



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

25.25.8

DECEMBER 5, 2024

EFFECTIVE DATE

(12-12-2024)

PURPOSE

- (1) This transmits revised IRM 25.25.8, Revenue Protection, Revenue Protection External Lead Procedures.

MATERIAL CHANGES

- (1) IRM 25.25.8.2(1) - Provided a clearer definition for TEs to understand that no funds will be returned with these leads. IPU 24U0154 issued 01-30-2024.
- (2) IRM 25.25.8.2(2) Row 1 - Removed the exception with regards to Lead Only types of leads due to a policy change that now requires a lead number to be assigned for it to be referred to the Industry Lead program. IPU 24U0154 issued 01-30-2024.
- (3) IRM 25.25.8.2.1(1) - Added instructions to separate mailbox clerk duties versus those required by a Lead or TE. IPU 24U0613 issued 05-07-2024.
- (4) IRM 25.25.8.2.1(1) - Replaced the previous guidance regarding Lead Only lead types to address a gap in procedures that was preventing them from being reviewed by the Industry Lead program for pattern development. IPU 24U0154 issued 01-30-2024.
- (5) IRM 25.25.8.2.3(3) - Altered checks are no longer being worked by RIVO and so all steps other than the creation of the lead was removed. IPU 24U0981 issued 09-18-2024.
- (6) IRM 25.25.8.2.4(7) - Added another common inquiry that TEs can now issue a response via a script without elevating the inquiry to RIVPM headquarter to initially address. IPU 24U0154 issued 01-30-2024.
- (7) IRM 25.25.8.2.4.1 - Revised the description and instructions in paragraph one to align with BFS change in policy with regards to reclamation claim disputes associated with an External Lead. A table was added with instructions and a link to scripts for addressing inquiries. Paragraph 2 became obsolete as a result as procedures were streamlined. IPU 24U0467 issued 04-02-2024.
- (8) IRM 25.25.8.2.4.1(1) Table - Change the name of the scripts to issue for reclamation claim inquiries to make them more descriptive. IPU 24U1068 issued 10-23-2024.
- (9) IRM 25.25.8.2.4.1(1) - Rewrote the paragraph to define what initiates a reclamation claim and to emphasize that due to an agreement reached with BFS, RIVO will no longer work these inquiries. IPU 24U0981 issued 09-18-2024.
- (10) IRM 25.25.8.2.4.1(2) - Created the paragraph and table to simplify instructions for responding to reclamation claim inquiries since RIVO is limited to returning funds recovered and/or redirecting the bank back to BFS to address the inquiry. IPU 24U0981 issued 09-18-2024.
- (11) IRM 25.25.8.3(1) - Rewrote the purpose of the Lead Management System database because it was not clearly explained. IPU 24U0370 issued 03-08-2024.
- (12) IRM 25.25.8.3(5) - Rewrote instructions to emphasize using the External Lead Tool to place markers on accounts so other functions can identify External Lead involvement. IPU 24U0370 issued 03-08-2024.

- (13) IRM 25.25.8.3(5) - Rewrote the paragraph mandating the tool be used for determinations as other batch tools may be used especially when large leads are received. Also identified inventory that the tool cannot be used to make determinations. IPU 24U0154 issued 01-30-2024.
- (14) IRM 25.25.8.3(6) - Rewrote the paragraph to clarify instructions for cases the tool error out. Also, added to the research steps, instructions to look for certain social media credits since a policy decision was made on how these cases would be worked. IPU 24U0370 issued 03-08-2024.
- (15) IRM 25.25.8.3(7) - Added instructions to address a gap with TEs forgetting to update their actions in LMS. IPU 24U0613 issued 05-07-2024.
- (16) IRM 25.25.8.3(7) - Removed the Note, as the instructions were no longer applicable since programming was implemented that now allow a TE to select the same comment they were being ask to enter in the Comment filed in LMS. IPU 24U0467 issued 04-02-2024.
- (17) IRM 25.25.8.3(7) Table Box 1 - Since IDRS CC ELP45 was programmed and TEs no longer need to create vouchers, the instructions were revised to have the TE to request for funds instead of commingling them because of the dollar amount. IPU 24U0370 issued 03-08-2024.
- (18) IRM 25.25.8.3(7) Table Box 4- Added missing closing actions when the determination is made the return is valid. IPU 24U1068 issued 10-23-2024.
- (19) IRM 25.25.8.3(7) Table Box 5 and 5a - Revised the instructions by removing conditions, that were not relevant for the actions required to address non-altered stolen checks. IPU 24U1068 issued 10-23-2024.
- (20) IRM 25.25.8.3(7) Table Box 5 and 5a - Revised instructions for addressing non-altered stolen checks to include actions to take based on the availability of funds. IPU 24U0981 issued 09-18-2024.
- (21) IRM 25.25.8.3(7) Table Box 5 - Added to the condition, a statement to clarify that TEs must request for funds to be returned when a check is stolen to assure victims of stolen checks are sent their refund. IPU 24U0467 issued 04-02-2024.
- (22) IRM 25.25.8.3(7) Table Box 5 - Revised the sentence to clarify that the note reference can only be entered in EFDS if it's a current year return. IPU 24U0370 issued 03-08-2024.
- (23) IRM 25.25.8.3(7) Table - Removed from the table all references to entering EFDS notes on non-IDT accounts to comply with the policy decision to discontinue this procedure. IPU 24U0154 issued 01-30-2024.
- (24) IRM 25.25.8.3(7) Table Box 10 - Removed the guidance to post the payment since this is the first phase of the process and it's covered when the deposit is recovered. Also, the removal of the guidance to input a TC 570 was removed because the credits were being held by the -E freeze posted to the module. IPU 24U0154 issued 01-30-2024.
- (25) IRM 25.25.8.3(7) Table Box 11 - Removed the Note regarding prisoners to include it as the criteria for referrals to the Frivolous Return Program (FRP). IPU 24U0370 issued 03-08-2024.
- (26) IRM 25.25.8.3(7) Table Box 11 - Replaced the previous instructions for current year returns claiming the Social Media credits based on discussion with the FRP program Analyst and the recommendation for referring these cases. IPU 24U0154 issued 01-30-2024.
- (27) IRM 25.25.8.3(7) Table Box 12 - Added the conditions for TEs to evaluate whether a return claiming the COVID Sick Leave credit meets referral criterion for the FRP. IPU 24U0370 issued 03-08-2024.
- (28) IRM 25.25.8.3.1 - Added guidance to address a gap that requires all communications are required to be saved in the lead folder. IPU 24U0613 issued 05-07-2024.

- (29) IRM 25.25.8.3.1 - Removed all references to entering EFDS notes on non-IDT cases based on the policy agreement to discontinue with this procedure. IPU 24U0154 issued 01-30-2024.
- (30) IRM 25.25.8.3.1 Table Box 4 - Removed the reference in the Note because the disposition must be included in the procedures when working an altered check case. IPU 24U0154 issued 01-30-2024.
- (31) IRM 25.25.8.3.1(1) - Added a table that provides clear instructions for creating lead number for TEs when first assigned a case involving an altered check. The table replaced the paragraph with the altered check instructions. IPU 24U1068 issued 10-23-2024.
- (32) IRM 25.25.8.3.1(1) - Added instructions to ensure the TE confirms the lead assigned involved an altered check in case the Clerk didn't identify it. IPU 24U0981 issued 09-18-2024.
- (33) IRM 25.25.8.3.1(2) - Removed the instructions for altered checks since RIVO will no longer process leads involving altered checks. IPU 24U0981 issued 09-18-2024.
- (34) IRM 25.25.8.3.1(2) Table - Revised the table to provide the policy decisions made for working leads involving altered checks including follow up inquiries. Also removed from the table procedures that are no longer applicable. IPU 24U0981 issued 09-18-2024.
- (35) IRM 25.25.8.3.1(2) - Added a Note due to TIGTA's concern with disclosing PII data when sending copies of altered checks to their mailbox containing multiple TINs. IPU 24U0424 issued 03-15-2024.
- (36) IRM 25.25.8.3.3(1) - Rewrote the paragraph to assist with clearly identifying BMF leads. In addition, warning labels were added to increase the efficiency with processing these returns when they are identified since they are indicators of questionable EINs. IPU 24U0154 issued 01-30-2024.
- (37) IRM 25.25.8.3.3(2) - Added a reminder the requirement for TEs to save all communications related to a lead. IPU 24U0981 issued 09-18-2024.
- (38) IRM 25.25.8.3.3(2) Table Row 1 - Replaced the reference to add the control with a reference to see BMF deposit procedures since those procedures are covered there. IPU 24U0613 issued 05-07-2024.
- (39) IRM 25.25.8.3.3(2) - Revised the previous table to incorporate scenarios which require the TE to immediately issue an indemnification letter versus waiting for BMF Entity Fab or BMF IDT to provide that decision. In addition, procedures were rewritten to include the current guidance provided by BMF Entity Fab on what they require when a referral is made for them to review. IPU 24U0154 issued 01-30-2024.
- (40) IRM 25.25.8.4(1) - Clarified the mandate to use the ELT, as some situations may inhibit the tool from being able to post a payment. IPU 24U0370 issued 03-08-2024.
- (41) IRM 25.25.8.4(1) Row 8 - Created a scenario based on a policy decision on how funds received in excess of the refund amount must be addressed. IPU 24U0981 issued 09-18-2024.
- (42) IRM 25.25.8.4(1) Table - Added box 9 to document procedures requested by RACS after they identified an issue that was causing incorrect reports to be generated when a deposit is processed on the same day containing an IMF and BMF account. IPU 24U0424 issued 03-15-2024.
- (43) IRM 25.25.8.4(1) Table - Replaced the previous table to include the follow up actions to take if the tool is unable to process a payment or a mistake is made when inputting one. Also added to the table instructions for posting payments that exceed the ELT limitations for one account. IPU 24U0370 issued 03-08-2024.
- (44) IRM 25.25.8.4(7) - Removed all references to entering EFDS notes on non-IDT cases based on the policy agreement to discontinue with this procedure. IPU 24U0154 issued 01-30-2024.

- (45) IRM 25.25.8.4(7) Table Box 1 - Revised instructions to allow payments to post, with the condition that no social media credits are claimed so that the return can be sent to a compliance treatment stream. Also, the Reminder was revised to instruct the TE to make sure they validate their transaction due the increase in transaction failures. IPU 24U0370 issued 03-08-2024.
- (46) IRM 25.25.8.4(7) Table Box 2 - Relocated Box 5, in an effort to consolidate the responses and reduce rewriting instructions for cases with similar case resolution. IPU 24U0370 issued 03-08-2024.
- (47) IRM 25.25.8.4(7) Table Box 2 (Deleted) - Deleted the guidance since a policy decision was made to post the funds regardless of the amount recovered. IPU 24U0370 issued 03-08-2024.
- (48) IRM 25.25.8.4(7) Table Box 3 - Relocated Box 6, in an effort to reduce rewriting instructions for cases with similar case resolution. IPU 24U0370 issued 03-08-2024.
- (49) IRM 25.25.8.4(7) Table Box 3 (Deleted) - Deleted the guidance since a policy decision was made to post the funds regardless of the amount recovered. IPU 24U0370 issued 03-08-2024.
- (50) IRM 25.25.8.4(7) Table Box 4 - Revised the deleted Box 4 to instruct TEs to post the payment regardless of the tax return period so that the return can be forward for compliance treatment or triage for ID Theft. IPU 24U0370 issued 03-08-2024.
- (51) IRM 25.25.8.4(7) Table Box 4 (Deleted) - The instructions were deleted since they are no longer applicable since funds will be allowed to post regardless of tax period. IPU 24U0370 issued 03-08-2024.
- (52) IRM 25.25.8.4(7) Table Box 5 and 6 - Remove from the And column the social media credit criteria which was being used for employees who linked to the External Lead IRM for referrals received involving these credits. IPU 24U0981 issued 09-18-2024.
- (53) IRM 25.25.8.4(7) Table Box 5 - Since other IRMs will link to this one when determining if a case meets FRP criteria when specific social media credits are claimed, conditions were added to ensure proper referral. Instructions were also included to monitor the response from FRP since it's not known if the referral will be accepted. IPU 24U0370 issued 03-08-2024.
- (54) IRM 25.25.8.4(7) Table Box 5 (Deleted) - Relocated to box 2 since scenarios and responses were being consolidated. IPU 24U0370 issued 03-08-2024.
- (55) IRM 25.25.8.4(7) Table Box 6 - Since other IRMs will link to this one when determining if a case meets FRP criteria when specific social media credits are claimed, conditions were added to ensure proper referral. Instructions were also included to monitor the response from FRP since it's not known if the referral will be accepted. IPU 24U0370 issued 03-08-2024.
- (56) IRM 25.25.8.4(7) Table Box 6 (Deleted) - Relocated to Box 3. IPU 24U0370 issued 03-08-2024.
- (57) IRM 25.25.8.4(7) Table Box 7 and 8 - Removed the criteria which is duplicated in IRM 25.25.8.3. IPU 24U0981 issued 09-18-2024.
- (58) IRM 25.25.8.4(7) Table Box 7 - Since other IRMs will link to this one when determining if a case meets FRP criteria when reviewing a return that claimed the Fuel Tax Credits, conditions were added to ensure proper referral. IPU 24U0370 issued 03-08-2024.
- (59) IRM 25.25.8.4(7) Table Box 8 - Since other IRMs will link to this one when determining if a case meets FRP criteria when reviewing a return that claimed the COVID Sick Leave credit, conditions were added to ensure proper referral. IPU 24U0370 issued 03-08-2024.

- (60) IRM 25.25.8.4(7) Table Box 9 - Rewrote the paragraphs to make the instructions clearer and also added a reference in the Then column, instructions containing the same guidance found in another box within the table. IPU 24U0370 issued 03-08-2024.
- (61) IRM 25.25.8.4(7) Table Box 8 and 10 - Removed the requirement to disposition the return in EFDS claiming the social media credits as EFDS will not allow this on a prior year return not in EFDS. IPU 24U0238 issued 02-09-2024.
- (62) IRM 25.25.8.4(7) Table Box 10 - Rewrote the paragraphs to make the instructions clearer and also added a reference in the Then column, instructions containing the same guidance found in another box within the table. IPU 24U0370 issued 03-08-2024.
- (63) IRM 25.25.8.4(7) Table Box 10 (Deleted) - Removed the instructions in this box and replaced it with Box 7 which now includes revised instructions for working FRP cases claiming the Fuel Tax Credit. IPU 24U0370 issued 03-08-2024.
- (64) IRM 25.25.8.4(7) Table Box 10 - Added procedures to ensure the proper controls are input on the accounts of the returns claiming the social media credits so that they will be reviewed by FRIV Filer. IPU 24U0370 issued 03-08-2024.
- (65) IRM 25.25.8.4(7) Table Box 7 through 10 - Added procedures for referrals of cases claiming the social media credits to comply with the guidance for getting them to Frivolous Return Program. IPU 24U0154 issued 01-30-2024.
- (66) IRM 25.25.8.4(7) Table Box 11 - Added conditions to address when funds should be commingle regardless if the determination is valid or bad. IPU 24U1068 issued 10-23-2024.
- (67) IRM 25.25.8.4(7) Table Box 11 Then - Since the actions required to resolve the scenario was the same as Box 3, a reference to that box was added to avoid rewriting each individual step. IPU 24U0370 issued 03-08-2024.
- (68) IRM 25.25.8.4(7) Table Box 11(Deleted) - Removed this box since it was incorporated in Box 1 along with instructions for valid and bad returns. IPU 24U0370 issued 03-08-2024.
- (69) IRM 25.25.8.4(7) Table Box 12 - Added instructions to distinguish EIP payments that should be posted versus commingled. IPU 24U0981 issued 09-18-2024.
- (70) IRM 25.25.8.4(7) Table Box 12 - Removed Box 12 and relocated into a separate paragraph to make following guidance for BMF cases distinct from IMF deposits recovered. IPU 24U0467 issued 04-02-2024.
- (71) IRM 25.25.8.4(7) Table Box 12 - Due to programming that expanded the use of IDRS CC ELP45 to allow processing BMF, an update was made to discontinue completing vouchers and to now use this CC. IPU 24U0370 issued 03-08-2024.
- (72) IRM 25.25.8.4(7) Table Box 14 and 15 (Deleted) - The boxes were removed because the scenarios aligned more with actions required while monitoring for the receipt of a deposit versus actions to take when a deposit is received. IPU 24U0370 issued 03-08-2024.
- (73) IRM 25.25.8.4(7) Table Box 17 - Reminder was added to make sure TEs CMODE to the correct service center to avoid transaction failures and a reminder to balance deposits before referring to accounting as a self-check. Also removed the requirements to take additional actions with regards to the payment once the funds are recovered since BMF Entity Fab will take the remaining steps to close the case. Lastly, all references to include on referrals RIVO and PIVPM P&A was removed as procedures change and this was no longer needed. IPU 24U0154 issued 01-30-2024.

- (74) IRM 25.25.8.4(8) Table Row 1 and 4 - Correction was made to distinguish which controls should be closed in case there are other RIVO controls open. IPU 24U0981 issued 09-18-2024.
- (75) IRM 25.25.8.4(8) Table Row 1 - Added to the table procedures for working deposits associated with specific sources since there were no procedures and IRM 25.25.8.3.3(2) made reference to them. IPU 24U0613 issued 05-07-2024.
- (76) IRM 25.25.8.4(8) Table Row 2 - Replaced the guidance in the Then column since it was a duplicate of the instructions in Row 1 with one exception that was included. IPU 24U0613 issued 05-07-2024.
- (77) IRM 25.25.8.4(8) Table Row 3 - Rewrote the guidance to make it clear that the procedures apply to only valid returns, which also led to the control being changed. IPU 24U0613 issued 05-07-2024.
- (78) IRM 25.25.8.4(8) - Created a new paragraph to distinguish procedures for processing BMF deposits versus IMF, while also addressing a gap which was leading to BF returns not getting adjusted because they were not getting referred appropriately. IPU 24U0467 issued 04-02-2024.
- (79) IRM 25.25.8.4.1 Table Row 2, Then bullet 2 - Updated procedures for referring Form 3809 to comply with RACS request for the naming convention when the forms are referred. IPU 24U0238 issued 02-09-2024.
- (80) IRM 25.25.8.4.1 - Removed all references to entering EFDS notes on non-IDT cases based on the policy agreement to discontinue with this procedure. IPU 24U0154 issued 01-30-2024.
- (81) IRM 25.25.8.4.2(2) - Added a table to address the actions required on social media credit cases referred to FRP depending on whether the return is accepted or rejected. IPU 24U0370 issued 03-08-2024.
- (82) IRM 25.25.8.6(1) - Removed throughout the table the requirement for the TE to update the disposition and STARS category as this is the responsibility of the National POC. IPU 24U0467 issued 04-02-2024.
- (83) IRM 25.25.8.6(1) - Added to the table for scenarios when funds are requested, missing instructions that cover when to issue a 45 day follow up letter and actions when no deposit or response is received. Also due to misrouted and/or misapplied payments, research instructions were added to confirm the payment was not recovered. IPU 24U0370 issued 03-08-2024.
- (84) IRM 25.25.8.7(1) - Added a note to make Customer Service Representatives (CSR) aware that a lead could involve both an IMF and BMF account. IPU 24U0981 issued 09-18-2024.
- (85) IRM 25.25.8.7(2) Table 6 and 7 - Added instructions to clarify when its appropriate for a CSR to submit a referral to the External Lead program versus following their refund inquiry procedures. IPU 24U0981 issued 09-18-2024.
- (86) IRM 25.25.8.7(2) Table Row 9 and 10 - Rewrote the scenarios in response to some feedback to assist CSRs with making the decision when it is appropriate to refer a case to the External Lead team. IPU 24U0613 issued 05-07-2024.
- (87) IRM 25.25.8.9(2) - Rewrote the introductory paragraph to provide more context on how HHS identifies a questionable offset and how cases are referred to the IRS. IPU 24U0981 issued 09-18-2024.
- (88) IRM 25.25.8.9(3) - Rewrote the paragraph for clarity so that TEs understand the importance of researching the accounts, while also including additional research that must be conducted to ensure the TE makes the right determination. The Note was absorbed in the list of research as it was more appropriate to add it there. IPU 24U0981 issued 09-18-2024.

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- (89) IRM 25.25.8.9(4) - Removed the instructions since this is done by FRE during phase one when they conduct their research. IPU 24U0981 issued 09-18-2024.
 - (90) IRM 25.25.8.9(6) - Revised the paragraph to emphasize the instructions are intended for RIVO bank lead employees working the phase two cases that fell out from FRE. IPU 24U0981 issued 09-18-2024.
 - (91) IRM 25.25.8.9(6) - Added to the research required, an IRM reference to ensure returns claiming the social media credits are worked according to the guidance established for these cases. IPU 24U0370 issued 03-08-2024.
 - (92) IRM 25.25.8.9(7) - Replaced the description in paragraph 3 with a simplified one to assist TEs with understanding what each response entails. In addition, the table used to direct actions after a determination was made was condensed to make it easier for TEs to identify how to respond to various scenarios based on their research. IPU 24U0981 issued 09-18-2024.
 - (93) IRM 25.25.8.9(7) Table Box 6 - Revised the conditions to make it clear the scenario only applies to cases when the bank failed to return funds or no funds were available so CSRs will know to follow their refund inquiry procedures. IPU 24U1068 issued 10-23-2024.
 - (94) IRM 25.25.8.9(7) Table Box 7 - Added conditions to address a gap when the initial marker is added to an account to indicate an external lead and its been more than 10 days without a subsequent action. IPU 24U1068 issued 10-23-2024.
 - (95) IRM 25.25.8.9(7) Table Box 10 - Rewrote the scenario by adding time frames to allow before its appropriate to send RIVO a referral or have the taxpayer to wait on a response. IPU 24U1068 issued 10-23-2024.
 - (96) IRM 25.25.8.9(8) - Added a new table that corresponds with the case actions the TE must take based on their response/determination. IPU 24U0981 issued 09-18-2024.
 - (97) IRM 25.25.8.9(9) - Due to the update made to subsection 25.25.8.9(8), the instructions that were previously listed was moved to this paragraph as it was needed to indicate response times and clerical duties. IPU 24U0981 issued 09-18-2024.
 - (98) IRM 25.25.8.10(1) - Clarified when PII guidelines should be followed as recommended by PGLD.
 - (99) IRM 25.25.8.11.1 Table - Removed all references to entering EFDS notes on non-IDT cases based on the policy agreement to discontinue with this procedure. IPU 24U0154 issued 01-30-2024. IPU 24U1068 issued 10-23-2024.
 - (100) IRM 25.25.8.11.2(4) Table - Removed all references to entering EFDS notes on non-IDT cases based on the policy agreement to discontinue with this procedure. IPU 24U0154 issued 01-30-2024.
 - (101) IRM 25.25.8.12.1(3) g -Removed all references to entering EFDS notes on non-IDT cases based on the policy agreement to discontinue with this procedure. IPU 24U0154 issued 01-30-2024.
 - (102) IRM 25.25.8.12.1(4) - Added an IRM reference to ensure non-IDT returns screened claiming social media scheme credits are worked appropriately according to established procedures. IPU 24U1068 issued 10-23-2024.
 - (103) IRM 25.25.8.12.1(5) - Removed all references to entering EFDS notes on non-IDT cases based on the policy agreement to discontinue with this procedure. IPU 24U0154 issued 01-30-2024.
 - (104) IRM 25.25.8.12.2(4) - Updated the program name used for querying data from Discoverer to SNAP, since Discoverer was replaced. IPU 24U0154 issued 01-30-2024.

- (105) IRM 25.25.8.12.2 - Removed the entire R23 subsection since it is not associated with NACHA's reject procedures, and therefore should not have been included in that subsection. IPU 24U0238 issued 02-09-2024.
- (106) IRM 25.25.8.12.3 - Removed the Undeliverable Refund procedures from this subsection to make clear that the NACHA rejects have nothing in common with this subsection. IPU 24U0238 issued 02-09-2024.
- (107) IRM 25.25.8.12.3 (1) Box 6 - Removed the Note and added it for awareness so that TEs will know that FRE will address the refund and therefore they do not need to take any additional actions. IPU 24U0154 issued 01-30-2024.
- (108) IRM 25.25.8.13 - Created a new subsection for R23 procedures to make it clear this inventory should not be confused with NACHA rejects. IPU 24U0238 issued 02-09-2024.
- (109) IRM 25.25.8.14 - Since IRM 25.25.8.12.3 was removed, a new subsection was created to replace the guidance for this subsection. IPU 24U0238 issued 02-09-2024.
- (110) IPU 24U1068 issued 10-23-2024 Editorial changes were made throughout the IRM to comply with plain language standards as it applies to using active versus passive words. Also legal symbols were removed to comply with plain language standards.
- (111) Editorial changes were made throughout the IRM for the following reasons:
- Updated the metadata to include the change in the organizational name from Wage and Investment (WI) to Taxpayer Service (TS)
 - Update to correct the office symbol
 - Corrected broken links and email references
 - Corrected sentences to adhere to plain language policy, fixed grammar, punctuation, spacing, addresses, and spelling
 - Legal symbols were removed to comply with plain language requirements.
 - Renumbered paragraphs and tables after adding or removing boxes and instructions
 - Corrected the name of an existing tool use to process External Lead inventory
 - The changes are included in IPU 24U0981, IPU 24U0613, IPU 24U0467, IPU 24U0370 and IPU 24U1068 throughout the IRM

EFFECT ON OTHER DOCUMENTS

IRM 25.25.8 dated December 12, 2023 (effective December 12, 2024) is superseded. This IRM incorporates the following IRM procedural Updates (IPU) IPU 24U0154 issued 01-30-2024, IPU 24U0238 issued 02-09-2024, IPU 24U0370 issued 03-08-2024, IPU 24U0424 issued 03-15-2024, IPU 24U0467 issued 04-02-2024, IPU 24U0613 issued 05-07-2024, IPU 24U0981 issued 09-18-2024, and IPU 24U1068 issued 10-23-2024.

AUDIENCE

Return Integrity Verification Operations employees.

RELATED RESOURCES

- (1) The related resources listed below may be accessed for account research and issue resolution:
- Electronic Fraud Detection System Database (EFDS)
 - Lead Management System (LMS) and Offset Reversal Lead (OSRL)

- External Lead Integrated Automated Technologies (IAT) Tool
- RIVO Portal External Lead *RIVO*

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25.25.8

Revenue Protection External Lead Procedures

Table of Contents

25.25.8.1 Program Scope and Objectives

25.25.8.1.1 Background

25.25.8.1.2 Program Management and Review

25.25.8.1.3 Authority

25.25.8.1.4 Responsibilities

25.25.8.1.5 Acronyms

25.25.8.1.6 Related Resources

25.25.8.1.7 External Lead Program Overview

25.25.8.2 External Lead Mailbox Process

25.25.8.2.1 Lead Only (No Funds Available)

25.25.8.2.2 Automated Clearing House (ACH) Reversals

25.25.8.2.3 Altered Checks

25.25.8.2.4 Other Inquiries

25.25.8.2.4.1 Reclamation Claim Requests

25.25.8.2.4.2 Indemnification Requests

25.25.8.2.5 Identifying Economic Impact Payments

25.25.8.3 Processing External Leads

25.25.8.3.1 Processing Altered Checks

25.25.8.3.2 Processing Economic Impact Payment Leads

25.25.8.3.3 BMF External Lead Procedures

25.25.8.4 Processing External Lead Deposits

25.25.8.4.1 Reversal/Return of Recovered Funds

25.25.8.4.2 Monitoring Posted Payments Processed

25.25.8.5 External Lead Procedures for Automated Clearing House (ACH) Deposits

25.25.8.6 Monitoring External Leads

25.25.8.6.1 Criteria for Updating STARS Categories and Dispositions

25.25.8.7 Responding to Taxpayer Inquiries

25.25.8.8 Bureau of Fiscal Services (BFS) Credit Gateway

25.25.8.9 External Offset Leads (State and Federal Agencies)

25.25.8.9.1 Responding to Offset Phone Inquiries

25.25.8.10 Debit Card Procedures

25.25.8.11 Centralized Check Process (CCP)

25.25.8.11.1 Returned Treasury Checks

25.25.8.11.2 Third-Party Checks or Miscellaneous Repayments

25.25.8.12 Reject Reason Code 17/18/19 Transcripts

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- 25.25.8.12.1 Reject Reason Code R17 Procedures
 - 25.25.8.13 Reject Reason Code R23 Procedures
 - 25.25.8.14 Undeliverable Refunds

Exhibits

- 25.25.8-1 Letter for Intercepted Prepaid Debit Card(s)
- 25.25.8-2 External Lead Involvement Indicators
- 25.25.8-3 Recovery from Third Party Check Letter

25.25.8.1
(07-08-2020)
Program Scope and Objectives

- (1) Purpose and Program Goals: This IRM subsection provides guidance for Return Integrity Verification Operations (RIVO) employees when screening Individual Master File (IMF) returns in the Electronic Fraud Detection System (EFDS) for possible identity theft and false income and withholding.
- (2) Audience: RIVO employees
- (3) Policy Owner: Denise D. Davis
- (4) Program Owner: RIVPM program office

25.25.8.1.1
(09-23-2021)
Background

- (1) Return Integrity Verification Program Management (RIVPM) strengthens the integrity of the tax system by:
 - Protecting the public interest by improving IRS's ability to detect and prevent improper refunds
 - Serving the public interest by taking actions fairly and appropriately to identify, evaluate and prevent the issuance of improper refunds
 - Helping taxpayers understand the refundable tax credits for which they are eligible
 - Primary stakeholders are Return Integrity Verification Operations (RIVO), Accounts Management and Taxpayer Advocate
 - Program Goals: Provide guidance for screening and the disposition of returns claiming questionable refunds

25.25.8.1.2
(04-20-2020)
Program Management and Review

- (1) The Return Integrity Verification Operation (RIVO) Monthly Performance Comparison Report, tracks the inventory, including receipts and closures. Additional report guidance is found in IRM 1.4.10, Return Integrity & Verification Operation Managers Guide.
- (2) The Embedded Quality review program is in place to review all processes to ensure accuracy and effectiveness of the program. Goals, measures, and operating guidelines are listed in the yearly Operation Guidelines and 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.

25.25.8.1.3
(04-20-2020)
Authority

- (1) The following references provide authority for RIVO:
 - IRM 1.2.1.5.10, Policy Statement 4-21
 - IRM 1.2.2, Servicewide Policies and Authorities, Servicewide Delegations of Authority
 - IRM 1.1.13, Wage and Investment
 - Various Internal Revenue Codes (IRC) including but not limited to:
 - IRC 6402(a), *Authority to make credits or refunds*
 - IRC 6401, *Amounts treated as overpayments*
 - IRC 6404, *Abatements of tax*
 - IRC 6213, *Restrictions on assessments and math error authority*

25.25.8.1.4
(09-23-2021)
Responsibilities

- (1) RIVPM has responsibility for information in this IRM. Information is published in the IRM on a yearly basis.
- (2) The Director of RIVPM is responsible for the policy related to this IRM.

- (3) The Chief of the RIVPM Policy & Analysis is responsible for ensuring this IRM is timely submitted to publishing each year.
- (4) The Tax Analyst ensures this IRM is updated with current policies and procedures used by RIVO employees to manage their assigned inventory.
- (5) RIVO employees are responsible for executing procedures per the guidance provided in this IRM.
- (6) More information can be found in IRM 1.1.13.5, Return Integrity and Compliance Services.

25.25.8.1.5
(04-20-2020)
Acronyms

- (1) For a list of Acronyms used throughout RIVO see IRM 25.25.1.1.6, Acronyms

25.25.8.1.6
(09-23-2021)
Related Resources

- (1) The related resources listed below may be utilized for account research and issue resolution. These related resources may be accessed through the IRS Intranet-Servicewide Electronic Research Program (SERP) site.
 - Electronic Fraud Detection System (EFDS)
 - Lead Management System (LMS)
 - Offset Reversal Lead (OSRL)
 - External Lead Integrated Automated Technologies (IAT) tool
 - RIVO Portal for External Lead *RIVO*
- (2) Integrated Data Retrieval System (IDRS) Follow IRM 21.2.1.3.2, Authorized IDRS Access.
- (3) 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 accordance with taxpayer rights. See IRC 7803(a)(3), Execution of Duties in Accord with Taxpayer Rights. For more information about the TBOR, see *Taxpayer Bill of Rights*.

25.25.8.1.7
(11-13-2020)
External Lead Program Overview

- (1) An External Lead involves a questionable federal tax refund reported by financial institutions or various other sources. A lead can be a Treasury Check, direct deposit/Automated Clearing House (ACH), refund anticipation loan check or pre-paid debit card. The IRS RICS' External Lead Program is responsible for receiving and processing leads, and ACH credits returned by financial institutions and other sources. RIVO External Lead teams work with IRS Submission Processing to receive questionable leads, screen, and validate them and subsequently request the recovery of refunds to reconcile the accounts.
Lead Sources include:
 - Criminal Investigation
 - Refund Inquiry
 - Financial Institutions
 - Federal and State agencies
 - National Banks
 - State Banks
 - Savings and Loan Associations
 - Mutual Savings Banks

- Credit Unions
- Brokerage Firms
- Government Agencies
- Correctional Facilities
- Various Other Sources

(2) Leads should be received into the general mailbox as follows:

For External Use - *efleads@irs.gov*

For Internal Use - **W&I-RICS External Fraud Leads*

Exception: Taxpayer Advocate Service (TAS) follows the Return Integrity and Compliance Service (RICS) Service Level Agreement (SLA) addendum procedures.

(3) The *Acknowledgement Verbiage* script must be sent to the financial institution the same day or next business day after a lead is received.

25.25.8.2
(01-30-2024)
**External Lead Mailbox
Process**

(1) Employees assigned to the mailbox process **must** review all e-mails the same day they are received, or the next business day if it's after hours, or on a non-scheduled workday. The lead type and/or inquiry must be identified by its designated flag. Follow local procedures for flag determinations. Working the mailbox must be done as a priority since banks are advised that a response will be issued on most leads within 10 days.

Note: If the inquiry is from a new financial institution, send Publication 5033, IRS External Leads Program: Fact Sheet on Submitting Leads and the Lead Submission Spreadsheet Template. Inquiries that require elevation to headquarters, flag the email red and then notify the RIVPM P&A POCs assigned to the External Lead program.

Lead Types

- TOP Offsets
- Refund Anticipation Loan (RAL)
- Leads with funds available
- Lead only (no funds available) - No funds are available to be returned. See IRM 25.25.8.2.1, Lead Only (No Funds Available) for additional information.
- Automated Clearing House (ACH) Reversals - follow procedures in IRM 25.25.8.2.2, Automated Clearing House (ACH) Reversals
- Altered Checks - Follow procedures in IRM 25.25.8.2.3, Altered Checks
- Questionable Business Master File returns - The refund was generated from a return using an Employer Identification Number. See IRM 25.25.8.3.3, BMF External Lead Procedures for more information
- Centralized Check Process leads involving returned Treasury checks, third-party checks and/or miscellaneous repayments. See IRM 25.25.8.11, Centralized Check Process for more information
- Economic Impact Payment (EIP) - see IRM 25.25.8.2.5, Identifying Economic Impact Payments and IRM 25.25.8.3.2, Processing Economic Impact Payment Leads for further information

(2) Employees assigned to the External Lead mailbox, use the table below to identify the action to take when an email is received.

IF	AND	THEN
1. Lead submitted includes only IMF accounts	There is an established history of submitting a lead (i.e., listed on the Financial Contact Information spreadsheet located in the Bank Working Directory file)	<ul style="list-style-type: none"> Create the lead number by using the email receive date and the sequence number (xx) which indicates the order in which the lead was received that day see row 2 and 3 below for BMF leads, and those that include both IMF and BMF accounts Example: Lead receive date is February 2, 2023, and it was the third one received that day, the lead number will be 020223 03 E-mail the bank POC the <i>Acknowledgment Verbiage</i> script and the assigned lead number created. Exception: If the lead source is from CI or SBSE, do not send the script. The TE assigned the case will follow the guidance in IRM 25.25.8.3 Processing External Lead, paragraph 7, row 9. If the e-mail/attachments contain unsecured /unencrypted personally identifiable information (PII), send the <i>Email/Attachment Not Secured or Encrypted Script</i> Create the lead folder using the following naming convention: lead number, financial institution name, first initial and last name of the Point of Contact (POC) that submitted the lead. If the lead source is from CI or SBSE Collections, add an abbreviated job title for the point of contact and their last name (i.e., Policy Analyst Joe Hog - 040222 01 West Bank PA HOG)

		<ul style="list-style-type: none"> • Save to the lead folder as a PDF, the original email, and the acknowledgement email. Also include all attachments including the original Lead Submission spreadsheet. <p>Reminder: Do not modify or edit any of the attachments received. Making a copy of a document is permissible if the intent is to make edits.</p> <ul style="list-style-type: none"> • Lead folders will be placed in the appropriate site's folder for TE assignment • Import all leads, to the Lead Management System (LMS) database • Add to LMS the following: Institution's routing transit number, Lead Type, Submission Method, and Lead Received Date
1a. Lead submitted to the External Lead mailbox or forwarded by RIVPM P&A staff	No record found on the Financial Contact Information spreadsheet located on the Bank Working Directory.	<ul style="list-style-type: none"> • Contact RIVO POCs Super Admin users to add the bank to LMS so the spreadsheet can be imported into LMS • Send the bank POC, the Lead Submission spreadsheet if the template was not used and <i>PUBLICATION 5033</i>, IRS EXTERNAL LEADS PROGRAM: FACT SHEET ON SUBMITTING LEADS • Follow guidance in row 1, Then column, to complete the mailbox procedures for IMF accounts and row 2 for BMF.

<p>2. Lead includes BMF account(s) only</p>		<ul style="list-style-type: none"> • Add the letter B to the assigned Lead number Example: 030223 01B • E-mail the bank POC the <i>BMF Acknowledgment Lead</i> script and the assigned lead number created, unless the lead source is from CI or SBSE employees • If the e-mail/attachments contain unsecured /unencrypted personally identifiable information (PII), send the <i>Email/Attachment Not Secured or Encrypted Script</i> • Create the lead folder using the following naming convention: lead number, financial institution name, first initial and last name of the Point of Contact (POC) that submitted the lead. If the lead source is from CI or SBSE Collections, add an abbreviated job title for the point of contact and their last name (i.e., Policy Analyst Joe Hog - 041722 01B West Bank PA HOG) • Save to the lead folder as a PDF, the original email, and the acknowledgement email. Also include all attachments including the original Lead Submission spreadsheet. Reminder: Do not modify or edit any of the attachments received. Making a copy of a document is permissible if the intent is to make edits. • Lead folders will be placed in the appropriate site's folder for TE assignment • Import all leads, to the Lead Management System (LMS) database • Add to LMS the following: Institution's routing transit number, Lead Type, Submission Method, and Lead Received Date
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3. Lead include IMF and BMF account leads		<ul style="list-style-type: none"> • Create a separate spreadsheet for IMF and BMF accounts. • Create a lead number for each TIN type as described in row 1 and 2 above. • Send the bank POC the <i>IMF-BMF Acknowledgement Lead</i> script • Follow guidance to complete the mailbox procedures as outlined in row one or two based on payee type.
4. Lead only, no funds		See IRM 25.25.8.2.1, Lead Only (No Funds Available) for guidance to address these lead types.
5. Leads requiring priority handling: <ul style="list-style-type: none"> • Pending Lawsuits • Reclamation Claims • Indemnification Requests • ACH reversals 		<ul style="list-style-type: none"> • Follow local procedures for flagging the email. Note: Those flagged for RIVPM Headquarters, forward a copy of the email to all the RIVPM Analysts assigned to the External Lead program. • If no designated flag was created for the inquiry, then the TE needs to notify their Lead or manager for directions
6. Follow up e-mails Reminder: Mailbox personnel must take the actions described the same day or next business day if the email is received on a weekend, holiday, or after hours.		<ul style="list-style-type: none"> • Review the email to determine if it needs to be elevated (Ex: Pending lawsuits, requests to modify our indemnification letter or sign a hold harmless letter, policy questions, etc.), assigned to a site/employee/manager to follow up. • Escalations, flag the email in accordance with local procedures and then forward it to RIVO P&A and RIVPM P&A point of contacts to address. • Other inquiries, not requiring escalation: Lead number established - Forward the email to the assigned employee and their manager to follow up. No Lead number established - Follow local procedures for creating a lead if it is applicable.

25.25.8.2.1
(05-07-2024)
Lead Only (No Funds Available)

- (1) A Lead Only (No Funds Available) involves a lead which the bank states, no funds are available to be returned. Take the following actions to address these leads:
 - a. Create a new lead number that consist of the original lead number assigned, followed by the letters LO.
 - b. Import the lead into the Lead Management System (LMS).
 - c. Select from the Edit field on the Summary of Accounts page in LMS, **Lead Only** as the type of lead.
 - d. Refer case to Lead to complete steps e and f.
 - e. Send the financial institution, the *Lead Only (no funds available to be returned)* feedback script.
 - f. Update the lead as **Completed** in LMS, and move the lead folder to the Completed folder.

25.25.8.2.2
(06-14-2023)
Automated Clearing House (ACH) Reversals

- (1) An ACH reversal is a lead type that involves a rejected direct deposit refund using a reason code other than 17. If notified of this type of reversal, it is important that actions be taken the same day to prevent the refund from being released. See steps 2-4.

Note: These are not common cases now, but if an ACH reversal appears in a TEs inventory, it must be made a priority to address.

- (2) Open the ACH control base as **C#,BKLDACHREV, A, MISC,148XX00005**.
- (3) Initiate refund stopping actions, and follow procedures in IRM 25.25.2.4, Stopping the Refund.
- (4) Send the *Notice of ACH Reversal* script by e-mail and attach Pub 5033, "IRS External Leads Program: Fact Sheet on Submitting Leads" to the financial institution.

25.25.8.2.3
(09-18-2024)
Altered Checks

- (1) An altered check is one that was materially or maliciously altered to commit fraud. Usually this entails a change to the original payee's name, address and/or the refund amount.
- (2) The Treasury Inspector General for Tax Administration (TIGTA) has oversight of these types of cases.
- (3) When an altered check is identified in the mailbox process, follow normal procedures for creating the lead number with an "A" at the end of it to indicate it's an altered check (i.e. 010222 04A).

Note: If a lead involves both an altered and non-altered check, see IRM 25.25.8.3.1, Processing Altered Checks for information on assigning the lead number.

25.25.8.2.4
(01-30-2024)
Other Inquiries

- (1) The External Lead mailbox may receive general inquiries that may require special handling. The proceeding paragraphs identifies some of the more common types of inquires and how to respond to them.
- (2) **Legal or policy issues** - Elevate to RIVPM Policy Analyst External Lead program POCs.

- (3) **Taxpayer inquiries** - Taxpayers may contact the IRS to inquire about the status of their refund after being advised the bank returned it. Send the *Taxpayer Inquiries* - IRM 25.25.8.4(3) feedback script.
- (4) **Reclamation Claim Request** - Flag the e-mail and forward it to the site/team assigned the lead. See IRM 25.25.8.2.4.1, Reclamation Claim Requests for additional information.
- (5) **Third-party Check Emails** - Recovery from 3rd party check e-mails will be assigned to the Centralized Check Process (CCP) POC. Do not create a lead on these referrals. Scan the third-party check and save to the CCP folder. Notate on photocopy if original check or copy of check received.
- (6) **Indemnification Request** - Involves a bank requesting the IRS return funds associated with a refund(s) recovered. See IRM 25.25.8.2.4.2, Indemnification Requests for additional information.
- (7) **Sign Bank's Hold Harmless Letter** - Financial Institutions legal department may request that the IRS sign their hold harmless letter to protect their financial interest prior to returning funds. Respond by sending the *Hold Harmless Signature Request* script.

25.25.8.2.4.1
(10-23-2024)
**Reclamation Claim
Requests**

- (1) A case may originate as an External Lead, but once a claim is filed, then a reclamation claim will be issued to recover the refund. Reclamation claims will no longer be worked through the External Lead process.
- (2) If a reclamation claim inquiry is received, the TE will need to confirm if funds were recovered, and then use the table below to address the inquiry.

Note: Banks may not specifically state they received a reclamation claim. For example, the bank may state, the Bureau of the Fiscal Service is requesting for funds to be returned, or I've been debited twice for the same payment. If it's unclear, contact the bank POC and ask for clarification.

Reclamation Claim Inquiries

IF	THEN
1. Funds were recovered or the bank advised funds were returned, but our records show the payment haven't posted	Email the bank POC, the script found on the RIVO Portal page <i>If funds were recovered from the financial institution</i>
2. <ul style="list-style-type: none"> • Research indicates funds were not recovered • A refund trace was initiated as shown on IDRS as a TC 971 AC 011, but no record of funds recovered (no TC 841 posted) 	Email the bank POC, the script found on the RIVO portal page <i>No Funds Recovered from the financial institution</i>

25.25.8.2.4.2
(06-14-2023)
**Indemnification
Requests**

- (1) Financial Institutions will occasionally request for funds recovered, to be returned. The subject line may not specify this and so it is important that the TE read the email and understand what is being requested. If funds are requested to be returned, or the bank wants to know how to recover the funds, send them the *Indemnification Request Acknowledgement* script.
- (2) Once all the information is received that's required for processing the request, forward it to the team responsible for preparing manual refund requests.

25.25.8.2.5
(11-13-2020)
**Identifying Economic
Impact Payments**

- (1) The Economic Impact Payment (EIP) was authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Payments are identified as follows:
 - EIP 1 and 2 payments post to the 2020 tax year module
 - EIP 3 payments post to the 2021 tax year module
 - IDRS Command Code ENMOD and IMFOLE will post the transaction as a TC 971 AC 199. The source used to determine eligibility will also be posted to the module (i.e., tax year 2019 or 2018 tax return, REB, SSA, or RRB)
 - The amount of the payment (1/2 of the payment if filing status claimed on tax return is MFJ)
 - Julian date = **999**
 - TC 766 posted with Credit Reference Number 338 (amount attributable to the primary and secondary taxpayer) and/or 257 (amount attributable to qualifying children)
 - If the EIP was an ACH deposit that was rejected using return reason code 17, the Control D report will display an **R** after the 202012 tax period

25.25.8.3
(10-23-2024)
**Processing External
Leads**

- (1) The Lead Management System (LMS) is used to manage the External Lead inventory, which includes assigning a lead to a Tax Examiner (TE). Export the LMS spreadsheet and review all information provided in the lead folder.
- (2) If the lead is incomplete, refer the lead to the local point of contact (POC) to contact the institution for the information missing.

Reminder: Save any additional e-mails/attachments received to the associated lead folder as a PDF.

Reminder: Update the institution's RTN if not present on the spreadsheet. Attempt to retrieve the number from EFDS or CC IMFOBT. If the routing number is not available input a zero in the field in LMS.

Note: If the institution response contains a statement that all available information is provided, do not contact the institution.

- (3) Research the account for TC 971 AC 123 with MISC field "TPP Recovery". If present, do not research further, request the financial institution return the funds.
- (4) Review the account to determine if Form 4136, Credit for Federal Tax Paid on Fuels was used to claim the Fuel Tax Credit (FTC) or Form 7202, Credits for Sick Leave and Family Leave for Certain Self-Employed Individuals was used to claim the Sick Leave credit. Note, this form is currently obsolete as it was

credit. Paragraph 7, row 10 -12, provide the procedural guidance for working these cases.

Fuel Tax Credit	Sick Leave Credit
IDRS CC TXMODA will display a TC 766 with the applicable Credit Reference Number (CRN) of the fuel type paid. See Form 4136 to see the specific CRN claimed.	IDRS CC TXMODA will display a TC 766 with the applicable Credit Reference Number (CRN) 299 or 271. <ul style="list-style-type: none"> • CRN 299 - Qualified sick and family wages for wages paid April 1, 2020, through March 31, 2021 • CRN 271 -Qualified Sick and Family Leave for wages paid April 1, 2021, through September 30, 2021
IDRS CC TRDBV and the Employee User Portal MeF files can be used to view the Form 4136 filed.	IDRS CC TRDBV and the Employee User Portal MeF files can be used to view the Form 7202 filed.
See IRM 4.19.15.16, Fuel Tax Credit Claimed on Form 4136 for additional information.	See IRM 4.19.14.17.4., Sick and Family Leave Credit (No current year business reported) for additional information.

- (5) The External Lead Tool (ELT) is used to review IMF returns associated with a lead to determine if the refund should be recovered. Unless the lead type is a non-IRS refund, deposit only, or the lead is being reassigned, use the tool to ensure bank lead markers are added to each account. If the tool cannot be used, TEs must manually place the markers on the account if the case does not meet one of the exceptions previously mentioned. Markers must include TC 971 AC 134, TC 971 AC 850, and an open control base on IDRS, "C#,BKLD,A,MISC 148(XX)00001,*". BMF leads, cannot be worked through the tool. See IRM 25.25.8.3.3 BMF External Lead Procedures for information on processing them.

Reminder: A control base **must** be entered on all accounts except for non-IRS refunds and deposit only leads.

Note: Review the detail report from the ELT to ensure actions were input to the correct tax period. Manually input the action that did not populate from the tool.

Reminder: Do Not open controls on the Internal Revenue Service Number (IRSN) when the SSN is available. See IRM 3.21.263.5.5, Internal Revenue Service Number (IRSN), for other IRSN uses.

Reminder: If the refund was not from the IRS, do not request funds, update LMS comments and send the *Non IRS Refund Check* script.

- (6) Cases which show the return error out because the tool was unable to make a decision; or the review of the results indicated the tool made an incorrect determination, follow the research steps below to assist with determining if the return is valid or questionable: :
- a. Review the reason for referral provided by the financial institution.
 - b. Research the return for social media credits claimed such as the Fuel Tax Credit, Credit for Sick Leave for Certain Self-Employed Individuals. See below the table in paragraph 7 for further instructions.
 - c. Follow IRM 25.25.2.2, Data Mining Screening, to help in deciding if the return is valid.

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- d. Identify any previous IDRS reversal adjustments on the account.
- e. Review the account for Exam activity (TC 42X, -L freeze etc.).

Note: If Exam closed their audit and a determination was made (i.e., TC 30X), consider the return valid as filed. Do not request for the funds to be returned. If the funds were already returned, release the funds.

- f. Search entity modules for indications of identity theft such as a previously posted TC 971 with Action Code (AC) 5XX. See IRM 3.5.20.2.8.1, Identity Theft Indicator.
- g. Review IDRS for any payments (TC 610, TC 670, TC 430, TC 716, etc.).
- h. Review account for any balance due conditions (this may indicate other actions taken on the account).
- i. Review IDRS for extension to file (TC 460).
- j. Review EFDS notes for indication of previous RIVO involvement.
- k. Review account for posted TC 971 action code 078, indicating forgery.

Note: Research for open issues and use Contact Employer for any previous verified good IDOCs.

- l. Review IDRS CC TXMOD for the tax period in question and ensure there are not any open controls not in "B" status. Contact the open control, if found, before taking any action.

- (7) After making a decision, follow the table below. All actions below will require updates to LMS.

Reminder: Instructions below referencing the issuance of an indemnification letter and/or a script, should be done by the TE assigned to the lead or their designated POC (i.e., Supervisor or Lead). The TE must follow up to make sure the documentation was issued.

If	And	Then
1 the return is three years or older than the current processing year		<ul style="list-style-type: none"> • NO further research is required. • Update/Input IDRS control to Cxx,REQFUNDS,A,MISC 148XX00002. • Prepare indemnification letter to request funds from the financial institution. • Import LMS spreadsheet with results to the "Update" folder. • Notify POC that the indemnification process is complete.

If	And	Then
2 the return is current processing year or one year prior	the return is questionable, AND no funds were received with the lead	<ul style="list-style-type: none"> Update/Input IDRS control to "Cxx,REQFUNDS,A,MISC 148XX00002". Prepare indemnification letter to request funds from the financial institution and save in the associated lead folder. <p>Note: When necessary, update Lead Template with funds to be returned/not returned for all associated accounts and save in the associated lead folder.</p> <ul style="list-style-type: none"> Import <i>LMS</i> spreadsheet with results to the "Update" folder. Notify POC that the indemnification process is complete.
3 the return is questionable	funds were received with the lead	See IRM 25.25.8.4, Processing External Lead Deposits.
4 the return is valid	no funds were received with the lead	<ul style="list-style-type: none"> Update/Input IDRS control to "Cxx,VALID150,C,MISC 148XX00007". Input TC 972 AC 134 to reverse RIVO indicator. <p>Reminder: If no TC 971 AC 134 is on the account, do not add it. Input a history on CC TXMOD as "ValidNo134".</p> <ul style="list-style-type: none"> Import <i>LMS</i> spreadsheet with results to the "Update" folder. Close all External Lead Controls. Notify POC that the indemnification process is complete.
5 the refund was stolen, and the return was valid	Check was not altered and the return	<ul style="list-style-type: none"> Refer case to RIVO POC for stolen check inquiries. Add a comment to <i>LMS</i> stating Valid Return/ Recovering Stolen Check. Also Enter as a note in <i>AMS</i> and <i>EFDS</i>, if this is a current year return the same comment.

If	And	Then
5a the refund was stolen, and the return was valid or bad	Check was Not altered	<ol style="list-style-type: none"> 1. Input a D stop in TCIS to initiate a refund trace for the stolen check. 2. Send bank <i>the Stolen - No Funds Request</i> script which advises them funds will not be requested. 3. Close controls and update LMS to Completed status.
6 the return is valid	Funds were received with the lead	See IRM 25.25.8.4, Processing External Lead Deposits.
7 the return is good or bad	No funds are available to be returned (the spreadsheet from the bank shows \$0 available)	<ul style="list-style-type: none"> • Update/close the control to "NOFNDSAVLB,C". • Add a note to EFDS, Lead number and "no funds available". • Update LMS Results field.
8 The return is good or bad	"TPP RECOVERY" is in the MISC field	<ul style="list-style-type: none"> • Update/Input IDRS control to "Cxx,REQFUNDS,A,MISC 148XX00002" • Prepare indemnification letter to request funds from the financial institution and save in the associated lead folder. <p>Note: When necessary, update Lead Template with funds to be returned/not returned for all associated accounts and save in the associated lead folder.</p> <ul style="list-style-type: none"> • Update EFDS notes with "BKL lead number (lead number =MMDDYY XX) REQFUNDS". • Import LMS spreadsheet with results to the "Update" folder. • Notify POC that the indemnification process is complete.

If	And	Then
<p>9 Lead source is from CI or SBSE Collection</p> <p>Note: Return is always considered bad</p>		<ul style="list-style-type: none"> Update/Input IDRS control to "Cxx,REQFUNDS,A,MISC 148XX00002". Prepare an indemnification letter to request the refund be returned. Send the bank POC the <i>CI & SBSE Refund Recovery Assistance</i> feedback script and the indemnification letter. Both must be sent the day the lead is received or the next business day if received after hours, a weekend, or a holiday. Save all communications to the associated lead folder. <p>Reminder: Copy the lead source on all e-mail communications.</p> <p>Note: If the lead source does not provide a bank POC, check the financial Institution POC Listing for a good contact. Send the letter and script to that bank POC e-mail address. If no reliable bank POC is found, notify the lead source a bank POC e-mail address needs to be provided to issue the request.</p> <ul style="list-style-type: none"> Import LMS spreadsheet with results to the "Update" folder.

[illegible]

If	And	Then
12 Current or prior year Form 1040 was filed claiming the Credits for Sick Leave for Certain Self-Employed Individuals	One of the following conditions applies:	Follow steps in row 10 above.

#

(8) When an indemnification letter is issued, allow 45 days for a response. See the table below to determine the actions to take once the letter is issued.

If	Then
1. No response	<ul style="list-style-type: none">• Issue 45 day follow up letter• Save the follow-up letter as a PDF file in the lead folder.• Notate in LMS comments, date the 45 day follow up letter was issued.

2. Bank responds, payment was returned	<ul style="list-style-type: none">• If not provided in the response, contact the bank to secure the date payment was returned, tracking information if sent overnight/express, and the dollar amount returned.• Research IDRS CC TXMODA or IMFOLT to confirm if a payment from the deposit posted to the account or if there are multiple accounts associated with the lead, research a sample of them.• If the payment cannot be located via IDRS, employees with access to the Remittance Transaction Research (RTR) database must research it before declaring the closing as no funds returned.• If payment cannot be located, consult first with the team Lead or Manager before taking case actions to close the lead as no funds returned
3. No response from bank nor funds received 15 days after the 45 day follow up letter is issued	<ul style="list-style-type: none">• Follow guidance in 2 above (bullet number 2 and 3) to try and locate the payment.• If payment cannot be found, close the lead as no funds returned and close all controls.

25.25.8.3.1
(10-23-2024)

**Processing Altered
Checks**

- (1) The Tax Examiner (TE) will review the lead to determine if an account(s) involve an altered check, or a combination of altered and non-altered checks. Take the following actions to determine the naming convention for the lead:

IF	AND	THEN
IMF Lead number assigned without an A to indicate altered check	research of lead indicates all accounts listed includes an altered check	<ul style="list-style-type: none"> • Change the lead number to include the letter A at the end of it • Update the naming convention created for the lead case folder • Send the bank the Lead number Change script • Update LMS to Complete status.
IMF Lead number assigned includes an A to indicate an altered check or no Lead number was assigned	review of check image confirms check (s) were altered	<ul style="list-style-type: none"> • Do not change the lead number if the normal naming convention was used followed by the letter A (i.e., XXXXXX XXA) • If no lead number was assigned, create the lead using the normal naming convention followed by the letter A (i.e., XXXXXX XXA) • See the table in paragraph 2 for further instructions.

IF	AND	THEN
IMF Lead received	the review confirms lead include both altered and non-altered checks	<ul style="list-style-type: none"> Create lead number using the normal naming convention if one was not created (i.e., XXXXXX XX) Enter in LMS Comment field for each account involving an altered check, Altered Check Follow guidance in paragraph 2 below for altered and non-altered checks.
Lead involves a confirmed BMF altered check		<ul style="list-style-type: none"> Create lead number using the normal naming convention for BMF leads if one was not created (i.e., XXXXXX XXB) Notate in LMS Comment field, BMF Altered Check See IRM 25.25.8.3.3, BMF External Lead Procedures to complete processing the BMF lead.

(2) Used the table below to work IMF altered check cases:

If	And	Then
1. Lead involves an altered, or a combination of altered and non-altered checks, regardless if an indemnification letter was issued		Altered checks Only <ul style="list-style-type: none"> E-mail the bank the <i>No Funds Requested</i> script. Update LMS to Complete status. Leads with Altered and Non-Altered checks: <ul style="list-style-type: none"> Email bank POC, the <i>No Funds Requested</i> script Follow guidance in IRM 25.25.8.3 Processing External Leads, to research and respond to the cases involving the non-altered checks. On the Lead Submission spreadsheet, column Y, enter \$0 as the amount of funds to be returned for all accounts where an altered check was confirmed. In LMS, at the Account level, enter \$0 in the field entitled, Funds Returned for each account where an altered check was confirmed.
2. A follow up e-mail is received from a financial institution after sending the No Funds Requested script	Bank point-of-contact indicates no communication was received from BFS and/or funds are still available	<ol style="list-style-type: none"> Send the bank POC a script to advise the inquiry was elevated. Send an e-mail to RIVPM P&A External Lead Analysts the following information: <ul style="list-style-type: none"> The altered Treasury Check number presented Lead number Date the <i>No Funds Requested script</i> was emailed to the bank POC

25.25.8.3.2
(07-31-2023)

Processing Economic Impact Payment Leads

- (1) Upon the receipt of an Economic Impact Payment (EIP), input open Control number 148XX00001 on each account and activity code "BKLD". Leads involving questionable EIPs will require the Tax Examiner to determine an individual's eligibility. Use the table below for this purpose.

Note: The individual's eligibility will not be a determining factor if the referral was made because the EIP was stolen or the check was altered. The TE **must** request for the funds to be recovered and notate the applicable reason (i.e., stolen or altered check). Close all controls once the funds recovered are posted.

Note: Due to EIPs no longer being issued for TYs 2020 nor 2021, and the RRC/ EIP issue being outside of RIVO's scope, TEs will only update controls to closed status once a determination is made.

Reminder: Due to a court ruling on October 14, 2020, an incarcerated individual cannot be denied an Economic Impact Payment if they meet eligibility requirements. See below the **EIP Eligibility Criteria**.

Note: If the account contains estimated tax payments (i.e., TC 710, 716, OR 823), a manual refund will be required to release only the EIP portion.

EIP Eligibility Criteria

IF	AND	THEN
1 The Citizenship Code is A , there are no indicators of identity theft and the individual's date of death occurred after the payment refund date.	A questionable EIP1, EIP2 or EIP3 lead was received	<ul style="list-style-type: none"> • Do not recover the funds • Close control
2. There are indicators of identity theft and/or the individual's date of death occurred before the refund payment date.	A questionable EIP1, EIP2 or EIP3 lead was received, and the citizenship code is A, B, C, D, or E)	<ul style="list-style-type: none"> • Recover the funds • Close control
3. The citizenship code is B Note: If taxpayer is deceased, apply first the rules specified in the If column of either Row 1 or 2 of this table to determine the taxpayer's eligibility for EIP 1, 2, or 3.	A questionable EIP1 lead was received, and: Form 1040 tax return was filed for tax year 2018 or 2019, or a return was filed through the non-filer portal with AGI of \$1.00 and CC IRPTRO show W-2 income present Or A questionable EIP2 or 3 lead was received, and: Form 1040 tax return was filed for tax year 2019 or 2020, or a return was filed through the non-filer portal with AGI of \$1.00 and CC IRPTRO show W-2 income present	<ul style="list-style-type: none"> • Do not recover the funds • Close control Note: If funds are returned to the IRS without our consent, the taxpayer can claim the Recovery Rebate Credit when they file their 2020 individual tax return.

IF	AND	THEN
<p>4. The citizenship code is B</p> <p>Note: If taxpayer is deceased, apply first the rules specified in the If column of either Row 1 or 2 of this table to determine the taxpayer's eligibility for EIP 1, 2, or 3.</p>	<p>A questionable EIP1 lead was received, and: No Form 1040 tax return was filed for tax year 2018 or 2019, or a return was filed through the non-filer portal with AGI of \$1.00 and CC IRPTRO show No W-2 income present. Or, A questionable EIP2 or 3 lead was received, and: No Form 1040 tax return was filed for tax year 2019 or 2020, or a return was filed through the non-filer portal with AGI of \$1.00 and CC IRPTRO show No W-2 income present</p>	<ul style="list-style-type: none"> Recover the funds Close the control
<p>5. The citizenship code is C, D, or E</p> <p>Exception: If the citizenship code is C and the lead involves a questionable EIP3 deposit, see Block 6 below to determine eligibility requirements.</p>	<p>A questionable EIP1, 2, or 3 lead was received</p>	<ul style="list-style-type: none"> Recover the funds Close the control
<p>6. The Citizenship Code is C</p>	<p>A questionable EIP3 lead was received: Form 1040 tax return was filed for tax year 2019 or 2020, or a return was filed through the non-filer portal with AGI of \$1.00 and CC IRPTRO show W-2 income present for 2019 or 2020.</p>	<ul style="list-style-type: none"> Do not recover the funds Close control
<p>7. The citizenship code is Blank per IDRS CC DDBKD and the return address is in a Freely Associated State (i.e., Federated States of Micronesia, Republic of the Marshall Islands, or Republic of Palau)</p>	<p>A questionable EIP1, 2 or 3 was received:</p>	<p>Follow guidance in Block 3 or 4 depending on your research results to determine eligibility</p>

IF	AND	THEN
8. Return address is in Guam or the Federated States of Micronesia	The Lead Submission spreadsheet indicates in the Reason for Return field, individual already received a check from the Bank of Guam or similar verbiage	<ul style="list-style-type: none">• Request funds be returned• Input on IDRS CC TXMODA, TC 971 AC 850• Close the control

25.25.8.3.3
(09-18-2024)
**BMF External Lead
Procedures**

- (1) A BMF lead involves a referral containing a questionable refund from a business. An Employer Identification Number (EIN) is used as the TIN. Once the TE identifies the lead involves a BMF account, the TE must pre-screen the account for warning labels before referring it to Entity Fabrication. See the bullets below for warning labels:

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- (2) Follow the procedures in the table below when a BMF lead is received.

Reminder: All communications must be saved to the Lead folder.

IF	THEN
<p>1. Lead account(s) contains one of the warning labels above or the lead source is from CI, SBSE, TIGTA or lead source states the refund was stolen or altered.</p>	<ul style="list-style-type: none"> • Open controls to BMFREQFUND 148XX00002, and add history note: H,XXXXXX-XXB to indicate funds were requested. • Issue indemnification letter to recover the refund. Exception: Funds were submitted with the lead. See the table in IRM 25.25.8.4(8) for processing the deposit. • Send an e-mail to the <i>Entity Fabrication</i> mailbox, and include in the subject line, External Lead BMF Referral. Lead number (EX: 010221 04B) - “Funds Requested” or “Funds Recovered” if in our possession and the last four digits of the Employer Identification Number (EIN). • Add to the body of the email, the EIN, MFT, tax period, refund amount and the reason why the referral was made. • Attach to the email, a copy of the Lead Submission spreadsheet and any relevant documents submitted with the lead. • Save the sent e-mail as a pdf in the lead folder as BMF Referral mmddyy. • Update the status in LMS to Waiting for Deposit. If the deposit was received with the lead and it was processed, update LMS to Complete.

IF	THEN
<p>2. BMF lead is received and none of the conditions in 1 above are applicable.</p>	<ul style="list-style-type: none"> • Open a control base to 148XXXXX01 with activity code BMFBKL • Add history note: H,XXXXXX-XXB • Send an e-mail to the <i>Entity Fabrication</i> mailbox, and include in the subject line, External Lead BMF Referral, Lead number (EX: 010221 04B) - Do we request funds? and the last four digits of the business EIN. Exception: If funds were remitted with the lead, enter “Funds Recovered” in the subject line instead of “Do we request for funds?”. • Add to the body of the email, the EIN, MFT, tax period, refund amount and the reason why the referral was made. • Attach to the email, a copy of the Lead Submission spreadsheet and any relevant documents submitted with the lead. Reminder: If any IMF accounts are listed on the spreadsheet they must be removed before sending the referral. • Save the sent e-mail as a pdf in the lead folder as BMF Referral mmddyy and the reply to the e-mail as BMF Referral Reply MMDDYY • Take the following actions depending on the response from Entity Fabrication: Request Funds - Issue the indemnification letter and update the controls to BMFREQFUND 148XX00002 Valid/Do Not Request Funds - Update status in LMS, close the control base to “NOFNDS-REQ” and notify the bank, funds will not be requested.

25.25.8.4
(10-23-2024)
**Processing External
Lead Deposits**

- (1) Once notification is received that funds were returned, export the Lead Management System (LMS) spreadsheet, review all information provided in the lead folder and prepare the deposit the same day for the TE assigned to the case to process it. See the *Preparing a Deposit Job Aid* for additional assistance. Use of the ELT is mandatory when working a deposit, unless there is a programming limitation that will prohibit its use. See the table below for leads requiring special handling or actions to be taken.

Deposits Requiring Special Handling and Actions

If	Then
1. Lead source came from CI or SBSE	Notify the lead source POC, the amount recovered, if any, and the date of receipt.
2. Rejects from the ELT	Evaluate to determine if the reject can be reinput, and if not, manually input the deposit.
3. Failure to CMODE to the Kansas City Service Center location when inputting a TC 720 manually or information entered for the transaction was incorrect (receipt date, payment amount, etc.)	Input IDRS CC TERUP the same day before 6pm eastern (See IRM 2.4.13.2, Command Code TERUP General Information for further information.
4. Deposit information is inaccurate, missing or not up to date	<ul style="list-style-type: none"> • Update the inaccurate or missing information if it is available. • If not available, notify the Lead to contact the bank to secure the inaccurate or missing information.
5. LMS database required fields are incomplete	<p>Access LMS Edit field to add the following required data entries if missing:</p> <ul style="list-style-type: none"> • Bank routing number, unless it cannot be located. Enter zeros if unable to locate. • Lead type • Total Amount available for Recovery • Indemnification Letter Date

If	Then
6. Deposits with no x-ref lead number	<ul style="list-style-type: none"> • Create the lead number using the RIVO received date, service center number, and a sequence number as follows (MMDDYY sc xx)(sc= your service center and xx = sequence number). For example, 020223 09 04 = RIVO received a deposit, February 2, 2023, worked in Kansas City with the assigned sequence number 04. • Create the lead/deposit folder, for deposits with no existing lead number, using the <i>naming convention</i>: deposit number, financial institution name (Financial Contact Information Spreadsheet), and lead number (as described above). Save to the designated site folder. <p>Reminder: Any additional e-mails/ attachments received, save to the associated lead folder as a PDF.</p>
7. Non-IRS funds received	<ul style="list-style-type: none"> • Prepare a commingle memo. • Notify the bank on how the funds can be returned by sending the <i>Return Procedures for Non IRS Refund Checks -IRM 25.25.8.4(3)</i> script.
8. Funds returned exceed the amount requested regardless if the return determination is valid or bad	<ul style="list-style-type: none"> • Prepare a commingle memo for only the amount in excess of the requested funds • Provide bank with indemnification procedures for recovering the excess amount

If	Then
9. Leads involving an account with refunds that exceed 6 in total Note: The ELT tool only allows a maximum of 6 refunds to be processed.	Manually input the volume that exceed 6 using IDRS CC ELP45 Reminder: TEs must CMODE to Kansas City to prevent transaction failures.
10. A deposit recovered for a lead containing an IMF and BMF accounts	Process all payments pertaining to the IMF accounts on a different day then the BMF payments. Note: Processing them on the same day will cause the reports that indicates the IMF and BMF deposit totals, post the entire amount to the IMF ledger account.

- (2) Run the ELT with the deposit information.
- (3) Research the account for TC 971 AC 123 with MISC field "TPP RECOVERY." If present, do not conduct further research, post funds back to the account and suspend to 148XX00013 until TC 720 posts to the account.

Reminder: Do not release accounts containing a TC 971 AC 123. Disposition to PS 30 once the recovered funds post. See IRM 25.25.8.6, Monitoring External Leads.

- (4) Research the account for TC 971 AC 078, forgery indicator. If present, do not reissue refund.
- (5) Review IDRS CC TXMOD for the tax period in question and ensure all open controls are not in "B" status. If an open control is found, contact the open control before taking any actions.
- (6) Use the External Lead IAT tool to input a TC 971 AC 134, TC 971 AC 850, and the history item, "DONOTRFUND", if not already present on all invalid accounts. The ELT will update the control base on IDRS to, "C#,BKLDCKRECD,A,MISC 148(XX)0000X,*"(X= 4 invalid, 7 valid), input CC ELP45, and/or commingled memo.

Exception: For commingled funds, the only control base the tool will post to this account is **BKLCOMNGLD**.

Note: Review the detail report from the ELT and confirm actions are on the same tax period. If the actions were taken on the incorrect tax period close the control with "BKLDERROR" and open a control on the appropriate tax period. Manually input any action that did not populate from the tool.

Note: The External Lead TE has 15 working days to complete the CC ELP45 input, barring any delays or large leads.

- (7) Use the table below if the detail report shows the transaction error out and the TE was unable to correct it, the tool limitation will not allow the posting of the deposit, or the recovery involves a return claiming a social media scheme credit. See the table also for commingle fund instructions.

Reminder: Leads with multiple accounts may have multiple scenarios. For example, you may have an invalid return, a valid return, and an account with commingled funds on the same lead/deposit. Do not prepare the commingled memo until **all** accounts associated to the lead/deposit have been resolved.

If	And	Then
<p>1. The return was determined to be good/valid</p>	<ul style="list-style-type: none"> Tax year of return is less than 3 years from the current processing year and does not contain a recovery of funds involving the social media credits 	<ul style="list-style-type: none"> Input CC ELP45 Reminder: You MUST verify the transaction after input (i.e., CMODE to Kansas City, payment amount, receipt date, etc.) See the table in IRM 25.25.8.4(1) if the transaction needs to be deleted using IDRS CC TERUP. Note: Balance the ELP45/ commingled amounts to reflect total of deposit. Reminder: The amount of the transfer may not exceed the TC 846 amount. Update/open control to "Cxx,BKLDCKRECD,A,MISC 148XX00007" Input TC 972 AC 134 to reverse RIVO indicator. Reminder: If no TC 971 AC 134 is posted, do not input a new TC 971 AC 134. Input history item, ValidNo134 on CC TXMOD. Change disposition in STARS to "DL" if applicable Update LMS spreadsheet with results Input a TC 290.00 with a posting delay of 2 to release the refund to the TP Close all RIVO controls Notify POC that process is complete

If	And	Then
2. The return was determined to be Bad	Account does not contain TC 841 with document code 48 in the DLN or TC 700 with document code 58 in the DLN	<ul style="list-style-type: none"> Input CC ELP45 <p>Caution: You MUST verify the transaction after input (i.e., CMODE to Kansas City, payment amount, receipt date, etc.). See the table in IRM 25.25.8.4(1) if the transaction needs to be deleted using IDRS CC TERUP. Therefore, the TE must confirm payment was CMODE to Kansas City and the transaction data input was correct(i.e. receipt/deposit dates, payment amount, etc.) See the table in IRM 25.25.8.4(1) if the transaction needs to be deleted using IDRS CC TERUP</p> <p>Note: Balance ELP45/commingled amounts to reflect total of deposit.</p> <p>Reminder: The amount of the transfer may not exceed the TC 846 amount.</p> <ul style="list-style-type: none"> Update/open control to "Cxx,BKLDCKRECD,A,MISC 148XX00004" Update LMS spreadsheet with results Notify POC that process is complete

If	And	Then
<p>3. The return was determined to be Bad</p>	<p>Accounts contain TC 841 with document code 48 in the DLN or TC 700 with document code 58 in the DLN present on the account or refunds are unidentified, excess funds or commingled accounts</p>	<ul style="list-style-type: none"> Update/close the control to "CXX,BKLCOMNGLD,C,MISC 148XX00004" Input TC 971 AC 134 with MISC field "BKLD COMINGLED" <p>Note: If the tax year is in retention it must first be brought back to Master File using CC IMFOLB.</p> <p>Reminder: This will be updated en masse after the entire lead/ deposit is completed.</p> <ul style="list-style-type: none"> If not already dispositioned in EFDS, disposition current processing year returns as appropriate Update LMS spreadsheet with results Create the Commingled Memo and save to the associated lead folder <p>Reminder: For large deposits worked by more than one TE, create only one memo for the entire deposit.</p> <ul style="list-style-type: none"> Send e-mail to POC with notification that process is complete

If	And	Then
4. the account is dormant , in retention or 3 years prior to the current processing year	No identity theft indicators such as TC 971 AC 123 with MISC field TPP Recovery	<ul style="list-style-type: none"> Input CC ELP45 <p>Reminder: Please verify you CMODE the transaction to Kansas City. See the table in IRM 25.25.8.4(1) if the transaction needs to be deleted using IDRS CC TERUP.</p> <p>Note: Balance the ELP45/ commingled amounts to reflect total of deposit.</p> <p>Reminder: The amount of the transfer may not exceed the TC 846 amount.</p> <ul style="list-style-type: none"> Update/open control to "Cxx,BKLDCKRECD,A,MISC 148XX00007" if return is good or 148XX00004 if bad. Input TC 972 AC 134 to reverse RIVO indicator. <p>Reminder: If no TC 971 AC 134 is posted, do not input a new TC 971 AC 134. Input history item, ValidNo134on CC TXMOD.</p> <ul style="list-style-type: none"> Change disposition in STARS to "DL" if applicable Update LMS spreadsheet with results Input a TC 290.00 with a posting delay of 2 to release the refund if the return is valid. Close all RIVO controls Notify POC that process is complete
5. Current year Form 1040 was filed claiming the Fuel Tax Credit (FTC) or Credits for Sick Leave for Certain Self-Employed Individuals and the account contains a -E Freeze and TC 810 with a Responsibility Code 4	does not contain TC 841 with document code 48 in the DLN or TC 700 with document code 58 in the DLN	<ul style="list-style-type: none"> Follow procedures in row 2, and then continue with the succeeding bullets below Disposition the return to process status 77 Monitor AAL for FRP acceptance or rejection (See IRM 25.25.8.4.2, Monitoring Posted Payments Processed for follow up actions)

If	And	Then
6. Prior year Form 1040 was filed claiming the Fuel Tax Credit (FTC) or Credits for Sick Leave for Certain Self-Employed Individuals and the account contains a TC 810 Responsibility Code 4	does not contain TC 841 with document code 48 in the DLN or TC 700 with document code 58 in the DLN	<ul style="list-style-type: none"> Follow procedures in row 2 Update IDRS control to C##, MR_SCHEME1,A,FRP3 1486900001 Monitor AAL for FRP acceptance or rejection (See IRM 25.25.8.4.2, Monitoring Posted Payments Processed for follow up actions)
7. TIN provided by the financial institution cannot be found Note: Attempt to find a valid TIN. If valid TIN is found follow scenario in this if/then table. Exception: If multiple accounts on a deposit are not from an IRS refund notify your lead before proceeding	Unable to allocate funds received	<ul style="list-style-type: none"> Place the TIN provided by the financial institution in the LMS TIN field Follow procedures in row 3 above
8. the TIN is valid, but cannot find the tax period Note: Attempt to find the correct tax period. If the correct tax period is found, follow scenario in this if/then table. Exception: If multiple accounts on a deposit are not from an IRS refund notify your lead before proceeding	Unable to allocate funds received	Open your control on the most recent tax year to Cxx,BKLCOMNGLD,C,MISC 148XX00004 , and follow procedures in 3 above
9. the return is considered good/bad	the TIN is an Internal Revenue Service Number (IRSN), see IRM 3.21.263.5.5, Internal Revenue Service Number (IRSN), for more IRSN information and the module contains a TC 848 or TC 849	Follow procedures in row 3 above

If	And	Then
10. Deposit recovered is from an EIP 1, 2 or 3 and regardless of the eligibility determination(i.e., IDT, Non-IDT, Decedent)		Check IDRS to determine if the Recovery Rebate Credit (RRC) was claimed for the tax period associated with the funds recovered. RRC was claimed <ul style="list-style-type: none"> • Commingle the recovered funds • Close all controls RRC was not claimed <ul style="list-style-type: none"> • Input CC ELP45 to post the funds • Close all controls <p>Caution: Once the payment posts to the account (i.e. TC 720, 841)DO Not take any additional actions to adjust the account, including releasing the credit. Programming has been implemented to reconcile the posted credit. The taxpayer, if eligible will need to claim the Recovery Rebate Credit on their tax return to recover the funds.</p>
11. Bank does not allocate how funds should be applied regardless of valid or bad determination		<ul style="list-style-type: none"> • Update/close the control to CXX,BKLCOMNGLD,C,MISC 148XX00004 • Input TC 971 AC 134 with MISC field BKLD COMINGLED <p>Note: If the tax year is in retention it must first be brought back to Master File using CC IMFOLB.</p> <p>Reminder: This will be updated en masse after the entire lead/ deposit is completed.</p>

(8) The table below provides instructions for processing BMF return deposits.

Note: If instructed to input **IDRS CC ELP45** and the transaction errors out, this is an indicator the programming for this CC did not include the MFT associated with the payment. You will need to forward the request to the Recon Team to prepare Form 3245 and complete the remaining actions.

BMF Deposits Procedures

IF	AND	THEN
1. The lead source is from CI, SBSE, or TIGTA		<p>1. Use IDRS CC ELP45 to post the payment</p> <p>Note: Some MFT codes are not programmed for ELP45 use and therefore those payments will require manual input via form 3245.</p> <p>2. Update the IDRS control base to Cxx,BKLDCKRECD,A,MISC 148XX00004</p> <p>Note: If a paper voucher was required to post the payment, update IDRS control base to BKL3245BMF 148XX00004</p> <p>3. Update the Deposit Information page in LMS</p> <p>4. Send an e-mail to BMF Identity Theft mailbox to notify them the funds were recovered Include the following:</p> <ul style="list-style-type: none"> • Include in the subject line, External Lead BMF Referral Lead Closed. • Include in the e-mail body, the Lead number, EIN, MFT, tax year, and state the TC 720 posted. • Input TC 570 on IDRS and History item DONOTRFUND • Close all External Lead controls assigned once the TC 720 post to the account • Notify the lead source the funds were recovered
2. Either BMF Entity Fabrication and/or BMF IDT confirms fraud		Follow instructions in row 1, with the exception of notifying the lead source as that would not be applicable for this scenario.

IF	AND	THEN
1. The lead source is from CI, SBSE, or TIGTA		<ol style="list-style-type: none"> 1. Use IDRS CC ELP45 to post the payment Note: Some MFT codes are not programmed for ELP45 use and therefore those payments will require manual input via form 3245. 2. Update the IDRS control base to Cxx,BKLDCKRECD,A,MISC 148XX00004 Note: If a paper voucher was required to post the payment, update IDRS control base to BKL3245BMF 148XX00004 3. Update the Deposit Information page in LMS 4. Send an e-mail to BMF Identity Theft mailbox to notify them the funds were recovered Include the following: <ul style="list-style-type: none"> • Include in the subject line, External Lead BMF Referral Lead Closed. • Include in the e-mail body, the Lead number, EIN, MFT, tax year, and state the TC 720 posted. • Input TC 570 on IDRS and History item DONOTRFUND • Close all External Lead controls assigned once the TC 720 post to the account • Notify the lead source the funds were recovered
3. Both BMF Entity Fabrication and BMF IDT response is, “No”	no other fraud was identified, nor an approved treatment stream for referral	<ul style="list-style-type: none"> • Input CC ELP45 Reminder: You must verify transaction was CMODED to Kansas City. See the table in IRM 25.25.8.4(1) if the transaction needs to be deleted using IDRS CC TERUP. • Input a TC 290.00 to release the refund • Update the IDRS control base to Cxx,BKLDCKRECD,A,MISC 148XX00007 • Close all External Lead controls assigned. • Update the Deposit Information page in LMS

IF	AND	THEN
1. The lead source is from CI, SBSE, or TIGTA		<ol style="list-style-type: none"> 1. Use IDRS CC ELP45 to post the payment Note: Some MFT codes are not programmed for ELP45 use and therefore those payments will require manual input via form 3245. 2. Update the IDRS control base to Cxx,BKLDCKRECD,A,MISC 148XX00004 Note: If a paper voucher was required to post the payment, update IDRS control base to BKL3245BMF 148XX00004 3. Update the Deposit Information page in LMS 4. Send an e-mail to BMF Identity Theft mailbox to notify them the funds were recovered Include the following: <ul style="list-style-type: none"> • Include in the subject line, External Lead BMF Referral Lead Closed. • Include in the e-mail body, the Lead number, EIN, MFT, tax year, and state the TC 720 posted. • Input TC 570 on IDRS and History item DONOTRFUND • Close all External Lead controls assigned once the TC 720 post to the account • Notify the lead source the funds were recovered
4. BMF Entity Fabrication and BMF IDT response is either “No” or “Yes”	Bank did not allocate how funds should be applied or the information provided was insufficient to make the determination	<ul style="list-style-type: none"> • Prepare a commingle memo • Update the Deposit Information page in LMS • Update the IDRS control base to CXX,BKLCOMGLD,C,MISC 148XX00004(Bad) or 148XX00007(Valid/Good) depending on response • Close all External Lead controls assigned

25.25.8.4.1
(02-09-2024)
**Reversal/Return of
Recovered Funds**

- (1) Follow the table below, after researching the lead/deposit to determine if the deposit was applied to an individual account or commingled in the general ledger account.

If	And	Then
1 Recovered funds submitted in error or return of funds requested by financial institution	Commingled funds applied to the 4971 General ledger account or funds applied to the 6801 (Excess) account Note: Funds are applied to the 6801 (Excess) account two years after the date of deposit.	<ul style="list-style-type: none"> Print documentation from the financial institution requesting the return of the recovered funds and save to the lead folder Documentation from the financial institution must include: <ul style="list-style-type: none"> financial institution's EIN physical address financial institution's POC lead # amount requested all associated TINs with full names of the taxpayers reason for the return request <p>Reminder: Contact the financial institution when required information is missing.</p> <ul style="list-style-type: none"> Prepare Form 3753, Manual Refund Posting Voucher with the appropriate ledger account
2 Recovered funds submitted in error or return of funds requested by financial institution	funds applied to an individual account	<ul style="list-style-type: none"> Prepare and save in the lead/deposit folder the Form 3809, Miscellaneous Adjustment Voucher, to debit the taxpayer's individual account and credit the 4971, General Ledger account Save the Form 3809 in the lead folder using the following naming convention: Deposit Ticket Number, Form 3809, the last four digits of EIN, Name Control and tax year. Example: DT 123456 5566 Form 3809 WOWD 202112 Create/revise the commingled memo and then save to the lead folder Open IDRS control "C#,PND722,M,MISC" "148XX00011,*" <p>After TC 722 posts to the account:</p> <ul style="list-style-type: none"> Close IDRS control with, "Cxx,722POSTED,C,MISC" Prepare Manual Refund Form 3753 and all required attachments, using the Employer Identification Number (EIN) of the financial institution requesting the funds out of the correct general ledger account. See IRM 3.17.79.3.1, General Ledger Account - Types of Refunds. Save the signed Form 3753 in the lead/deposit folder Route forms to Manual Refunds per local procedures

If	And	Then
<p>3 An inquiry/referral received after deposit resolution</p>	<p>a valid return and commingled funds applied to the 4971 General ledger account or funds were applied to the 6801 (Excess) account Note: Funds are applied to the 6801 (Excess) account two years after the date of deposit.</p>	<ul style="list-style-type: none"> Input CC ELP45 Caution: You must CMODE to the deposit location to use this CC. This is based on the credit gateway information. Exception: If funds are being moved to an EIN, prepare, print, and save in lead/deposit folder the Form 3245, Posting Voucher - Refund Cancellation or Repayment, to credit the taxpayer's individual account and debit the appropriate General Ledger account. Revise the commingled memo to reduce the commingled amount by the amount being placed on the taxpayer's account and save to the lead folder Open IDRS control "C#,PND720,M,MISC" "148XX00007,*" Note: This is only required when moving funds to an EIN. If the return is in STARS, update the disposition to "DL" for STARS removal

If	And	Then
4 An inquiry/referral received after deposit resolution	A valid return and commingled funds are applied to the 4971 General ledger account or to the 6801 (Excess) account and there is not enough available to cover the TC 846 amount. Note: Funds are applied to the 6801 (Excess) account two years after the date of deposit.	<ul style="list-style-type: none"> Input CC ELP45 Note: Credit the taxpayer's individual account up to the available amount and debit the appropriate General Ledger account. Caution: You must CMODE to the deposit location to use this CC. Exception: If funds are being moved to an EIN, prepare, print, and save in lead/deposit folder the Form 3245, Posting Voucher - Refund Cancellation or Repayment, to credit the taxpayer's individual account and debit the appropriate General Ledger account. Only credit the taxpayer's account to the extent of available funds and then debit the appropriate General Ledger Account. Revise the commingled memo to reduce the commingled amount by the amount being placed on the taxpayer's account and save to the lead folder Open IDRS control "C#,PND720,M,MISC" "148XX00007,*" Note: This is only required when moving funds to an EIN If the return is in STARS, update the disposition to "DL" for STARS removal
5 An inquiry/referral received after deposit resolution	A valid return and funds applied to the taxpayer's account	<ul style="list-style-type: none"> Release the refund Remove from STARS, by updating the disposition to "DL" Enter a reason in STARS when requesting for a return's deletion from STARS Close all RIVO controls

25.25.8.4.2
(03-08-2024)

Monitoring Posted Payments Processed

- (1) Programming changes implemented in 2021 associated with Economic Impact Payments had a downstream impact on External Lead payments posted to an account as a TC 720. The impact caused these payments to go unpostable. Effective cycle 202326, programming was implemented to correct this issue. However, those unpostable that occurred prior to this cycle, will continue to follow the workaround procedures as outlined in the alpha list below, steps d-h.

Note: This workaround involves coordination between multiple departments to correct the unpostable, and therefore it may take a few weeks for the payment to post.

TEs must monitor payments in general to make sure they post. The alphalist below provides steps for monitoring to confirm a payment posted. However, due to the programming issue causing our TC 720 payments to unpost and/or get deleted, it is imperative that TEs check within two weeks to confirm the payment posted after the ELT processed it. If the payment went unpostable 138 RC 0, then the TE will need to follow the guidance in from the alphalist, d-h.

Follow the steps below for monitoring payments:

- a. Valid determinations, check the Detailed Report to confirm the payment posted.
 - b. Invalid determinations, check the Age listing for the posting of the payment.
 - c. If the P- Freeze or credit is posted to the account, this confirms the payment did not go unpostable and therefore the TE should follow procedures outlined in IRM 25.25.8.6(2) to resolve the account.
 - d. If **no** P- Freeze or credit is posted to the account, but an unpostable code 138 0 posted, open a control base to 1483700015 with activity code UNPOST720
 - e. Complete the Unpostable TC 720 spreadsheet located on the RIVO Portal page with the accounts found that were unpostable.
 - f. Forward the spreadsheet to the RIVPM and RIVO POCs to address the unpostables.
 - g. The RIVO POCs will notify the TE once the unpostable is corrected so the control base can be closed.
 - h. Once notified, close the control base, and take the appropriate actions to resolve the account (i.e., release refund, refer to the appropriate treatment stream, etc.)
- (2) The table below provides instructions pertaining to returns claiming either the **Fuel Tax Credit** or **COVID Sick Leave Credit**. The Frivolous Return Coordinator will either accept the return or reject it as indicated by the IDRS control update.

If	And	Then
Latest IDRS control is, C##, FRPCLEARED, A, FRP3		<ul style="list-style-type: none"> The return did not meet the FRIV criteria for a frivolous filed return Tax Examiners will close the existing control and continue with normal processing procedure per the RIVO program

If	And	Then
Latest IDRS control is, C##, MR-_SCHEME,A,FRP3 1486900001	there is an opened 4442, Referral Inquiry	Close 4442 controls with, "Account has been referred to the appropriate function."
Latest IDRS control is, C##, MR-_SCHEME,A,FRP3 1486900001	Less than 30 days from the date the control was established	No action is required. Tax Examiner will need to continue to monitor AAL for updates.
Latest IDRS control is, C##, MR-_SCHEME,A,FRP3 1486900001	More than 30 days from the date the control was established	Refer to Lead or Manager to contact FRP Coordinator for follow up.
Latest IDRS control is,C##, MR_INPUT, A, FRP1 1486900000		<ul style="list-style-type: none"> The return was accepted by the Frivolous Return Coordinator No Further action is required.

25.25.8.5

(06-22-2021)

**External Lead
Procedures for
Automated Clearing
House (ACH) Deposits**

(1) **Financial Institution Automated Clearing House (ACH)**

- a. Screen the return, if valid, "REFILE" and release the refund.
- b. If questionable/suspicious, input a CC NOREFP (before return posts or same day) and send the return for verification or verify using CC IRPTR,
- c. Open IDRS control base to "C#,BKLDACHREV,A,MISC 148XX00005,* ",if not already present on the module.
- d. Close the "PRFZ" control base.
- e. Input a TC 971 AC 134 on CC TXMOD to show RIVO activity.
- f. If the return is not valid, add a history item to CC TXMOD, "DONOTR-FUND".
- g. Close the control as "841POSTED" when the ACH reversal post. If ACH has not posted, update the control to "148xx00004/7 "as applicable.
- h. Monitor for credit posting, and manually add to STARS. If the return is already dispositioned and in the referral process, do not change the disposition unless the return is in a reject status and needs to be corrected (CE OR CA). See IRM 25.25.13-3, Scheme Tracking and Referral System (STARS) Disposition Definitions.
- i. Update the 148XX00005 control to either 148XX00004 or 148XX00007, as applicable.

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- j. If prior year (PY) in STARS, input on the manual referral spreadsheet and close the IDRS control base.
- k. Update Lead Management System.

25.25.8.6
(04-02-2024)

Monitoring External Leads

- (1) The local POC monitors the weekly external lead age listing. Follow the table below for appropriate actions.

Reminder: Resolve age listing in oldest received date order.

If	And	Then
1 control number is 148XX00001	is 10 calendar days or older	<ul style="list-style-type: none"> Review the account for actions not taken Update and/or /close the control base
2 control number is 148XX00002	the bank responds, no funds will be returned or available to be returned	<ul style="list-style-type: none"> Update/close the control to "NOFND-SAVLB,C" Update LMS
3 control number is 148XX00002	it's been more than 45 days since the indemnification letter was issued without the receipt of the deposit nor a response and no 45 day follow up letter issued	<ul style="list-style-type: none"> Issue the 45 day follow up letter Save the letter and email sent in the Lead folder Monitor for the deposit or response for an additional 15 days
4 control number is 148XX00002	is 60 calendar days or older	<ul style="list-style-type: none"> Review account to determine if TC 720 is present <p>If not present, but bank states the payment was returned:</p> <ul style="list-style-type: none"> Research via IDRS CC TXMODA, a sample of the TINs from the lead to verify if the payment posted matches the amount specified on the Lead Submission spreadsheet If payment is found, check the Remittance Transaction Research (RTR) application to assist with locating the payment and for reconciling the account If payment cannot be located, follow continue with the bullets below Close the control base to status C with activity NOFND SRTND

If	And	Then
		<p>If present:</p> <ul style="list-style-type: none"> Determine if return is good, bad or Identity Theft (IDT) <p>If good:</p> <ul style="list-style-type: none"> Release refund Update disposition to "DL" to remove from STARS. Enter a reason in the return's STARS or EFDS notes when requesting its deletion from STARS <p>If bad and return is current processing year:</p> <ul style="list-style-type: none"> Push to STARS. <p>If bad and prior processing year:</p> <ul style="list-style-type: none"> Complete Mass Push Template. IRM 25.25.13.5, Manual Referral, provide the instructions for completing the spreadsheet. <p>Reminder: If already in STARS, the National POC will update the STARS Disposition to the appropriate category and disposition.</p> <p>If IDT and the return is current processing year:</p> <ul style="list-style-type: none"> Push to STARS <p>Reminder: If completed en masse, update to "CAT 1". If completed individually, update to "CAT 7 MR". If multiple TC 846 or the posting of the TC 720 occurs after the account adjustment, refer to IRM 25.25.5-1, Triage Procedures, if the account requires adjustment.</p> <p>If IDT and the return is prior processing year:</p> <ul style="list-style-type: none"> Complete Mass Push Template using "CAT 1" Close the control base
<p>5 control number is 148XX00003</p>	<p>is 60 calendar days or older</p>	<p>Follow IRM 25.25.8.11, Centralized Check Process (CCP)</p>

If	And	Then
6 control number is 148XX00004	there is a credit balance and TC 720 is present	<p>If current processing year:</p> <ul style="list-style-type: none"> • Push to STARS <p>Note: Manually refer to the appropriate workstream using the Manual Referral Spreadsheet if the return does not meet the auto-referral categories.</p> <p>If prior processing year:</p> <ul style="list-style-type: none"> • Complete Mass Push Template and Manual Referral Template. IRM 25.25.13.5 , Manual Referral, provide the instructions for completing the spreadsheet <p>Reminder: If already in STARS, the National POC will update the STARS Disposition to the appropriate category and disposition.</p> <p>If IDT and the return is current processing year:</p> <ul style="list-style-type: none"> • Push to STARS <p>Reminder: If completed en masse, update to "CAT 1". If completed individually, refer to IRM 25.25.5-1, Triage Procedures</p> <p>If IDT and the return is prior processing year:</p> <ul style="list-style-type: none"> • Complete Mass Push Template using "CAT 1" • Close the control as "Cxx,720POSTED,C,MISC"
7 control number is 148XX00004	a TC 720 is not present, and it is 10 calendar days or more from the date the CC ELP45 was input	<ul style="list-style-type: none"> • Research the account to determine why TC 720 not posted • Take appropriate actions to resolve • Update/close the control as applicable

If	And	Then
8 control number is 148XX00005	there is a TC 841 present for 10 days or more	<ul style="list-style-type: none"> Determine if return is good, bad or IDT If good: <ul style="list-style-type: none"> Release refund Update disposition to “DL” to remove from STARS Enter a reason in the return’s STARS or EFDS Notes when requesting its deletion from STARS If bad and return is current processing year: <ul style="list-style-type: none"> Push to STARS If bad and prior processing year: <ul style="list-style-type: none"> Complete Mass Push Template and Manual Referral Template. IRM 25.25.13.5, Manual Referral, provide the instructions for completing the spreadsheet Reminder: If already in STARS, the National POC will update the STARS Disposition to the appropriate category and disposition. If IDT and the return is current processing year: <ul style="list-style-type: none"> Push to STARS Reminder: If completed en masse, update to “CAT 1. ”If completed individually, refer to IRM 25.25.5-1, Triage Procedures If IDT and the return is prior processing year: <ul style="list-style-type: none"> Complete Mass Push Template using “CAT 1” Close the control base as “841POSTED”
9 control number is 148XX00005	there is no credit balance and is 60 calendar days or older	Close the control base as “Cxx,RFNDNOTH-LD,C,MISC”

If	And	Then
10 control number is 148XX00007	there is a credit balance and TC 720 is present	<ul style="list-style-type: none"> Re-file the return and release the refund Update disposition to "DL" to remove from STARS Enter in the return's STARS or EFDS notes when requesting its deletion from STARS <p>Exception: Do Not Release refunds held by another function's freeze code. When this occurs reverse RIVO marker by inputting TC 972 AC 134.</p> <ul style="list-style-type: none"> Close the control base
11 control number is 148XX00007	there is a credit balance and TC 720 is not present and its 10 calendar days or older from the CC ELP45 date	<ul style="list-style-type: none"> Research the account to determine why TC 720 has not posted Take appropriate actions to resolve Update/close the control as applicable
12 control number is 148XX00009	is 10 calendar days or older	<ul style="list-style-type: none"> Determine if return is in STARS <p>If in STARS:</p> <ul style="list-style-type: none"> Update disposition to "CC" or "CL" Close the monitoring control <p>If not in STARS:</p> <ul style="list-style-type: none"> Research to determine why the return is not in STARS Update/close the control base
13 control number is 148XX00011	the TC 722 is present	Follow IRM 25.25.8.4.1, box 2 after TC 722 posts , Reversal/Return of Recovered Funds
14 control number is 148XX00011	the TC722/TC820 is not present and is 60 calendar days or older from preparation date of the accounting form	<ul style="list-style-type: none"> Research the account to determine why TC 722 or TC 820 is not posted Take appropriate actions to resolve Update/close the control as applicable
15 control number is 148XX00013 Note: This is an account that contains a TC 971 AC 123 MISC "TPP Recovery"	the TC 720 is posted	<ul style="list-style-type: none"> Disposition the return to Ace Adjustments (PS 30) Input an EFDS return note of "RIVO EL IDT BKLD" Close all RIVO controls

If	And	Then
16 control number is 148XX00013 Note: This is an account that contains a TC 971 AC 123 MISC “TPP Recovery”	the TC 720 is not posted, and it is 10 calendar days or older from the CC ELP45 date	<ul style="list-style-type: none"> Research the account to determine why TC 720 has not posted Take appropriate actions to resolve Update/close the control as applicable
17 control number is 148XX00014	the TC 841 is posted	<ul style="list-style-type: none"> Disposition the return to Ace/ Adjustments (PS 30) Input an EFDS return note of “RIVO EL IDT BKLD” Close all RIVO controls
18 control number is 148XX00014	the TC 841 is not posted, and it is 60 calendar days or older from the F stop request date	<ul style="list-style-type: none"> Research the account to determine why TC 841 has not posted Take appropriate actions to resolve Update/close the control as applicable
19 control number is 148XX00017	the TC 841 is posted	<ul style="list-style-type: none"> Reissue check to the good taxpayer If account is in STARS, remove from STARS, by updating disposition to “DL” Enter a reason in the return’s STARS or EFDS Notes when requesting its deletion from STARS Close all RIVO controls
20 control number is 148XX00017	the TC 841 is not posted, and it is 60 calendar days or older from the F stop date requested	<ul style="list-style-type: none"> Research the account to determine why TC 841 has not posted Take appropriate actions to resolve Update/close the control as applicable

25.25.8.6.1
(04-02-2021)

- (1) Use the table below to update STARS categories and dispositions.

**Criteria for Updating
STARS Categories and
Dispositions**

If	Then
-A freeze is present and/or AM IDRS control base on the account such as: DUPF, IDT1, IDT3, XRET, XIVO, MXEN, IDS1, IDS3, IDT8, IDT9, IDS9, SCRM and SSA2	Update STARS to “CAT 5 CL”.
Return meets IDT criteria: <ul style="list-style-type: none"> previous IDT marker (TC 971 AC 5XX) date of death present (DOD) date of birth (DOB) 1940 and prior or 2001 and after 	<ul style="list-style-type: none"> If completed en masse, update to “CAT 1” If completed individually, refer to IRM 25.25.5-1, Triage Procedures

- (2) See the table in IRM 25.25.13-3, Scheme Tracking and Referral System (STARS) Disposition Definitions, for a description of the STARS disposition status codes and IRM 25.25.13-4, Scheme Tracking and Referral System (STARS) Category Definitions for each category definition.

25.25.8.7
(10-23-2024)

Responding to Taxpayer Inquiries

- (1) For non-RIVO employees receiving taxpayer inquiries follow the procedures outlined below.

Note: An External Lead can involve an IMF or BMF account.

- (2) The caller states the bank returned their refund to the IRS, see Exhibit 25.25.8-2, External Lead Involvement Indicators, and also follow the chart below:

Caution: *Due to timing issues or delays*, there may be **no** IDRS controls posted to the account or markers indicating the External Lead case is in progress, see box 9 below for instructions. **Do not** refer the taxpayer back to the financial institution unless the IRM instructs you to do so.

Note: Please contact the Point of Contact on any External Lead control **before** taking any actions on the account. See *External Lead Point of Contact*.

If	And	Then
1 The account contains an open control to RIVO.	The control base activity field contains the following: <ul style="list-style-type: none"> “BKLD” “REQFUNDS” AND the control base assignment number contains the prefix 148XXs	<ul style="list-style-type: none"> Update the Accounts Management System (AMS) notes with the following: name and contact information of the caller, name of the financial institution, and date of contact. Advise the caller that the return and refund are under review, and it may take up to 90 days from the date of the control base to complete the review and either issue the refund or send a letter regarding the review. If the account shows no action taken in the last 90 days, prepare a Form e-4442, Inquiry Referral, and forward to RIVO using category - RICS RIVO - External Lead. Advise the taxpayer to allow 60 days for a response.

If	And	Then
2 The account contains an open control to RIVO.	The control base activity field is one of the following: <ul style="list-style-type: none"> • “BKLDCKRECD” • “BKLDACHREV” AND the control base assignment number is one of the following: <ul style="list-style-type: none"> • 148XX00004 • 148XX00005 	<ul style="list-style-type: none"> • Update AMS Notes with the following: name and contact information of the caller, name of the financial institution, and date of contact. • Advise the caller that the return and refund are under review, and it may take up to 10 weeks from the date of the call to complete the review and either issue the refund or send a letter regarding the review. • If the account shows no action in the last 10 weeks, prepare a Form e-4442, Inquiry Referral, and forward to RIVO using category - “RICS RIVO - External Lead”. Advise the taxpayer to allow 60 days for a response. <p>Exception: Identity Theft Victim Assistance (IDTVA) Employees may make IDRS adjustments as needed after contacting the <i>External Leads</i> POC to verify if the financial institution returned the funds.</p> <p>Exception: Do not initiate contact on “BKLCOMNGLD”, close the control base.</p>

If	And	Then
<p>3</p> <p>The account contains an open control to RIVO.</p>	<p>The control base activity field is one of the following:</p> <ul style="list-style-type: none"> • “BKLDCKRECD” • “BKLDACHREV” <p>AND the module shows control base assignment number is one of the following:</p> <ul style="list-style-type: none"> • 148XX00004 • 148XX00005 <p>AND the module shows a posted TC 720 or TC 841</p>	<ul style="list-style-type: none"> • Update AMS Notes with the following: name and contact information of the caller, name of the financial institution, and date of contact. • Advise the caller that the return and refund are under review, and it may take up to 10 weeks from the date of the call to complete the review and either issue the refund or send a letter regarding the review. • If the account shows no action taken in the last 10 weeks, prepare a Form e-4442, Inquiry Referral, and forward to RIVO using category - RICS RIVO - External Lead. Advise the taxpayer to allow 60 days for a response. <p>Exception: ID Theft Employees may make IDRS adjustments as needed.</p>

If	And	Then
<p>4</p> <p>The account contains an open control to RIVO.</p>	<p>The control base activity field contains the following:</p> <ul style="list-style-type: none"> • “VALID150” <p>AND the control base assignment number is the following:</p> <ul style="list-style-type: none"> • 148XX00007 	<ul style="list-style-type: none"> • Update AMS Notes with the following: name and contact information of the caller, name of the financial institution, and date of contact. • If the TC 720/ TC 841 is not posted, advise the caller that the review of the return and refund is complete and to allow 10 weeks for the refund issue. • If the TC 720/ TC 841 is posted, advise the caller that the review of the return and refund is completed and to allow 6 weeks from the TC 720 /TC 841 cycle date for the refund to be issued. • If more than 10 weeks passed and the refund has not been issued since the initial call, prepare a Form e-4442, Inquiry Referral, and forward to RIVO using category - “RICS RIVO - External Lead”. Advise the taxpayer to allow 60 days for a response.
<p>5</p> <p>The account contains a closed RIVO control base.</p>	<p>The control base activity field is “BKLCOMNGLD”, and the control base assignment number is 148XX00004 or 148XX00007.</p>	<ul style="list-style-type: none"> • Update AMS Notes with the following: name and contact information of the caller, name of the financial institution, and date of contact. • Advise the caller that the return and refund are under review, and it may take up to 6 weeks from the date of the call to receive a letter regarding the review. • Prepare a Form e-4442, Inquiry Referral, and forward to RIVO using category - “RICS RIVO - External Lead”. Advise the taxpayer to allow 60 days for a response.

If	And	Then
6 Research of the taxpayer's account has RIVO markers posted <i>Example:</i> TC 971 AC 134, control base assignment number 148XXXXXXX, etc.	The control base activity field is "NOFNDSAVLB" or "NOFNDSRTND" and the control base assignment number is 148XX00004.	<ul style="list-style-type: none"> Funds were not recovered and so, AM refund inquiry procedures must be followed to address the inquiry.
7 The only control base assignment number is 148XX00001	It's been more than 10 days from the date of the control with no subsequent actions	Prepare a Form e-4442, Inquiry Referral, and forward to RIVO using category - RICS RIVO - External Lead
8 The account contains a closed RIVO control base.	The closed control base activity field is "841LOST" or "ACHLOST" and the control base assignment number was 148XX00005, and there are no credits held on the account.	<ul style="list-style-type: none"> The financial institution returned the funds as a direct deposit reversal; however, the refund was released as a paper check. Follow normal refund inquiry procedures per IRM 21.4.2, Refund Trace and Limited Payability.
9 The account contains an IDRS history item such as "BKLD DO NOT RELEASE" or "BKLD DO NOT REFUND"	The account has a TC 720 or TC 841 credit with a TC 971 AC 134 or a TC 971 AC 199 RIVO freeze code.	Refer to the last closed RIVO control base and follow the instructions in this "If and Then" chart.

If	And	Then
10 The taxpayer's financial institution advise them their refund was returned to the IRS and they mention the External Lead program and/or provides a lead number	No open or closed RIVO control or indications of RIVO activity	<ol style="list-style-type: none"> 1. Check AMS notes for any previous inquiries and the date of them 2. Update AMS notes with the name and contact information of the caller. The lead number if its available or wasn't previously noted. The name of the financial institution and the date their bank advised that the funds were returned. Note: The employee will need to probe the taxpayer to secure the date their bank stated the funds were returned to the IRS. It will determine the response provided. 3. If less than 90 days from the date the bank advised funds were returned, provide the caller with a 90 day time frame for an IRS response. Note: If bank advised the caller their refund was returned on June 2, 2024, they should be advised to call back after September 1, 2024 if no response is received. 4. If more than 90 days, from the date the bank advised the funds were returned, prepare a Form e-4442, Inquiry Referral, and forward to RIVO using category - RICS RIVO - External Lead. Advise the taxpayer to allow 60 days for a response.
11 The taxpayer states the financial institution advised them their funds were returned to the IRS, and then provides the date their bank said it was done.	No open or closed RIVO control or indications of RIVO activity and it's been more than 7 days	Prepare a Form e-4442, Inquiry Referral, and forward to RIVO using category - RICS RIVO - External Lead . Advise the taxpayer to allow 60 days for a response.

- (3) If the external lead control is over 90 days and the taxpayer did not receive their refund or notification, submit a Form e-4442, Inquiry Referral, to RIVO using the referral category, RICS RIVO - External Lead.
- (4) When a return preparer who directed current year tax refunds into their account calls stating the bank informed them that they returned the deposited funds to IRS due to multiple refunds or a name mismatch, take the following action:

If	And	Then
The caller claims to be a tax return preparer who directed current year tax refunds into their account	Bank has told caller that the deposited refunds were returned to the IRS due to multiple refunds or name mismatch	<ol style="list-style-type: none"> Submit the following information via e-mail to the *RPO Referrals mailbox. Subject line of: "Attempt to Direct Deposit Client Refund to Return Preparer Bank Account". Include a brief explanation of why the preparer called and the bullet items below: Example: Return preparer called because the bank sent the refund back to IRS instead of depositing the refund into the preparer's bank account. <ul style="list-style-type: none"> • Preparer name • Preparer SSN number • Preparer PTIN • Preparer Firm EIN number (if available) • Preparer phone number • Bank routing number and account number Inform the caller that taxpayers must direct deposit tax refunds to accounts in their name. This may explain why the bank returned the funds to the IRS. No exception to these rules exists for a tax return preparer. Note: The instructions for both Form 1040, U.S. Individual Income Tax Return, and Form 8888, Allocation of Refund (Including Savings Bond Purchases), instruct taxpayers not to request a deposit of their refund to an account that is not in their name, such as their tax preparer's account. Do not provide any specific information about a taxpayer's account unless the caller has a power of attorney to receive it.

25.25.8.8
(01-19-2021)
**Bureau of Fiscal
Services (BFS) Credit
Gateway**

- (1) The External Leads Program, supported and managed by the IRS Return Integrity & Verification Operation (RIVO), works in conjunction with IRS Submission Processing (SP) to receive, screen and validate leads, and request the recovery of refunds to reconcile accounts. Financial institutions can return refunds associated with leads electronically, rather than a paper check, via Bureau of the Fiscal Service (BFS) Credit Gateway.
- (2) Sources must provide a spreadsheet containing personally identifiable information (PII) that helps the IRS identify the source of the funds received as well as to ensure accurate processing of them.
- (3) When working these leads, conduct complete and accurate research on them and then notify the lead source the amount to return to the IRS.
- (4) RIVO will provide the source with a Credit Gateway Account Locator Number (ALC) for the submission of funds. See table in (7) below.
- (5) RIVO will then receive via the *efleads@irs.gov* mailbox, a batch file of funds with the locked down accounts, along with an e-mail including the Lead Number(s).
- (6) Any sources using the BFS Credit Gateway must be provided the fund transfer instructions below for the site working the inventory. The accounting POC for the site must be included in the instructions.
- (7) Update Lead Management System as required.
- (8) To initiate the fund transfer, use the following account information:

Kansas City, MO
ALC: 20090900
Standard Entry Class (SEC) code: CCD
Transaction Type: 22
Receiving ABA routing number: 051036706
DFI account number: 82009090001
Receiving Company Information: Institution Name and Lead# (limit 22 characters) (Lead# = mmddyy seq# of lead, i.e., SunTrust #10141439)
Tax Class: 20X0903

25.25.8.9
(09-18-2024)
**External Offset Leads
(State and Federal
Agencies)**

- (1) External Offset Leads primarily include the following:
 - The Office of Child Support (OCSE)
 - State Revenue Departments
- (2) Office of Child Support Enforcement (OCSE) receives and manages various state's child support Treasury Offset Program (TOP) offset referrals. OCSE accounts for the vast majority of questionable offsets received in the External Lead program. When a state identifies through their filters a suspicious offset, or the custodial parent advises the agency they are not entitled to the funds,

each state gathers the account information pertaining to the offset and then forwards it to Health and Human Services (HHS). HHS collects the referrals from all states and then download it through their website portal. The referrals are retrieved from their portal for IRS review and response. Below is a list of information provided by HHS.

Note: Fraud Referral and Evaluation (FRE), conducts through a batch tool and database, the initial review of cases referred during phase one. See IRM 25.25.12.10.7, Office of Child Support Enforcement (OCSE) for more details. Those cases not meeting FRE's criteria will be assigned to the RIVO OCSE team to work in phase two of this process.

- Trace number
 - State referring case
 - Debtor first and last name
 - Debtor Taxpayer Identification Number (TIN)
 - Offset amount/date
 - Notes column(some states use the field to disclose the reason for referral)
- (3) The IRS works directly with the OCSE to provide a response to the states on returning questionable offsets referred. It is critical the TE conducts complete and accurate research to ensure the success of the partnership since the response directs the states to hold funds pending an offset reversal adjustment, or provides an authorization to release the funds to the custodial parent. The assigned examiner must consider the following when reaching a determination:
- Review all corresponding modules and related transactions on the account within RIVO scope
 - The validity of corresponding claims
 - IDRS CC FTBOL and the FTBOL FY20XX Spreadsheet to determine if updated incarceration/release information is available
 - Date of death and module transactions indicating GATT
 - The following references IRM 25.25.9.4, General Agreement on Tariffs and Trade (GATT) Returns, Frivolous Claims, see IRM 25.25.10-1, Frivolous Arguments, inflated income and/or withholding, see IRM 25.25.2.3, Command Code (CC) IRPTR Return Verification During the Screening Process, Unallowables, see IRM 4.19.15.15, Unallowable Code (UA) Program
 - Identity theft markers
 - Non-eligible credits (see Form 1040 instructions) and dishonored/duplicate/erroneous payment refund issues
 - Any prior actions taken by the IRS or BFS to include full or partial reversal, along with funds reissued
 - The offset amount available
 - Where to refer/treat an invalid claim

Note: Prior to IRP being considered fully loaded, if the Examiner, after lookback (see IRM 25.25.2.2.1 (2) #s 8-9, Data Mining Screening Tree) is unable to decide, the return will be submitted through the RIVO verification process. An interim response of "M" will be recorded in LMS and the IDOC(s) will be dispositioned as appropriate to "Verify" in EFDS. The return DLN will be captured in the "Remarks" field.

Reminder: Do Not suspend a case which has been determined to be Identity Theft (IDT) or where the entire referred offset is no longer available for reversal (see IRM 21.4.6.4.2.11, Netting TOP Offsets and Reversals)

- (4) Input the TC 971 AC 134 with MISC “BKLD OFFSET” on all receipts to identify RIVO External Lead involvement.

Note: The TC 971 AC 134 may be input en masse using the automated GII tools.

Reminder: Ensure the name control is accurate, mismatches will require re-submission after correction or a manual input.

- (5) If the batch process is unable to verify the return against CC IRPTR due to the presence of Schedule C or other “unverifiable” data, including TIN and/or tax modules that cannot be located, the case will be referred to the External Lead team to make a decision in phase two. TE will need to include in their review the items in paragraph 3 above and the research listed in the bullet items below. In addition the TE must input the marker on the account to indicate External Lead involvement as specified in paragraph 4 above.

- Identity theft markers, including TC 971 AC 125
- Refer to IRM 25.25.8.4 paragraph 7 for case actions, if **no** identity theft indicators are present and the taxpayer claimed either the **Fuel Tax Credit** and/or **COVID Sick Leave Credit** on their return
- EFDS notes
- Compromised IRP Data - Do Not Release Based on IRP

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The External Lead Tax Examiner (TE) will identify the corresponding TIN and tax period. Thereafter, review the corresponding tax return filing(s) and tax module(s), including netting the referred TOP offset (see IRM 21.4.6.4.2.11, Netting TOP Offsets and Reversals).

- (6) Utilize the table below after the research is complete to determine the next actions to take to resolve the case. HHS will be expecting one of the following responses below. A description was provided to understand the response.

- **Yes** - Account was determined to be IDT, or non-IDT fraud and funds are available to be reversed.
- **No** - Account determined to be valid or the 150 plus day timeframe for submitting an adjustment to reverse the offset was exceeded.
- **PIR** - Prior actions show the IRS reversed the offset and so funds are no longer available.
- **BFS** - Bureau of Fiscal Service reversed the offset amount as indicated by a TC 899 and therefore, no funds are available.

IF	Then
1. The agency code is 2 and it's been more than 150 days from the refund payment date,	Response is No . Skip to instructions in Paragraph 7.
2. Offset amount is \$1,500 or less Note: If offset is more than \$1,500, proceed to block 3 and the succeeding blocks to determine the appropriate scenario for case actions.	Response is No . Skip to instructions in Paragraph 7. Exception: If filing is from an incarcerated individual continue to block 3 below and the succeeding blocks for the appropriate case scenario to follow.
3. A posted or pending freeze indicating Exam, Frivolous Filer Program (FRP), Criminal Investigations or Duplicate/Amended return, with no posted or pending reversal	Response is No . Skip to instructions in Paragraph 7. Exception: Social Media Scheme cases with a -E Freeze and TC 810 with responsibility code 4, see IRM 25.25.8.3 Processing External Lead, paragraph 7, block 10 -12 to evaluate if the return meets frivolous filer criteria for referral. Response will be Yes , if it does.
4. a. TOP offset is fully reversed by a TC 899 b. Referred TOP offset is fully reversed by a TC 290 AC 766(s) and/or TOP Manual Reversal TC 700(s) c. Referred TOP offset is fully reversed by a combination of TC 290/766 or 700 AND TC 899(s) d. A portion (less than the entirety) of the referred TOP offset has been reversed by TC 290/766 or 700 and/or TC 899	a. Response is BFS . Skip to instructions in Paragraph 7. b. Response is PIR . Skip to instructions in Paragraph 7. c. Response is Yes . Skip to Paragraph 7 d. Continue below to block 5

IF	Then
5. Offset is only EIP/RRC, see IRM 25.25.8.3.2, Processing Economic Impact Payment Leads to determine the taxpayer's eligibility	Response will be Yes , if the determination is the taxpayer is ineligible for the payment. See instructions in paragraph 8 Response is No if the taxpayer is determined to be eligible for the payment and there is no indication of IDT. See paragraph 7 for further instructions
6. Referred offset is from an overpayment due to subsequent payment towards a balance due where there was an abatement or removal of tax/penalties, transferred ES payment, credit elect, etc.	Review validity of the original refunding module and the offset module following instructions below (#7) and make determination.
7. a. Return is determined to be invalid per income/withholding tolerances established IRM 25.25.2.2.1(6), Data Mining Screening Tree b. Potentially frivolous claim, GATT issue, unallowable, non-eligible or inflated credit, inflated withholding, or otherwise erroneous refund c. IDT is confirmed d. Module(s) and filing contain no items of RIVO interest e. IRP data has not yet been confirmed to be 100%, and the examiner is unable to make a case determination based on the lack of IRP data on file	a. Response is Yes . See paragraph 7 for instructions. b. Response is Yes . See paragraph 7 for instructions. c. Response is Yes . See paragraph 7 for instructions. d. Response is No . See paragraph 7 for instructions. e. An interim response of " M " will be recorded in LMS and the IDOC(s) disposition as appropriate to "Verify" in EFDS. The return DLN will be captured in the "Remarks" field. See paragraph 8 for further instructions.

- (7) Based on the response to the scenarios from the table in paragraph 6 above, use the table below for case actions.

Response is	Then
Yes	<ol style="list-style-type: none"> 1. As applicable based on the return filing and module characteristics, send account for treatment/resolution. This includes EFDS/WMS and STARS updates, including any mass push and manual referral as appropriate. 2. Update OSRL LMS record: "SSN" (to match IDRS refund TIN), "IRS Response" (PIR), "IDT/Fraud for YES/PIR" (Fraud, IDT, Inj Spouse, Other), "Tax Period" (YYYYMM), SubProc Remarks (Remarks as appropriate), "Reversal Amount" (the amount of the referred offset). 3. Input a TOP Offset reversal request (for the total amount remaining available) following IRM 21.4.6.5.12.1. Note: If more than 5 years 11 months have passed since the offset date, contact the TOP Liaison (through workleader) to determine the availability of funds. If funds are no longer available, your new response is No, see box below. If funds are available, request Manual TOP Offset Reversal using the appropriate form, do not input reversal on IDRS. 4. Close any RIVO control bases related to the Lead being worked.

Response is	Then
No	<p>Update OSRL LMS record: "SSN" (to match IDRS refund TIN), "IRS Response" (No), "Tax Period" (YYYYMM), SubProc Remarks field as shown below:</p> <ul style="list-style-type: none"> Box 1 or due to the funds no longer being available as per TOP Liaison, input "Late Lead" in "SubProc Remarks" field Box 2, input "Under \$1,500 WL" in the SubProc Remarks field Box 3, input "FLEAZ" in SubProc Remarks field <p>Note: If you determined No for any other reason, no entry is required in SubProc Remarks field</p> <p>Close any RIVO control bases related to the Lead being worked.</p>
PIR	<ol style="list-style-type: none"> As applicable based on the return filing and module characteristics, send account for treatment/resolution. This includes EFDS/WMS and STARS updates, and any mass push and manual referral as appropriate. Update OSRL LMS record: "SSN" (to match IDRS refund TIN), "IRS Response" (PIR), "IDT/Fraud for YES/PIR" (Fraud, IDT, Inj Spouse, Other), "Tax Period" (YYYYMM), SubProc Remarks (Remarks as appropriate), "Reversal Amount" (the amount of the referred offset). Close any RIVO control bases related to the Lead being worked.

Response is	Then
BFS	<ol style="list-style-type: none"> 1. Update OSRL LMS record: "SSN" (to match IDRS refund TIN), "IRS Response" (BFS), "Tax Period" (YYYYMM), SubProc Remarks (Remarks as appropriate). 2. Close any RIVO control bases related to the Lead being worked.
M	<ol style="list-style-type: none"> 1. Update OSRL LMS record: "SSN" (to match IDRS refund TIN), "IRS Response" (M), "Tax Period" (YYYYMM), SubProc Remarks (Enter Return DLN). 2. Suspend case and perform follow-up every two weeks. Once your final determination has been made, take the appropriate actions described above for your Response.

(8) The designated POC will take the following actions:

1. Upload the response file to the OCSE/HHS portal within 30 days of the initial receipt of the submission.
2. Provide weekly consolidated 971/972 listings to RIVO clerical staff for GII input.
3. Process weekly Submission Processing Update file for LMS.
4. Provide Quality file to PAS staff for inclusion in NQRS review pulls.

Reminder: No information that was not originally provided by the source agency may be disclosed

25.25.8.9.1
(07-08-2020)
**Responding to Offset
Phone Inquiries**

- (1) The IRS may receive phone calls from taxpayers who were informed their refund offset was not applied to a Federal/State debt because it was returned to the IRS.
- (2) Follow the If and Then chart below, document the call in AMS and include the taxpayer's name and contact information:

If	Then
1 The module contains an unreversed TC 971 AC 134 MISC field "BKLD OFFSET"	<ul style="list-style-type: none"> Advise the taxpayer to wait 60 days from the date of the TC 971 input If over 60 days and no action is shown on IDRS, prepare Form e-4442, Inquiry Referral, to RIVO, using the referral category for RICS/RIVO External Lead
2 The module contains an open/closed control with activity "FraudCase" and category "DMFC"	<ul style="list-style-type: none"> Advise the taxpayer to allow 45 days from the receive date of the open control to receive a notice/letter requesting documentation to substantiate income/withholding claimed on the return. If over 45 days with no indication of IRS correspondence to the taxpayer, prepare Form e-4442, Inquiry Referral, to RIVO, using the referral category for RICS/RIVO External Lead.
3 The module contains a TC 972 AC 134 MISC field "BKLD OFFSET"	Advise the taxpayer the refund will offset to any outstanding debt.
4 The module contains a TC 972 AC 134 MISC field "BKLD OFFSET", with category "ELOF" and the funds are posted back to the account (TC 766 with OTN or TC 899 showing offset reversal to IRS, see IRM 21.4.6.4.2.10, TC 899, Reversal or Agency Refund of TOP Offset).	If over 15 days with no indication of RIVO action, prepare Form e-4442, Inquiry Referral, to RIVO, using the referral category for RICS/RIVO External Lead.

25.25.8.10
(10-23-2024)

Debit Card Procedures

- (1) Only questionable debit cards received at an IRS facility should be mailed in a sealed envelope to the Kansas City Service Center address listed below. Any other card (i.e., gift cards or credit cards, etc.) or correspondence not related to a questionable IRS refund, must be returned to the originator to resolve.

Exception: Pre-paid debit cards issued for Economic Impact payments, see IRM 3.8.45.19.1 (4), Repayment of Economic Impact Payments (EIP) for the address to return the card(s).

Follow PII Guidelines and reporting requirements for inadvertent unauthorized disclosures in IRM 21.3.3.4.24, Breaches of Personally Identifiable Information (PII) Caused by Manual Stuffing Errors and UPS Overnight when returning cards to the originator or to the address below:

Internal Revenue Service
Attn: RIVO External Lead Manager
333 W Pershing Rd Stop 7777
Kansas City, MO 64108

- a. RIVO reviews the cards and determine the return address of the issuing bank.
 - b. Prepare and send the debit card letter in Exhibit 25.25.8-1, Letter for Intercepted Prepaid Debit Card(s). The issuing bank's name, date the letter was sent and the volume of cards must be maintained on a spreadsheet on the Austin Shared drive in a folder labeled, Debit Cards.
- (2) Reloadit cards are used by some taxpayers to add funds, to pay their balance due. Send the taxpayer letters and Reloadit cards to the Kansas City SP Payment Processing Unit. The SP payment processing unit does not accept credit/debit cards as a valid form of payment. The Payment Processing Unit returns the debit cards to the taxpayer with an explanation of how they can pay their balance due.

25.25.8.11
(01-19-2021)
**Centralized Check
Process (CCP)**

- (1) The Centralized Check Process (CCP) inventory is worked by the Kansas City External Lead unit. The unit receives treasury check copies, third-party checks, and miscellaneous payments in the form of money orders, savings bonds, personal checks etc., from all service centers when potential identity theft (IDT) is involved. Refer to IRM 3.10.72.5.5, Extraction of Envelope Contents for Returns and Documents with Remittance and IRM 21.4.3.5.4, Returned

#

checks are mailed to:
Internal Revenue Service
Attn: RIVO External Lead Manager
333 W Pershing Rd Stop 7777
Kansas City, MO 64108

Example: A check received in a service center made payable to an individual.

Exception: Taxpayer Advocate Service (TAS) follows the Return Integrity and Compliance (RICS) Service Level Agreement (SLA) addendum procedures.

- (2) Third-party checks received expired, with Entity (name line) issues, or address changes are not worked in CCP. Return these to the originator for appropriate handling.
- (3) If documentation containing a live signature is received with the check, file the document(s) per IRM 25.25.5.2.1, General Replies to Letters/Notices and Undeliverable Mail.

- (4) When a CCP case is received, open a control to "C#,CCP,A,EVFY 148XX00003, *".

Note: If there is an open lead already, open a closed control for tracking purposes.

25.25.8.11.1
(01-30-2024)

**Returned Treasury
Checks**

- (1) If a Federal Refund Treasury Check is returned to the (IRS), verify:

- It is a Treasury check
- Taxpayer confirmed the refund issued was not theirs and identity theft (IDT) has occurred

Note: Do not send Social Security, Federal Emergency Management Agency (FEMA), and Restitution Treasury Checks to Centralized Check Process (CCP). Return these checks to the originator for appropriate handling. If there is an open control base, close with "CXX,REJECTTORI,C,EVFY"

Follow the table below.

Reminder: The POC with access to the Treasury Check Information System (TCIS), will cancel all original treasury checks received using F-stop.

If	And	Then
1 No TC 841 posted	the check has not been negotiated and identity theft documentation is attached	<p>The TE will:</p> <ol style="list-style-type: none"> 1. Input command code (CC) NOREFP for all original treasury checks received, to ensure funds are held. Use the Integrated Automation Technologies (IAT) tool “Stop Refund” and close the control base. 2. If not present, input a transaction code (TC) 971 action code (AC) 522 “WI RIVO PNDCLM” for the year you are working, see Exhibit 25.23.2-10, IMF Only TC 971 AC 522 Tax-Related Identity Theft, Case Status (Initial Claim/Submission). 3. Input TC 971 AC 134 (if not already present) and TC 971 AC 850. 4. Input a history item “DONOTRFUND”. 5. Update the control to reflect “PND841”. 6. Update Accounts Management Services (AMS) History notes to “CCP, Lead # MMDDYYYY XX XX, notate received treasury check (by e-fax or original), dollar amount, check number, and what the taxpayer states “didn’t file” etc., notate if a Form 14039, Identity Theft Affidavit is attached.” 7. Prior year processed returns not in the Scheme Tracking and Referral System (STARS) must be added to the Mass Push Spreadsheet to be updated. When adding a return to the Mass Push Spreadsheet, open a control base on IDRS to: Cxx,PNDSTARS,M,EVfy 148XX00009,*. 8. Update the Lead Management System (LMS) database. Input TC 971 AC 522 (if one does not already exist on CC ENMOD). <p>The TCIS POC will:</p> <ol style="list-style-type: none"> 9. Access TCIS and use stop code “F” to stop the check. Note: Use the address provided on the documentation from the taxpayer. If an address is not provided use the address that populates in TCIS. 10. Update the PND841 IDRS control to: “TCISCANCEL”. 11. Input the cancelled check numbers on the “Cancelled Treasury Checks” monitoring spreadsheet. 12. Send the cancelled check to Bureau of Fiscal Services (BFS), include the statement “We cancelled the check in TCIS using F-stop.” <p>Note: Stamp “VOID” on all checks if not present.</p> <p>Once the TC 841 posts, the monitoring POC working the age list will:</p> <ol style="list-style-type: none"> 13. Close the monitoring control with “841posted”. 14. Close the “PNDSTARS” control base. 15. Update the disposition return in EFDS/STARS. <p>Note: Disposition the return to “CAT 5 CL” if resolved by another function. Disposition the return to “CAT 7 CL” if identity theft resolved by Return Integrity Verification Operations (RIVO).</p>

If	And	Then
2 TC 841 posted		<ol style="list-style-type: none"> 1. Input TC 971 AC 134 (if not already present) and TC 971 AC 850. 2. Input a history item "DONOTRFUND". 3. If not already present, Input a transaction code (TC) 971 action code (AC) 522 "WI RIVO PNDCLM" for the year you are working, see Exhibit 25.23.2-10, IMF Only TC 971 AC 522 Tax-Related Identity Theft, Case Status (Initial Claim/Submission). 4. Close the IDRS control base: "C#,841POSTED,C,EVFY" 1481X00003,*. <p>Note: It is possible for the treasury check to post as a TC 740. If the credit amount for the check is on the account and the check number matches the TC 740, close the base "740POSTED"</p> <ol style="list-style-type: none"> 5. Update AMS History to "CCP, Lead # MMDDYYYY XX XX, notate received treasury check, (by e-fax or original), dollar amount sent to BFS, indicate what TP states such as "didn't file" etc., notate if a Form 14039, Identity Theft Affidavit is attached." <p>Note: Disposition the return to, "CAT 5 CL" if resolved by another function. Disposition the return to "CAT 7 CL" if resolved by RIVO</p> <p>Note: If IDT and the money is posted, push the return to scheme and refer through STARS as "CAT 7 CC".</p> <p>Note: When pushing to Scheme, for source use the service center on the attached Form 3210, Document Transmittal. If no Form 3210 is attached, use the source "OTHER".</p> <p>Note: Add prior year processed returns (if not already in STARS) to the Mass Push Spreadsheet to be updated. When adding a return to the Mass Push Spreadsheet, open a control base on IDRS to: Cxx,PNDSTARS,M,EVFY 148XX00009,*</p> <ol style="list-style-type: none"> 6. If indications of Identity theft, input TC 971 AC 522 if one does not already exist on CC ENMOD. 7. Import/Update LMS.

25.25.8.11.2
(01-30-2024)

Third-Party Checks or Miscellaneous Repayments

- (1) If a third-party check or miscellaneous repayment is received at an IRS facility, verify that:

Example: Financial Institution issues a check to an individual instead of Department of Treasury or IRS, a money order, etc.

- It is not a Treasury check
- The taxpayer indicates that the refund issued is not theirs
- The taxpayer indicates the refund should not have been deposited to their account

Original third-party checks are sent to the External Lead Program at:
Internal Revenue Service
Attn: RIVO External Lead Manager
333 W Pershing Rd Stop 7777
Kansas City, MO 64108

- (2) Work third-party checks and recovered miscellaneous funds as an External Lead deposit.
- (3) For third-party checks received, the RIVO POC will e-mail a copy of the original check to the issuing financial institution using the appropriate script to request that the funds be returned with a check payable to IRS or Department of the Treasury. See the RIVO Portal *External Lead* page for the appropriate script.
- (4) Follow the If/And/Then chart for completing Centralized Check Processing (CCP) for third-party checks and/or miscellaneous repayments:

If	And	Then
<p>1 Check(s) is made payable to a 3rd Party</p>		<ol style="list-style-type: none"> 1. Input TC 971 AC 134 (if not already present) and TC 971 AC 850. 2. Input a history item "DONOTR-FUND". 3. Update the IDRS control to: "3RDPRTYCK" and then update to "PND\$AMT". 4. If there are indications of identity theft, input a TC 971 AC 522, "WI RIVO PNDCLM", if it's not already present for the year you are working, see Exhibit 25.23.2-10, IMF Only TC 971 AC 522 Tax-Related Identity Theft, Case Status (Initial Claim/ Submission). <p>Current processing year return or the return is already in STARS:</p> <ol style="list-style-type: none"> 5. Update the return disposition to "CAT 7 CC". Update the disposition to "CAT 5 CL" if resolved by another function, or "CAT 7 CL", if identity theft was resolved by RIVO. <p>Prior processing year return:</p> <ol style="list-style-type: none"> 6. Complete the mass push template and open a control base to "C#,PNDSTARS,M,EVfy 148XX00009,". 7. Input the notes in EFDS and AMS, see IRM 21.2.2.4.5, Account Management Services (AMS). Include in the notes "CCP, Lead # MMDDYYYY XX XX, received (original or efax of check) 3rd party check (Bank's name) check #XXX \$XXX.XX, returned to bank, requesting funds, TP statement (i.e., statement from the taxpayer IDT, erroneous refund, F14039, etc.)." 8. Monitor the "EVfy" control base. <p>Note: Funds returned for 3rd Party checks are worked as an ELP deposit.</p>

If	And	Then
2 Check(s) is made payable to a 3rd Party	If no response received after 45 days	The monitoring POC working the age list will: <ul style="list-style-type: none"> • Send a follow up e-mail to re-request the funds. Use the appropriate script, see the <i>External Lead Feedback Script</i> posted to the RIVO Portal page. Allow an additional 15 days for a response. • Update the IDRS control base "PND\$AMT" to "45FOLLOWUP". • Update AMS History note to, "CCP Lead #45 day follow up e-mail sent".
3 Check(s) is made payable to a 3rd Party	If no response received after an additional 15 days from the follow-up e-mail	The monitoring POC working the age list will: <ul style="list-style-type: none"> • Update AMS History note to, "No funds returned", as applicable. • Close the IDRS "45FOLLOWUP and" control base with, "NOFNDSTRTND,C".

If	And	Then
4 Miscellaneous Repayment Check or money order is made payable to: <ul style="list-style-type: none"> • US Treasury • United States Treasury • Internal Revenue Service • Department of the Treasury 	a. There is RIVO activity (RIVO transactions, letters, or freeze conditions) b. A Form 14039, Identity Theft Affidavit is attached, OR c. Correspondence indicates identity theft	1. Input TC 971 AC 134 (if not already present) and TC 971 AC 850. 2. Input a history item "DONOTR-FUND" 3. Update the Open an IDRS control base to: "PNDMISCK" 4. If there are indicators of identity theft for the tax year you are working, input a TC 971 AC 522 "WI RIVO PNDCLM", if not already present for the year you are working, see Exhibit 23.2-10, IMF Only TC 971 AC 522 Tax-Related Identity Theft, Case Status (Initial Claim/Submission) Current processing year return or already in STARS: 5. Update the return disposition to "CAT 7 CC.". Update as "CAT 5 CL" if the account is resolved by another function. If identity theft, and the account will be resolved by RIVO, update the return disposition to "CAT 7 CL". Prior processing year return: 6. Complete the mass push template and open a control to "C#,PNDSTARS,M,EVfy 148XX00009,*". 7. Update AMS History note to, "CCP, Lead # MMDDYYYY XX XX, received (personal check, money order, cashier's check) Check #XX \$XXX.XX, sent to payment processing. TP states... (i.e., IDT, erroneous refund, F14039, etc.)."

25.25.8.12
(06-14-2023)

**Reject Reason Code
17/18/19 Transcripts**

- (1) Beginning January 2013, an Opt-In Program developed by the IRS, Department of Treasury Bureau of Fiscal Services (BFS) and the National Automated Clearing House Association (NACHA) repurposed reject reason code 17 to allow the IRS a dedicated return reason code to reject ACH direct deposits associated with name mismatches, ID theft, and questionable fraud returns. All rejects are identified for this program as reject reason code 17. However, the addendum record field, when completed, provides the specific reason for the rejected direct deposit. Paragraphs 2, 3, and 4 provides details for each addendum record.

- (2) Financial Institutions use Reject Reason Code 17, Addendum Record 17 (R17), to reject current year direct deposit refunds when the name/taxpayer identification number (TIN) listed on the Treasury Automated Clearing House (ACH) file for the tax refund does not match the account holder information in the bank's records. R17 rejects post to IDRS with a TC 841 DLN ending in "77711" and a control base with an assigned number of "1487111117". Taxpayer receives a *CP 53A*, Attempt to Direct Deposit Your Refund, Could Not Be Processed. A Paper Check Will Be Issued. A Reject Reason Code 17 REFC (refund cancellation) will generate when one or more of the following situations occur in banking filters:
- The last name on the account (account holder) does not match the name on the return.
 - Multiple named federal tax refunds deposited into single accounts or multiple accounts.
 - Multiple tax refunds for multiple taxpayers going into a single account without any established relationship.
 - Full and partial name mismatches where a relationship to the account holder is not established.
 - TIN on account does not match return information.
 - There is no exact match of the entity information and efforts to reconcile joint filers is exhausted.
 - The IRS requests funds back as part of a recovery attempt. These funds may come back as either a paper check or a deposit. These accounts contain a TC 971 AC 123 with MISC field "TPP Recovery".

Reminder: The initial notice advises the taxpayer to wait 10 weeks prior to calling regarding their refund.

- (3) Financial institutions use Reject Reason Code 17, Addendum Record 18 (R18) to reject current year direct deposit refunds when the bank determines the tax refund is identity theft. R18 rejects post with a TC 841 DLN ending in "77712" and a control base with an assigned number of "1487111118". Notice *CP 53B*, "Direct Deposit Rejected Financial Institution - Refund Check Mailed", is mailed to the taxpayer.

Reminder: The initial notice advises the taxpayer to wait 10 weeks prior to checking on the status of their refund.

- (4) Financial institutions use Reject Reason Code 17, Addendum Record 19 (R19) to reject current year direct deposit refunds when the bank determines the account holder's tax refund is fraudulent. R19 post with a TC 841 DLN ending in "77713" and a control base with an assigned number of 1487111119. Taxpayer is mailed a *CP 53C*, Direct Deposit Rejected by Financial Institution -Refund Check Mailed.

Reminder: The initial notice advises the taxpayer to wait 10 weeks prior to checking on the status of their refund.

- (5) Subsequently a refund cancellation R17 transcript listing generates to Return Integrity Compliance Services (RICS) External Leads for workload distribution and refund verification. The refund will be released or held upon the completion of the review. If held the return will be referred to the appropriate treatment stream.

Exception: Do not release accounts containing a TC 971 AC 123 with MISC field “TPP Recovery.” Disposition to PS 30 once the recovered funds post, unless research shows the account is already adjusted to the good taxpayer’s figures.

25.25.8.12.1
(10-23-2024)

**Reject Reason Code R17
Procedures**

- (1) The External Lead NACHA Group pull Control D reports for the most recent date for R17, R18, and R19. The files are saved as a text file in their respective folders.
- (2) Input EFDS return note **BKL-RXX** (XX= Reject Reason code 17/18/19) on all returns using CASE.
- (3) Complete the following steps after the files are saved.
 - a. Use the Access Database and NACHA Import Template for the initial import of the new NACHA leads into LMS. Update each lead with the Lead Type, Total Amount Available for Recovery, and Site.
 - b. Assign each lead to “NACHA, NULL” in LMS.
 - c. Export the spreadsheets for all the leads imported and save in a working folder until Step e-h.
 - d. If there were R18’s received, send those returns to ACE/ADJ with the note “RIVO EL IDT BKLD” and input NACHA note “BKL - R18”. Update LMS as TPP and put in Suspense.
 - e. Create an Excel file for the week’s NACHA inventory received, to send to FRE. Apart from **R18s**, there should be a tab for each reject code, and within that tab include the lead number, SSN, and tax period for every account received for that reject code.
 - f. Save this file in the designated folder for FRE and then email the POCs to let them know the file is ready.
 - g. Using the file returned from FRE, fill out the LMS spreadsheets that you saved in Step c. Input all DLN’s, including the ones with no Results. Update all Good returns in LMS and move them to complete. Returns marked as FRE PS30 need to be placed into Suspense with a note stating TPP. What remains will be saved in the NACHA Fall Out folder to be assigned to the TE’s.
 - h. Close all controls on the PS 30 tab from FRE.

Reminder: FRE will take the actions to release the refunds from the list of returns they determined were valid.

- (4) The results from FRE, saved in the NACHA Fall Out folder, must be manually screened by the TE assigned the cases. Follow IRM 25.25.2.2, Data Mining Screening, to assist in making a determination and follow the procedures in the table below to determine the appropriate EFDS process status and account resolution actions.

#

- a. Review EFDS to aid in determining a pattern.
- b. Identify any previous IDRS reversal adjustments on the account.
- c. Review the account for Exam activity (TC 42X, -L freeze etc.)

Note: If Exam closed their audit and allowed a 'no-change' determination (TC 300.00 with no other credit reversals), consider the return valid as filed and do not request funds back from the financial institution. If the funds were already returned, release the funds.

- d. Search entity modules for indications of identity theft such as a previously posted TC 971 with Action Code (AC) 5XX. See IRM 3.5.20.2.8.1, Identity Theft Indicator.
- e. Review referral procedures in IRM 25.25.8.4 paragraph 7, if **no** identity theft indicators are present and the taxpayer claimed either the **Fuel Tax Credit** and/or **COVID Sick Leave Credit** on their return.
- f. Review IDRS for any payments (TC 610, TC 670, TC 430, TC 716, etc.).
- g. Review account for any balance due conditions (this may indicate other actions taken on the account).
- h. Review IDRS for extension to file (TC 460).
- i. Review EFDS notes for indication of previous RIVO involvement.

Note: Search for open issue or previously verified good through contact employer.

Note: Any IDOC on CC IRPTR containing the warning statement, WARNING - "POTENTIAL FRAUDULENT PAYER TIN" OR "WARNING - POTENTIAL FRAUDULENT SUBMISSION" and any IDOC with the notes in "EFDS, PATMAT-SUS IRP", "FABRICATED ENTITY", or "NO EMPLOYEES", should be considered falsified information and not used to verify wages and withholding.

Reminder: Research to establish whether the return is IDT or Non-IDT. **RIVO DOES NOT AUDIT** returns.

(5) Follow the table below the determination is made:

If	And	Then
1 The return is good	filed by the TIN owner	<ul style="list-style-type: none"> a. Re-file the return in EFDS. b. Input TC 971 AC 850. c. Release the refund inputting a TC 290.00 with a Priority Code (PC) 1 and a Posting Delay Code (PDC) of 1. d. Close all RIVO controls. <p>Note: Release valid returns en masse weekly.</p>

If	And	Then
2 The return is probable IDT or the refund was rejected using return reject reason code 17 addendum record 18	the full TC 846 was returned	<ul style="list-style-type: none"> Disposition the return to Ace Adjustments (PS 30) Exception: If the return has previously been through the TPP process, the return cannot be put back through the TPP process unless the module contains TC 971 AC 123 MISC field "TPP RRP". Input an EFDS return note of "RIVO EL IDT BKLD" Close all RIVO controls
3 TPP results shows the taxpayer return was authenticated as indicated by a posted a TC 972 AC 121, 124 or 129		<ul style="list-style-type: none"> Review the account to determine if other fraud issues exist before releasing the refund. See screening procedures in paragraph 4 of IRM 25.25.8.12.1, Reject Reason Code R17 Procedures. If no other fraud is found, see the procedures in 1 above in this table. If other fraud is found, work per the guidance in IRM 25.25.2.2, Data Mining Screening.
4 The return is considered IDT	the full TC 846 is not returned Exception: If the account contains a TC 971 AC 123 with MISC field "TPP Recovery", then treat as in box 2 above	<ul style="list-style-type: none"> Push to Scheme and update the category and disposition to the appropriate identity theft Triage Category per IRM 25.25.5-1, Triage Procedures If completed en masse, update to "CAT 1" Input an EFDS return note of "RIVO EL IDT BKLD" Close all RIVO controls
5 The return is questionable	is an electronic filed return	<ul style="list-style-type: none"> Update disposition in EFDS as appropriate Close any RIVO open IDRS control bases

(6) Follow the table below for paper returns:

If	Then
1 A paper return	<ul style="list-style-type: none"> Request the return from files Input CC ESTABD Update activity to "ESTAB1"
2 If more than 14 days have passed	<ul style="list-style-type: none"> Initiate a second request using CC ESTABV to expedite the request Update the activity to "ESTAB2"
3 The return is received on the second request	<p>Input the IDOC information in EFDS and disposition the return as appropriate.</p> <p>Note: If pushed to verification, add to manual verification spreadsheet.</p>
4 The return is not received on the second request	<ul style="list-style-type: none"> Push the return to Scheme Include a return note in EFDS stating "paper return – not received"

- (7) If there is a duplicate Filing Condition on CC TXMODA indicated by a –A Freeze:
- Suspend the case, update control base to B status and update the activity to "SUSPNCE2AM".
 - When Accounts Management (AM) work is complete, they update the control activity to "DUPWKD".
 - RIVO then monitors for the activity update and inputs a TC 290.00 with PC 1 and closes the control base.

25.25.8.13
(02-09-2024)

Reject Reason Code R23 Procedures

- Financial Institutions use reject reason code 23 (R23) to indicate when a customer advise the bank, they are not entitled to the refund deposited. These will be identified on IDRS CC TXMODA with blocking series number, **77714** contained in the DLN. R23, will generate notice CP-53B.
- Pull Control D files for NACHA and save as a text file in the appropriate reject folder.
 - Import files into LMS using the NACHA Import Template. The lead number is the date on the text file followed by the sequence received that day and the NACHA reject code, i.e., 031918 01 R23.
 - Update the records in LMS by notating as NACHA, input the total dollar amount on the Control D file in the "Total Amount Available for Recovery" box and assign to Cincinnati.
 - Add R23 returns to Case and add note **BKL - R23**.
- Send R23s received to ACE/Adjustments and input the "BKL - R23" note along with the "RIVO EL IDT BKLD" note.

Reminder: Returns refiled by TPP, can go through the TPP process again if its due to a lost refund.

Note: If the TPP results show the return was authenticated as indicated by a posted TC 972 AC 121, 124 or 129, conduct additional research to determine if other fraud exist before releasing the refund. See IRM 25.25.2.2, Data Mining Screening.

- (4) Separate the results in two tabs, **TE & Valid**. Run the DLNs through SNAP to determine which accounts have split refunds. Load the accounts that do not contain split refunds on the TE tab in Case, and anything that has not been previously disposition will be sent to ACE/ADJ with the appropriate note "RIVO EL IDT BKLD". Leave returns with the disposition SCHEME/Verification alone, and send returns in any other process besides Re-file to ACE/ADJ. Review returns in re-file to determine:

If	And	Then
Disposition is valid	lost refund	Check validity and disposition appropriately
Disposition is valid	the return is valid	<ul style="list-style-type: none"> Load into CASE and review any previous dispositions Caution: These could be IDT returns. Run the returns through a CC IMFOLT and CC TXMODA GII to find out which accounts still have a credit balance and which accounts still have an open control base Close all control bases using Access/Macros & GII Release these refunds with a TC 971 AC 850 Re-file (need to show re-filed by a NACHA TE)

25.25.8.14
(02-09-2024)

Undeliverable Refunds

- (1) Undeliverable refunds involve paper checks returned as undeliverable that were prior R17, R18, R19 rejects and R23. Fraud Referral and Evaluation (FRE) team, compiles a listing of these checks for RIVO to review the account and determine if it meets IDT characteristics. Follow the chart below to determine the applicable action to take:

If	And	Then
1 Meets IDT characteristics for a current processing year	full amount of over-payment returned	Push through manual TPP process to PS 30 with the specific bank lead EFDS note.
2 Meets IDT characteristics for a prior processing year	full amount of over-payment returned	push to STARS and update as CATG "7" Disp "MR".
3 Meets IDT characteristics for a current processing year	partial refund returned (i.e., split payment and only one TC 846 was returned as undeliverable)	push to STARS and update as CATG "7" Disp "MR".
4 Meets IDT characteristics for a prior processing year	partial refund returned	push to STARS and update as CATG "7" Disp "MR".
5 Does not meet IDT characteristics		Take no action.
6 IDT characteristics cannot be determined		FRE monitors for 60 days. If the S freeze is unresolved, push to STARS, update to Cat 7 and the applicable disposition.

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Exhibit 25.25.8-1 (07-08-2020)**Letter for Intercepted Prepaid Debit Card(s)****Letter for Intercepted Prepaid Debit Card(s)****DEPARTMENT OF THE TREASURY****INTERNAL REVENUE SERVICE****ATLANTA, GA 30308****Financial Institution****PO Box 12345****Anywhere USA****By :e-mail/mail/fax****Re: Intercepted Prepaid Debit Cards**

The U.S. Postal Inspection Service notified us that it suspected that prepaid debit cards you issued were used to receive fraudulent Federal tax refunds. The U.S. Postal Inspection Service intercepted these cards from the mail and provided them to our agency. We are returning these cards to you as the identified issuing institution.

We wish to investigate whether any Federal tax refunds were deposited to the prepaid debit cards returned to you to ensure that we recover all refunds that are improper Federal payments. This letter is our request for your assistance with the investigation.

The Federal Right to Financial Privacy Act, as amended in 2008, authorizes you to assist us by providing financial records, upon request, when we are investigating or recovering an improper Federal payment. In accordance with 12 U.S.C. 3413(k)(2)(B), we request that you provide us with the direct deposit (routing and deposit account) numbers, Federal tax refund amounts, date of deposit or ACH transfer, and Social Security Number reported by the Treasury Financial Management Service on the ACH file for each Federal tax refund deposit that posted to the cards returned to you so that we may match this information against our records. Our request for direct deposit numbers is focused on the numbers your customer would enter on a Federal tax return to direct a refund to the card.

We ask that you provide this response in spreadsheet format within 20 days from the date of this letter by secure email to efleads@irs.gov with a subject line following this format: Intercepted Prepaid Debit Cards, [Your Name], [Date]. Please direct any questions about this request to the same email address.

We may later request that you return to us any refunds you identify to the extent that funds remain in the accounts you identify. We may also request your best efforts to protect the funds in any accounts by stopping the re-issuance of these cards and refusing any further withdrawals or payments requested by the cardholder.

We appreciate your assistance in this matter.

Sincerely,

Denise D. Davis

Exhibit 25.25.8-1 (Cont. 1) (07-08-2020)

Letter for Intercepted Prepaid Debit Card(s)

Letter for Intercepted Prepaid Debit Card(s)

Director, Return Integrity Operation

Exhibit 25.25.8-2 (11-20-2020)**External Lead Involvement Indicators**

The following chart contains the Integrated Data Retrieval System (IDRS) control bases and history items indicating External Lead involvement.

1 IDRS Activity and Control number	Description
2 "BKLD" (148XX00001)	An External Lead was received.
3 "REQFUNDS" (148XX00002)	IRS requested the funds (refund) from the financial institution.
4 "PND841BFS" (148XX00003)	Federal Refund Treasury Check received. Wait for TC 841 to post back funds.
5 "BKLDCKRECD" (148XX00004 or 148XX00007)	IRS received the funds (refund), the amount returned typically is less than the TC 846 due to bank fees.
6 "BKLCOMNGLD" (148XX00004 or 148XX00007)	IRS received the funds (refund) but is unable to determine the dollar amount to apply to this account or the account was previously adjusted, and the refund covered up with a TC 841. These funds are placed in a general ledger account.
7 "NOFNDSAVLB" or "NOFNDSRTND" (148XX00004 or 14XX00007)	No funds (refund) are available to be returned to the IRS or no funds returned (no response from the bank)
8 "BKLDACHREV" (148XX00005)	Automated Clearing House (ACH) Reversal associated to an External Lead.
9 "VALID150" (148XX00007)	When TC 720 posts, refund will be released.
10 "DONOTRElse" or "DONOTRFUND" (148XXXXXXX)	TC 720 or TC 841 posted, and refund should not be released without approval from RIVO.
11 "PNDSTARS"(148XX00009)	Suspend until return has been pushed to STARS and can be referred
12 "FRAUDCASE", with Category code "ELOF" (148XX00012)	Suspend until offset reversal posts back to the account (TC 899)
13 "BKLD OFFSET"	There is a potential for an offset reversal based on account review
14 "3RDPRTYCK"	Third-party check received that has not posted.
15 "PNDMISCK"	Payment received to repay a refund received in error.

Exhibit 25.25.8-2 (Cont. 1) (11-20-2020)
External Lead Involvement Indicators

1 IDRS Activity and Control number	Description
16 "720PENDING"	Waiting for the posting of the TC 720. Funds to post back to the account
17 "PND722"	Waiting for the TC 722 to post
18 "722POSTED"	The TC 722 posted
19 "PND841" assigned to 148xx00014	Waiting for the posting of the TC 841. Funds to post back to the account.
20 "PND841" assigned to 148xx00017	Waiting for the posting of the TC 841. Funds to post back to the account.
21 "ALTEREDCK" assigned to 148xx00003	The refund check has been altered. i.e., money amount changed, name changed etc.,
22 "841POSTED"	Funds have posted back to the account.
23 "TCISCANCEL"	A treasury check has been canceled through TCIS and is waiting for the TC 841 to post to the account.
24 "PNDMISCK"	A miscellaneous payment was received from the taxpayer to repay the refund. Waiting for the posting of the payment.
25 "BKLDERROR"	A control was opened in error.
26 "RFNDNOTHLD"	The refund was not held.
27 "REJECTTORI"	Reject the case back to refund inquiry.
28 "740POSTED"	The TC 740 posted to the account.
29 "720POSTED"	The TC 720 has posted to the account.
30 "NOTIRSFNDS"	The funds were not issued by IRS and they are not being requested back from the financial institution.
31 "DECEIP"	A lead involving a deceased taxpayer who received an Economic Impact Payment.
32 "IDTEIP"	A lead involving an Economic Impact Payment that has an indicator of identity theft.

Exhibit 25.25.8-3 (02-15-2017)**Recovery from Third Party Check Letter**

Recovery from Third Party Check Letter
DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
ATLANTA, GA 30308
Date
Financial Institution
Address
City, ST Zip code
By: mail
Re: Recovery from Third Party Checks
We received third party checks that we believe were issued by you in connection with the filing of federal tax returns claiming a fraudulent tax refund. We are returning these checks to you as the identified issuing institution.
We wish to investigate whether any federal tax refunds were deposited to the accounts of the checks we have returned to you to ensure that we investigate and recover refunds that are improper federal payments. This letter is our request for your assistance with the investigation.
<p>The Federal Right to Financial Privacy Act, as amended in 2008, authorizes you to assist us by providing financial records, upon request, when we are investigating or recovering an improper federal payment. In accordance with 12 U.S.C. 3413(k)(2)(B), we request that you provide us with the following information about federal tax refunds that posted to the accounts related to the checks we are returning to you:</p> <ul style="list-style-type: none"> • Direct deposit (routing and deposit account) numbers, • Federal tax refund amount, • Date of deposit or ACH transfer, • Name reported on the ACH file, and • Social Security Number reported on the ACH file
Our request for direct deposit numbers is focused on the numbers your customer would enter on a federal tax return to direct a refund to your bank. We welcome additional information, such as the account or customer reference number, that will assist us in communicating with you about these refunds.
We ask that you create an electronic spreadsheet listing only suspect refunds that posted to accounts that currently have a positive balance. If there is no chance of returning any part of a refund, please exclude the refund from your spreadsheet. We ask that you provide the spreadsheet within 30 days from the date of this letter by secure email to efleads@irs.gov with a subject line following this format:
Recovery from Third Party checks, [Your Financial Institution Name], [Date]

Exhibit 25.25.8-3 (Cont. 1) (02-15-2017)
Recovery from Third Party Check Letter

Please mention this letter in the email body and include information about a point of contact at your institution. Please describe any potential patterns or trends of improper payment revealed by federal refunds you received, even if related to accounts with a zero balance or other accounts at your institution. If you include details about these other accounts, please make clear that you are not offering to return funds from those accounts, for example by listing the current balance on each account. You do not need to provide any detail if you are already working with another IRS office to report potential refund fraud.

We may later request that you return to us any refunds you identify to the extent that funds remain in the account. We may also request your best efforts to protect the funds in any accounts by stopping the re-issuance of these checks and refusing any further withdrawals or payments requested by the account holder.

Please direct any questions about this request to efleads@irs.gov.

We appreciate your assistance in this matter.

Sincerely,

Denise D. Davis

Director, Return Integrity Operation