returning it, to the IRS campus RI Unit associated to the taxpayer’s state of residency. See IRM 21.4.1.5.7.1 (7), Direct Deposit of Refunds, for guidance to determine if a refund is a RAL/RAC. When received, Receipt and Control or Campus Support will take the proper action to route the check to RIVO. Enter a narrative in AMS with the advice to the taxpayer and the reason for it.

- (2) Returned refund checks, whether being sent to a Refund Inquiry team from within the campus, or from outside the campus, must follow the procedures in IRM 3.8.47.4.4, Secure and Process a Returned Refund Check, for documentation and packaging to ensure the security of the check.

Note: Managers should refer to IRM 1.4.16.5 (6-7), Monitoring and Reviews, for Form 3210 Managerial Review requirements.

- (3) When there is potential refund fraud or ID theft involved, Refund Inquiry should take the following actions. (In most instances, these checks will already have been routed by Submission Processing.)

Reminder: Refund checks returned to a Taxpayer Assistance Center (TAC) must be forwarded to the IRS campus Refund Inquiry Unit associated to the taxpayer's state of residency. For fax numbers and addresses, see *Refund Inquiry Unit Addresses*, located on Servicewide Electronic Research Program (SERP) under the Who/Where tab. Follow the procedures in the table in IRM 21.4.3.5.5, Resolving Returned Refunds (Unexpired Checks).

- a. Make a copy of the returned Treasury refund check. All Treasury checks must be stamped "Non-Negotiable", or, have the word "void" stamped or written on the front or back of the check.
- b. Prepare a Form 3210, Document Transmittal, and send to BFS as normal. See IRM 21.4.3.5.5, Resolving Returned Refunds (Unexpired Checks), for the BFS address.
- c. The following table describes the types of checks and the routing procedures:

Row	If	Then	
1	Treasury IRS refund checks are returned as undeliverable, and you identify that there is the same address (different names) on multiple checks indicating possible fraud	<ul style="list-style-type: none"> Fax/eFax check copies and correspondence to Kansas City RIVO at: Include the date the Treasury check was sent to BFS on the Fax/eFax 	#
2	Treasury check(s) is returned, and ID theft is not indicated, but appears to be fraud related (e.g., Multiple checks with different names have been mailed to the same address . Explanation is something like, "I don't know these people, but these checks were mailed to my house.")	<ul style="list-style-type: none"> Fax/eFax check copies and correspondence to Kansas City RIVO at: Include the date the Treasury check was sent to BFS on the Fax/eFax 	#
3	Treasury check(s) is returned, and a note is attached indicating ID theft (e.g., "I got this refund check made payable to me, but I have not even filed my tax return this year . I don't know why I got this check.")	<ul style="list-style-type: none"> Fax/eFax check copies and correspondence to Kansas City RIVO at: Include the date the Treasury check was sent to BFS on the Fax/eFax 	#
4	Treasury check(s) is returned undeliverable, OR not belonging to the person named on the check, AND there is evidence of previous RIVO External Leads review. i.e., TC 841 DLN blocking series/serial number 77711, 77712, or 77713 and issuance of a CP 53A, CP 53B or CP 53C notice	<ul style="list-style-type: none"> Fax/eFax check copies and correspondence to Kansas City RIVO at: Include the date the Treasury check was sent to BFS on the Fax/eFax 	#

Row	If	Then
5	A third-party check (non-Treasury checks including RAL/RAC checks) is received outside of Receipt and Control or Campus Support	Process it back to the proper function per IRM 3.8.46.1, Discovered Remittances (for Receipt and Control), or IRM 21.1.7.9.20, Discovered Remittance (for Campus Support).
6	Check is attached to: <ul style="list-style-type: none"> • Letter 4115C, or • Letter 4464C, or • Letter 4883C 	<ul style="list-style-type: none"> • Fax/eFax check copies and correspondence to Kansas City RIVO at: • Include the date the Treasury check was sent to BFS on the Fax/eFax

#

- d. If not already on the account, input TC 971 AC 522 and the proper IDT tracking code. See IRM 25.23.2.4.4, Initial Allegation or Suspicion of Tax-Related Identity Theft - IMF Identity Theft Indicators, for codes and more information.

Note: Do not keep an open or monitor control on the case once it has been forwarded to RIVO.

- e. If you receive items (including debit cards) from different sources, for example U.S. Postal Service, a law enforcement agency, etc., sort the items and mail to:
- Internal Revenue Service
Attn: RIVO External Leads Manager
P.O. Box 219981
Kansas City, MO 64121

Exception: For returned Economic Impact Payment pre-paid debit cards, follow instructions in IRM 3.8.45.19.1 (4), Repayment of Economic Impact Payments (EIP).

21.4.3.5.4.1
(03-15-2024)
**Returned Refund Check
with Taxpayer
Correspondence**

- (1) There are times when the taxpayer will attach correspondence with the returned refund check because the credit/payment that was refunded was intended to be applied to another tax period.
- a. Review the taxpayer correspondence and account on AMS and IDRS for the tax period(s) referred to in the taxpayer's correspondence.
- b. If the balance due tax period is located, transfer the credit, and input the necessary STAUP. Send the taxpayer a letter about the credit transfer.

Note: For more information about situations which will not allow credits to offset to a BMF balance due module, please review IRM 21.7.1.4.6, BMF Offset Program.

- c. Continue to process the returned refund check as usual.

If there is any correspondence, unrelated to the returned refund check, that is not within your scope, forward correspondence to Image Control Team (ICT).

Note: AMS notes must be updated to explain the actions taken to address the returned refund check.

Note: If Spanish language correspondence is received, issue a reply using the Spanish version of the appropriate C-Letter if one is available. Route the

Spanish language correspondence to ICT on a Form 3210 clearly marked "Scan to Spanish Correspondence temporary holding number (1030361996 – SPAC)".

- (2) A Form 4442/e-4442 received in Refund Inquiry from a phone call or in person meeting, is worked as if this was a taxpayer's correspondence. Ensure all taxpayer requests are addressed.

21.4.3.5.5 (06-11-2024) **Resolving Returned Refunds (Unexpired Checks)**

- (1) Refund checks returned within 12 months of issue date are stamped "NOT NEGOTIABLE", listed on a Form 3210, Document Transmittal, and sent to the Philadelphia RFC daily for cancellation. A copy of the check should be kept with the case. Non Refund Inquiry Unit employees, see (3) below. Refund Inquiry Unit employees, **do not** include any reference to the IRS in the **To** portion of the address label. Forward the Form 3210 and documentation via US Postal Service, to:

Bureau of the Fiscal Service
Attn: Mailroom Staff
P.O. Box 51318
Philadelphia, PA 19115

- (2) RFC will return credit for returned refund checks via SF 1098 and will post a Transaction Code (TC) 841 to the taxpayer's account in approximately four to six weeks after the check is forwarded to RFC. If there was a TOP TC 898 on the original refund, TOP will generate a TC 899 to reverse it. RFC will return credits for Non-Master File (NMF), Individual Retirement Account File (IRAF) and fee refunds manually on SF 1098.

Note: Returned refund checks are sent to the RFC in Philadelphia for cancellation only if they are received on or before the last business day of the 12th month after the issue date. Checks not meeting this criterion have expired and will remain with the case. See IRM 21.4.3.5.6, Resolving Returned Expired Refunds Limited Payability, for procedures on expired checks.

- (3) Take the following action when you receive a Form 3210 and/or a returned refund check.

If the returned check is	Then
Received in a Territory Office or Taxpayer Assistance Center (TAC)	<ol style="list-style-type: none"> 1. Write "Void" on back of check. 2. Complete the Form 3913, Acknowledgment of Returned Refund Check, and provide the taxpayer with a copy. 3. Complete the Form 3210. Refer to IRM 3.8.47.4.4, Secure and Process a Returned Refund Check. 4. Send the check, Form 3210 and Form 3913 to the IRS campus Refund Inquiry Unit associated to the taxpayer's state of residency for processing. Individual Master File (IMF) returned checks will be worked at IMF campuses and Business Master File (BMF) will be worked at BMF campuses. For fax numbers and addresses, see <i>Refund Inquiry Unit Addresses</i>, located on Servicewide Electronic Research Program (SERP) under the Who/Where tab.
Received by a campus	<ol style="list-style-type: none"> 1. Acknowledge receipt of form. 2. Keep expired returned refund check per note above in paragraph 2. 3. Send unexpired checks directly to Philadelphia RFC for cancellation. 4. Send Letter 4427C, Acknowledgment of Returned Refund Check, for refund checks received

Note: If the returned check is a non-IRS returned refund, refer to IRM 21.1.7.9.25, Non IRS Return Refund Checks, for routing procedures.

Note: For more information about the follow up actions required for Form 3210 see IRM 3.5.61.1.7.5, Form 3210, Document Transmittal.

- (4) To research and resolve returned refund checks that include an explanation from the taxpayer, refer to the chart below. Follow the taxpayer's instructions whenever possible.

Row	If	And	Then
1	Credit is to be applied to a balance due	Credit not posted	Input CC STAUP or TC 470 to prevent offset and monitor for credit.
2	Credit is to be applied to a balance due	No balance due	Notify taxpayer of status.
3	Credit has posted		Follow taxpayer's instructions.
4	Credit intended as payment for taxes	Credit not posted	Monitor for credit, when posted, follow taxpayer's instructions.
5	Refund returned on a deceased taxpayer's account, refer to IRM 21.6.6.2.21.2, Processing Decedent Account Refunds	Form 1310, Statement of Person Claiming Refund Due a Deceased Taxpayer, or required documentation attached	Follow instructions and comply with the request.
6	Refund returned on a deceased taxpayer's account, refer to IRM 21.6.6.2.21.2, Processing Decedent Account Refunds	Form 1310 or required documentation not attached	Send Form 1310 to estate of deceased taxpayer requesting documentation. If the surviving spouse of a joint return is claiming the refund, Form 1310 is not required.
7	An erroneous name or designation of payee	Not negotiable	Request original document to verify payee, if necessary.
8	An original Form 1040-X, Amended U.S. Individual Income Tax Return received with the check		Adjust account or route return to the proper function. When TC 841 posts, close 3913 base "XXXXX2POST" if the amended return was routed. Note: If routing a Form 1040-X, input a TC 971 Action Code (AC) 010 using the Received Date as the Transaction Date.
9	An original Form 941-X, Adjusted Employer's QUARTERLY Federal Tax Return or Claim for Refund; Form 1065-X, Amended Return or Administrative Adjustment Request (AAR); Form 1120-X, Amended U.S. Corporation Income Tax Return		Adjust account or route return to the proper function. When TC 841 posts, close 3913 base XXXXX2POST if the amended return was routed.

Row	If	And	Then
10	An original Form 941-X, Form 943-X, Form 944-X or Form CT1-X, indicating Withdrawn on the left margin of the first page is received with the check		<p>If the original Form 941-X, Form 943-X, Form 944-X or Form CT1-X, indicating Withdrawn on the left margin of the first page is stamped Photocopy, then monitor for posting of the TC 841 and close the control base with activity code "ERC2POST". Treat the photocopies of the form and returned refund check as classified waste taking no further action.</p> <p>Exception: If the Form 941X, Form 943X, Form 944X or Form CT1X, indicating "Withdrawn" on the left margin of the first page is not stamped as "photocopy" and the TC841 has or has not posted then route return/claim to ICT, include a copy of the returned check with the documentation. Monitor for posting of the TC 841 and close the control base with activity code "ERC2POST".</p>
11	Adjustment action posts before TC 841	Credit and P- freeze remaining on account	Refer to IRM 21.5.6, Freeze Codes, to determine if the P- freeze can be released.
12	Refund was correct when issued	Returned in error	<p>Provide explanation to taxpayer. Do not allow additional interest if the refund is to be reissued or applied to an outstanding liability.</p> <p>Note: If the original refund was a manual refund, you may need to reissue it as a manual refund. See IRM 21.4.4, Manual Refunds.</p>
13	Taxpayer filed a married filing joint (MFJ) return and requests the refund check be reissued in one name	Signed statement from other spouse consenting to issuance of the refund to requester is attached	Do not allow additional interest if the refund is to be reissued or applied to an outstanding liability. Reissue refund as a manual refund. Include signed statement from other spouse consenting to issuance of the refund to requester as supporting document. See IRM 21.4.4, Manual Refunds.

Row	If	And	Then
14	Refund was correct when issued, but is returned by a third-party because the taxpayer no longer lives at the address	P- freeze or TC 841 pending to post	<p>Research CC ENMOD:</p> <ul style="list-style-type: none"> If a current address is found, reissue the refund. If no current address is found on CC ENMOD, research current year IRPTR and issue a Letter 533C, Refund Check Undelivered or Not Negotiated, asking the taxpayer to verify their current address. Suspend and allow 45 days for a response (70 days for overseas taxpayers). If no current address is located or no response is received, follow paragraph (11) below. <p>Note: See paragraphs (7) and (8) below to determine if interest is allowable.</p>
15	Refund check is a non-IRS Treasury check (See IRM 3.8.44-7, Agency Location Codes (ALC), for IRS ALC listing)	Correspondence attached is requesting we apply or reissue the refund to a certain year or other IRS account action	<ul style="list-style-type: none"> Issue Letter 86C, Referring Taxpayer Inquiry/Forms to Another Office, explaining we cannot accept a third-party check and the check will be returned to the originating agency to be reissued. Do not forward correspondence to BFS, detach from the check. Prepare a Form 3210 using procedures in IRM 3.8.47.4.4, Secure and Process a Returned Refund Check and forward to BFS in Philadelphia. See IRM 21.1.7.9.25, Non IRS Return Refund Checks, for mailing address.
16	Refund check is a non-IRS Treasury check (See IRM 3.8.44-7, Agency Location Codes (ALC), for IRS ALC listing)	Correspondence is attached and is NOT requesting an IRS related action, but asking about the check or information related to it	<ul style="list-style-type: none"> Prepare a Form 3210 using procedures in IRM 3.8.47.4.4, Secure and Process a Returned Refund Check, and forward to BFS in Philadelphia. See IRM 21.1.7.9.25, Non IRS Return Refund Checks, for mailing address. Add a note on the Form 3210, "Forward Correspondence to Originating Agency, Do Not Return to IRS. Not an IRS Check"

Reminder: If there is any correspondence, unrelated to the returned refund check, which is not within your scope, forward correspondence to Image Control Team (ICT). Use CC MESSG to locate your local ICT stop number.

(5) If a taxpayer returns a refund check requesting that it be applied to another tax module and:

- The refund was not the result of a misapplied payment
- The refund was not due to IRS error
- Credit elect was not indicated on the return
- Liabilities were not claimed on Schedule B, Report of Tax Liability for Semiweekly Schedule Depositors, for any Form 94x series tax return
- Payment was not claimed on the total payment/deposit line of the tax form for the quarter in which the returned refund was to be applied

Then post the check as a TC 700. If interest was included on the refund and the taxpayer is still entitled to the interest, post the interest on the account with a TC 770. Do **not** allow additional interest.

- a. For purposes of moving the credit to a different tax module, the principal component of the refund is debited with TC 820 and credited to the receiving module with TC 700. The transaction date of the TC 820 (debit) is the 23C date of the TC 841 (TC 740 in the case of an undeliverable refund check); the transaction date of the TC 700 (credit) is the date the returned refund check was received.
- b. Because the posting of TC 841 will cause any systemically generated interest (TC 776) allowed on the refund to be removed with TC 777, it must be manually re-posted with TC 770. Input TC 770 with a CR-INT-TO-DT that is identical to the date interest was originally computed to on the returned refund. See IRM 20.2.4.8, Refunds, for more information.

Caution: The CR-INT-TO-DT is the ending interest computation date for the interest that was included in the refund check. It is not the 23C posting date of a returned TC 846, nor the 23C posting date of the TC 776 that accompanies TC 846.

- c. When TC 770 posts, it is debited with TC 850 and credited to the receiving module with TC 700. The transaction date of the TC 850 (debit) is the 23C date of the TC 770; the transaction date of the TC 700 (credit) is the date the returned refund check was received.
- d. If a taxpayer originally requested that they receive a refund, and the refund is returned with a request that it be applied to the estimated tax account of the immediately succeeding tax year, the amount credited to the estimated tax account (on the date the returned refund was received) shall include the refund principal plus any overpayment interest that was originally allowed on the refund (provided the interest amount was not allowed in error). Do **not** characterize the transfer as a credit elect (TC 830 and TC 710) but use the transaction codes referenced above.
- e. Use CC ADD24/CC ADC24 (refer to IRM 2.4.17, Command Codes ADD24/34/48, ADC24/34/48, FRM34 and DRT24/48, for more information) to generate the transfers described above. Input Bypass Indicator (BPI) "1" or TC 570, as appropriate, to override unpostable condition 305/198. See IRM 21.5.8.4.5, TC 570 and Bypass Indicator.

Example: A Form 941 for the 4th quarter of 2018 is timely filed on 01/31/2019, reporting an overpayment of \$950.00, which refunded with interest of \$16.80. The module shows a TC 776 posted 06/17/2019 for \$16.80 and a TC 846 posted 06/17/2019 for \$966.80. The interest was computed on the overpayment of \$950.00 from 01/31/2019 to 06/08/2019. IRS received the returned refund on 10/25/2019 with a request to apply it to pay

a balance due on the Form 941 module for the second quarter of 2019 (201906). The returned refund posted to the module with a TC 841 for \$966.80 and TC 777 for \$16.80, both dated 06/17/2019.

To transfer the principal portion of the returned refund to the 201906 balance due module, a credit transfer is entered with a TC 820 for \$950.00, dated 06/17/2019, and a TC 700 for \$950.00, dated 10/25/2019. An adjustment to re-allow the interest on the returned refund will be input with a TC 770 for \$16.80 and a CR-INT-TO-DT of 06/08/2019. If the 23C posting date of this adjustment is 12/02/2019, then the transfer of the interest portion to the 201906 module is input with TC 850 for 16.80, dated 12/02/2019 (23C date), and TC 700 for 16.80, dated 10/25/2019 (the date IRS received the returned refund).

- (6) If no explanation or other information is provided by the taxpayer, and you are unable to determine why the refund check was returned, correspond with a Letter 407C, Refund Returned by Taxpayer; No Reason Indicated, or Letter 18C, Decedent Refund (Form 1310 Requested), if a Form 1310 is needed. Suspend the case and allow 45 days for a response (70 days for overseas taxpayers). If no response is received, follow paragraph (11) below.

Note: If the returned check is for the first, second, or third round of Economic Impact Payments, see IRM 21.6.3.4.2.13 (2), Economic Impact Payments, for more information about how to correct these accounts. If the taxpayer is requesting the refund be reissued, send a closing letter for your refund inquiry case. Include an open or floating paragraph to advise the taxpayer they may be able to claim the RRC on their 2020 or 2021 original or amended return. You may use the suggested verbiage: We are no longer authorized to reissue your Economic Impact Payment (EIP). To receive any amount of the payment you may be entitled to, you must file a 2020 or 2021 original or amended tax return and claim the Recovery Rebate Credit (RRC).

- (7) When a refund check is reissued to the taxpayer or designated payee, do not allow interest if:

- Taxpayer furnished incorrect information
- Taxpayer moved before refund received
- Refund returned to be applied to any outstanding balance
- Taxpayer error

- (8) Allow interest under the following conditions:

- IRS error caused the refund to go to incorrect address
- TC 841 posts after an adjustment, and **P-** freeze is on account
- IRS caused the incorrect refund amount or directed the refund to the wrong payee

Note: See IRM 20.2.4.8.5.2, Returned and Intercepted Refund Checks, for additional information regarding allowable interest calculations.

- (9) Use the following guides when inputting a TC 290 to release **P-** freeze as a refund to the taxpayer. Refer to IRM 21.5.6, Freeze Codes.

Individual Master File (IMF) No Interest	IMF Same Interest	IMF Additional Interest
1. TC 290 for .00 2. TC 770 for .00 3. Hold Code "3" 4. Reason Code "099"	1. TC 290 for .00 2. TC 770 for amount of original interest Note: On TC 770 for the amount of original interest, use the CR-INT-TO-DT of the original TC 776 or TC 770. 3. Hold Code "3" 4. Reason Code "099"	TC 290 for .00

Business Master File (BMF) No Interest	BMF Same Interest	BMF Additional Interest
1. TC 290 for .00 2. TC 770 for .00 3. Hold Code "3"	1. TC 290 for .00 2. TC 770 for amount of original interest) Note: On TC 770 for the amount of original interest use the CR-INT-TO-DT of the original TC 776 or TC 770. 3. Hold Code "3"	TC 290 for .00

Note: TC 770 for .00 not required for current year returns if the refund will be issued prior to June 1.

- (10) Depending on the age of the credit, transfer the payment or credit to the Unidentified Remittance or Excess Collections accounts if:
- The credit cannot be released through research or correspondence with the taxpayer
 - The taxpayer has not responded to our correspondence (original or follow-up)
- (11) If unable to release the credit, transfer the credit as follows:
- If the credit is less than one year old, apply to the Unidentified Remittance File (URF– 4620 Account) using Form 2424, Account Adjustment Voucher.
 - If the credit is more than one year old, apply to the Excess Collection File (XSF– 6800 Account) using Form 8758, Excess Collections File Addition. Refer to IRM 3.17.220.2, Excess Collections File, for specific information about the Excess Collections Account 6800 and IRM 21.5.8.4 (14), IDRS Guidelines for Credit Transfers, for procedures on moving money into Excess Collection. For assistance in matters related to XSF and URF, see *Excess Collections/Unidentified Remittance Files contacts list*, located on Servicewide Electronic Research Program (SERP) under the Who/Where tab.

Exception: Telephone contact is **not** required if a previous attempt was made to obtain new/correct address information (i.e., 533C or another letter).

Note: If the returned check is for the first, second, or third round of Economic Impact Payments, see IRM 21.6.3.4.2.13 (2), Economic Impact Payments, for more information about how to correct these accounts.

- c. Monitor your case for 45 days using activity code “F8758MMDD” where the “MMDD” represents the last day of the suspense period. Close the control base when the credit has been moved from the account by Excess Collections. If no action after 45 days, follow up with Excess Collections via phone, email or fax.

21.4.3.5.5.1
(03-15-2023)
**Check for Different
Amount**

- (1) If the taxpayer receives a refund in an amount different than expected, and the check has not expired, follow the table below to resolve.

Note: For fax numbers and addresses, see *Refund Inquiry Unit Addresses*, located on Servicewide Electronic Research Program (SERP) under the Who/Where tab.

If	And	Then
The taxpayer questions the amount	You can determine the difference through IDRS and original refund is correct	<ol style="list-style-type: none"> 1. Provide explanation to taxpayer. 2. If refund was returned, reissue and limit interest to the amount of the original refund.
The taxpayer questions the amount	You can determine the difference through IDRS research and refund is incorrect	<ol style="list-style-type: none"> 1. Advise taxpayer to write void on the back of the check and return it to the IRS with a letter of explanation. 2. If the refund was returned, adjust account as necessary.
The taxpayer questions the amount	You cannot determine the difference through IDRS research	<ol style="list-style-type: none"> 1. Advise taxpayer to write “void” on the back of the check and return it to the IRS with a letter of explanation. 2. If refund returned, request the return and all related documents, if necessary, to resolve the case. 3. Send an interim letter or telephone taxpayer with explanation of the delay, if necessary. 4. Upon receipt of the documents, take the proper action and send taxpayer a letter explaining the resolution. 5. Adjust the account and/or reissue the refund.

21.4.3.5.5.2
(10-02-2023)

Negotiation by Another Party

- (1) In some cases, a third-party will request the refund check be reissued in their name because the taxpayer is unable to negotiate the check (i.e., imprisonment). The criteria to issue a refund check in another name is listed in IRM 21.4.3.5.5.2.1, Issuing Checks in Another Name.
- (2) If the check cannot be reissued in the third-party's name based on the IRM, there are some alternative methods the IRS may suggest. BFS regulations state a Treasury check may be **signed** by another party without the need to reissue the check in the third-party's name. A bank may accept a check endorsed by another party and assumes responsibility for verifying the party is authorized and has the capacity to endorse and negotiate the check. See 31 CFR. 240.13, *Indorsement by payees*, at (b)(1)(ii) for acceptable endorsements by another party. See 31 CFR. 240.13(b)(2). The procedure also applies to the endorsement of a joint check by one payee.

Note: A preparer cannot negotiate a taxpayer's refund check even if the taxpayer wants the preparer to do so.

- (3) If the third-party does not meet the IRM criteria for issuing the check in their name, follow procedures in chart below:

If	Then
The third-party does not meet criteria to have the check issued in their name per IRM 21.4.3.5.5.2.1, Issuing Checks in Another Name	<p>Send Letter 1219C, Refund inquiry; (Joint F3911) Requires Certification: Form 1040, and advise the check cannot be issued in the third-party name and advise of options below that may help in negotiating the check on behalf of the taxpayer</p> <ul style="list-style-type: none"> • FS Form 232, Specific Power of Attorney - By Individual for the Collection of a Specified Check Drawn on the United States Treasury at https://fiscal.treasury.gov/pfc/forms.html, or • They may contact the bank who may offer the payee to sign a bank-produced document providing a "specific power of attorney" to the person signing the check
The third-party provides a copy of an IRS Form 2848, Power of Attorney and Declaration of Representative and requests the check be issued in their name per the taxpayer's request	<p>Send Letter 1219C and explain that Form 2848, authorizes a representative to receive, but not endorse or collect, a check drawn on the Treasury. IRS rules and regulations require that an endorsement by any person other than the payee comply with the BFS regulations. See 26 CFR. 601.504(a)(5). Suggest the alternative methods in "Then" section above.</p>

- (4) The IRS may reissue a refund check to another party in the limited situations listed in IRM 21.4.3.5.5.2.1, Issuing Checks in Another Name, or in the name of one joint filer in the limited situations listed in IRM 21.4.3.5.5.2.2, Joint Filers Request Refund Check in One Name, after the IRS has determined that the documentation submitted with the request to reissue the check could help defeat a subsequent complaint against the IRS by the taxpayer or by one joint

filer that the refund check was improperly cashed by another party or by the other joint filer.

21.4.3.5.5.2.1
(06-02-2023)

**Issuing Checks in
Another Name**

- (1) When a taxpayer requests the refund check be reissued in a name of another party, they must send back the voided check and provide sufficient proof:

Row	If	And	Then
1	BMF refund check	Correspondence stating company dissolved and sufficient documentation received	<ol style="list-style-type: none"> 1. Send Letter 4427C, Acknowledgment of Returned Refund Check, to the taxpayer. 2. Issue manual refund to designated individual.
2	BMF refund check	Sufficient documentation is not received	<ol style="list-style-type: none"> 1. Send the proper letter (e.g., 407C, 696C, etc.) requesting missing documentation. 2. Suspend case for 45 days (70 days for overseas taxpayers).
3	BMF refund check	No response to request is received after 45 days (70 days for overseas taxpayers)	<ol style="list-style-type: none"> 1. Transfer the credit to the <ol style="list-style-type: none"> a. Unidentified Remittance File (URF– 4620 Account) or b. Excess Collection File (XSF– 6800 Account) account <p>For instructions on applying credit to these accounts, see IRM 21.4.3.5.5 (11), Resolving Returned Refunds (Unexpired Checks). For procedures on moving credits to the 4620 account see IRM 21.5.8.4 (14), IDRS Guidelines for Credit Transfers.</p> 2. File and close case using TC 290 .00.
4	IMF refund check	Payee signed statement that check is not from joint account, or has letter or court certification showing conservatorship or guardianship, etc.	<ol style="list-style-type: none"> 1. Send Letter 4427C to the taxpayer. 2. Correct entity information, if applicable. 3. Release refund or follow manual refund procedures to issue refund to designated individual.
5	IMF refund check	Insufficient documentation	<ol style="list-style-type: none"> 1. Send Letter 1219C, Refund Inquiry; (Joint Form 3911) Requires Certification: Form 1040, requesting missing documentation. 2. Suspend case for 45 days (70 days for overseas taxpayers).
6	IMF refund check	No response to request is received after 45 days (70 days for overseas taxpayers)	<ol style="list-style-type: none"> 1. Transfer the credit to the “4620” or “6800” account. For instructions on applying credit to these accounts, see IRM 21.4.3.5.5 (11), Resolving Returned Refunds (Unexpired Checks). For procedures on moving credits to the 4620 account see IRM 21.5.8.4 (14), IDRS Guidelines for Credit Transfers. 2. Close control. 3. File case using TC 290 .00.

21.4.3.5.5.2.2

(06-02-2023)

Joint Filers Request Refund Check in One Name

- (1) If a taxpayer filed a joint return and requests the refund check be reissued in one name, follow the procedures below. Advise the taxpayer to return the voided check to the proper Refund Inquiry team with supporting documentation as stated in the If/Then chart below. For information on how to determine the proper Refund Inquiry Unit, see IRM 21.4.3.5.4 (1), Returned Refund Check Procedures.

Row	If	Then
1	One or both spouses are outside the United States in connection with the military and the requester is one of the payees on the check	Advise requester to submit in writing: <ol style="list-style-type: none"> 1. Copy of Power of Attorney (POA) issued by the military, or 2. Signed statement from other spouse consenting to issuance of the refund to requester
2	One or both spouses are outside the United States and the requester is one of the payees on the check	Advise requester to submit in writing: <ol style="list-style-type: none"> 1. A signed statement from other spouse consenting to issuance of the refund to requester with a statement that the other spouse is outside of the United States and will not be in the United States for the next [XX] months. <p>Note: In cases where spouse has been deported or other circumstance, a specific time frame may not be known.</p>
3	One spouse is incarcerated and the requester is one of the payees on the check	Requester must submit written permission from incarcerated spouse consenting to issuance of the refund to the requester.
4	One spouse is missing and there is no legal separation	Advise taxpayer to obtain one of the following: <ol style="list-style-type: none"> 1. A copy of police report of missing person or, 2. Certification from state or local government agency that spouse cannot be found, or 3. A copy of notice printed in newspaper
5	Taxpayer is divorced and submits a copy of the divorce decree dictating how the refund should be allocated (see Rev. Rul. 80-8, amplified by Rev. Rul. 86-57.)	Follow procedures in IRM 21.4.4, Manual Refunds.
6	One spouse is unable to endorse the joint refund check due to medical reasons	Taxpayer must submit supporting documentation to prove they have been appointed to act for the other spouse or sufficient documentation to establish a hardship situation exists. <p>Note: BFS regulations allow a Treasury check to be signed by a guardian or other fiduciary appointed under state law when the payee is incompetent and lacks the ability to provide consent or authorization. Evidence of the authority may be required by Treasury in the event of a dispute. See 31 CFR 240.14, Checks issued to incompetent payees</p>

Row	If	Then
7	The request does not meet any of the above criteria	<ol style="list-style-type: none"> 1. Reissue check in both names. 2. Send Letter 1219C, Refund Inquiry; (Joint Form 3911) Requires Certification: Form 1040, using the proper paragraphs and giving reason: "One spouse refuses to endorse the refund check (i.e., civil matter, no divorce decree allocating the refund)". Use open paragraphs, as needed.
8	The request meets any of the above criteria and sufficient documentation is received	Process request. See IRM 21.4.3.5.5, Resolving Returned Refunds (Unexpired Checks).
9	The request meets any of the above criteria and sufficient documentation is not received	<ol style="list-style-type: none"> 1. Send Letter 1219C to request missing information 2. Suspend case for 45 days (70 days for overseas taxpayers)
10	No response to Letter 1219C after 45 days (70 days for overseas taxpayers)	<ol style="list-style-type: none"> 1. Transfer the credit to the <ol style="list-style-type: none"> a. Unidentified Remittance File (URF – 4620 Account) or b. Excess Collection File (XSF – 6800 Account) account <p>See IRM 21.4.3.5.5, Resolving Returned Refunds (Unexpired Checks). For procedures on moving credits to the 4620 account see IRM 21.5.8.4 (14), IDRS Guidelines for Credit Transfers.</p> 2. Close control. 3. File case using TC 290 .00.

- (2) If the criteria above are not met, the refund check cannot be issued in one name. The IRS cannot determine the refund allocation. The issue is considered a civil matter between the spouses that may be addressed under local law.

21.4.3.5.6
(02-01-2024)
**Resolving Returned
Expired Refunds Limited
Payability**

- (1) Under Title X, Government Checks, of the Competitive Equality Banking Act of 1987 (known as Limited Payability provision), checks issued October 1, 1989 or later expire the last business day of the 12th month after issuance. The credit for an expired refund will post as a TC 740, blocking series/serial number "66666", approximately three weeks into the 14th month. Upon completion of the case, destroy the original expired refund check as classified waste. Do not send an original check to files.
- (2) If the taxpayer contacts IRS and either returns or wants to return a refund check that is over 1 year old (known as a "stale dated" check) use the following chart to determine your response:

Row	If	Then
1	S- freeze is present	<ol style="list-style-type: none"> Follow S- freeze procedures in IRM 21.4.3.5.3, Undeliverable Refund Checks. For additional information see IRM 21.5.6.4.38, S- Freeze. Advise the taxpayer to destroy the expired check if it is still in their possession.
2	S- freeze and a TC 388 are present on CC IMFOL and not on CC TXMOD	<ol style="list-style-type: none"> Input CC RECON to activate the module. The refund will generate once the TC 389 posts. Advise the taxpayer to allow 4-6 weeks. Note: If the refund is older than seven years, TC 389 will post and reissue the refund when the account is brought back from retention. See IRM 2.3.51.2, Command Code IMFOL. Refer to IRM 21.4.2.4.9, Processing Limited Payability (LP) Cancellations on Checks Dated After 09/30/1989
3	No S- freeze is present	<ol style="list-style-type: none"> Check the tax module for a TC 740, with blocking series 66666, and matching posting date after the TC 846. If the TC 740 is present and another TC 846 or TC 826 is posted after the TC 740, advise the taxpayer their refund has been re-issued or offset. Advise the taxpayer to destroy the expired check if it is still in their possession.
4	No S- freeze is present or credit on the module	<p>Conduct research. Check the account for subsequent refund transactions TC 740, TC 841, TC 846, TC 840, or TC 826.</p> <ol style="list-style-type: none"> If no subsequent refund is found, and it's been 12 months past the refund issue date but no more than 14 months, prepare a Form 4442/e-4442, Inquiry Referral, to the issuing campus Refund Inquiry Unit for CC CHKCL input. Select Referral Type "IRM" with Category - "Other Write-In". For Write-In description use "IRM 21.4.3.5.6" - Resolving Returned Expired Refunds Limited Payability, and for Reason, select "Other or Complex Issue/Training Specialization". Include in the notes any pertinent information. Advise the taxpayer to allow 4-6 weeks for us to provide a refund check status or the refund to be reissued. Tell the taxpayer to destroy the expired check if it is still in their possession. Refund Inquiry Unit employees: Input CC CHKCL to post the credit for the check. Use the "N" non-receipt code on CC CHKCL. If a P- freeze needs to be set, use non-receipt code "H". See Exhibit 21.4.2-4, Stop Reason Codes Conversion Guide, for available codes. Do not allow additional interest if the IRS is not at fault. If the refund check is between the 14th month and 7 years after the issue date, inform the taxpayer to return the refund check to the Refund Inquiry Unit for further research. Advise the taxpayer to write void on the back of the check and return it to IRS along with a letter of explanation. See the <i>Refund Inquiry Unit Addresses</i> for the proper address. Once research has been completed the taxpayer will receive the refund or a letter.

Row	If	Then
5	No S- freeze is present or refund cancellation credit on the module	If no refund cancellation credit transaction is found on the module and it's after 7 years of the issue date of the refund check, advise the taxpayer by telephone or Letter 2218C, Refund Inquiry; Check Claim Disallowed, Check Endorsed/Paid, that the check cannot be reissued.
6	Expired check is an Economic Impact Payment (EIP)	The EIP should have been systemically reversed. Instead, the taxpayer may claim the Recovery Rebate Credit on their 2020/2021 tax return if eligible. See IRM 21.6.3.4.2.14, Recovery Rebate Credit, for more information.
7	Expired check is an Advance Child Tax Credit Payment (AdvCTC)	The AdvCTC should have been systemically reversed. The funds cannot be reissued, see IRM 21.6.3.4.1.24.2.1, Reconciling Advance Child Tax Credit (AdvCTC) Payments, for more information.

Note: If the original refund was a manual refund, you may need to reissue as a manual refund. Refer to IRM 21.4.4, Manual Refunds.

- (3) For refunds meeting or related to TRNS46 transcripts (STAT-08 and AMX-08) with decedent refunds, refer to IRM 21.2.4.3.20, Processing TRNS46 Cases, to address refund.

21.4.3.5.6.1
(10-01-2005)

Resolving Limited Payability Retention Cases

- (1) Returned refunds on "Unrecoverable Retention Register" accounts must be worked at the issuing campus. If an original check is returned and the account has dropped to retention (no longer available on Masterfile):
- Research CC IMFOR for the vestigial record of the account. This is a read-only command code and will not restore the module. If not available on CC IMFOR, research CC IMFOLV for necessary information and request a microfilm record of the account using CC ESTABMZ. See IRM 2.3.18, Command Code ESTABM, for more information.
 - When retention register is received, review the account for evidence of a previous cancellation of the refund and if found, advise the taxpayer of the disposition (reissue or offset).
 - If the account shows no evidence of a prior cancellation and the refund is to be reissued, research CC IMFOLT to see if the module is recoverable from retention.
 - If the IMFOLT screen shows "Recoverable Retention Register", input CC IMFOLB to generate a TC 013 and TC 370 to reestablish a name line and tax module on Master File. For more information on restoring retention accounts, see IRM 21.2.2, Research.
 - If IMFOLT shows "Unrecoverable Retention Register", prepare Form 5248, Transfer Request, to restore the account or prepare Form 3753, Manual Refund Posting Voucher, to issue the refund from Non-Master File. Do not reestablish a retention account unless the refund is to be reissued.

Note: A module cannot be easily restored if there are transactions pending or posted on the dummy module (TC 840). Therefore, do not issue a manual refund or post any transactions to the account before it is restored.

- f. Before restoring an account, ensure there is an established name line for the year in question. If more than one year is being restored, establish the name-line year on the oldest year. Be aware of possible disclosure issues on a name change.
- g. Monitor until the TC 841 posts and release refund.

Caution: If the original refund was a manual refund, the replacement may need to be manual. See IRM 21.4.4, Manual Refunds.

- h. If a TC 777 generates to reverse credit interest that has already been manually reversed by TC 772, correct the account using TC 770 prior to closing case.

21.4.3.5.7
(10-02-2023)
**Use of Listings to
Monitor Returned
Refund Cases**

- (1) The two Category Codes that pertain to returned refund checks (excluding undeliverables) are 3913 and 841P, but these may change depending on actions taken on the account.
- (2) Unexpired refund checks are input on the automated Returned Refund program in AMS, which opens a control base on IDRS in 2-3 days in Category Code 3913. When the check is sent to the Bureau of the Fiscal Service (BFS) RFC for cancellation, a TC 841 will post in about 4 - 6 weeks at which time the Category Code changes to 841P.

Note: Checks that are Limited Payability (LP) expired (more than one year old) are not sent to the RFC and a TC 841 will not post, therefore the Category Code will not change.

Caution: A check that is returned directly to the RFC by the taxpayer is known as a "Code 3" cancellation (on the SF1098 listing). RFC cancels the check and forwards any taxpayer correspondence to IRS. The TC 841 for these checks should already be posted when the correspondence is received, but the Category Code "3913" will not automatically change to "841P". If this occurs, change the Category Code to "841P".

- (3) Returned refunds in Category "3913" age in 45 days from the received date. When the category updates to "841P", action must be taken in 14 days to avoid becoming overaged. Use the following chart for required follow-up action time frames on these categories:

Category Code	Activity Code	1st day Overage from applicable date	Action to take if "HMMMing" in HMMM column
3913	Usually, a batch number	45 days from received date	<p>If the Category Code has not updated to "841P", check for one of the following:</p> <ol style="list-style-type: none"> 1. Unpostable TC 841. The most common TC 841 unpostable is the credit attempting to post with the wrong date. Accounts merged or resequenced to another TIN after the refund was issued will also cause the TC 841 to unpost. 2. A TC 740 posted for the expired check. Take immediate action. 3. Code 3 cases from the RFC. The TC 841 posted before the control was opened. The aged list would show Category 3913 but there is a P- freeze. Update the control base to "841P" and work case. 4. Check Treasury Check Information System (TCIS), or the SF 1098 listing for refund cancellation. You may need to contact Accounting so they can post the TC 841. <p>Note: Do not wait 45 days before checking CC TXMOD for these conditions. Try to perform needed research, document request, suspense letters or interim actions as soon as possible so action can be taken as soon as the TC 841 posts</p> <p>Caution: Input CC STAUP or a TC 470 on balance due modules while waiting for the TC 841 to post.</p>
841P	Same unless performing research	14 days from Action date	When the TC 841 posts, take the proper action to resolve the case.

Note: If case cannot be closed within 60 days, send a Letter 288C, Interim Reply; Adjustment Request Considered.