



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

25.25.8

NOVEMBER 16, 2023

## EFFECTIVE DATE

(12-12-2023)

## PURPOSE

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

## MATERIAL CHANGES

- (1) IRM 25.25.8.1.7(3) - Added instructions to re-emphasize the importance of timely providing banks with the acknowledgement script since External Lead inventory is time sensitive. IPU 23U0728 issued 06-14-2023.
- (2) IRM 25.25.8.2(1) - Rewrote this subsection to emphasize the importance of mailbox personnel reviewing the emails received daily and getting them categorized so Tax Examiners and/or Analysts can work the accounts as expeditiously as possible. IPU 23U0728 issued 06-14-2023.
- (3) IRM 25.25.8.2(2) Row 6 - Added instructions for follow up emails sent to mailbox so TEs can quickly respond and therefore reduce escalations. IPU 23U0860 issued 07-31-2023.
- (4) IRM 25.25.8.2(2) - Created a table that incorporated the various scenarios, notes, and responses found in paragraphs 3-7 so that Tax Examiners could identify more efficiently the appropriate action to take based on the case scenario. IPU 23U0728 issued 06-14-2023.
- (5) IRM 25.25.8.2(3 -7) - Removed these paragraphs and incorporated them into IRM 25.25.8.2(2) to make it easier for the mailbox employee to identify the scenario and respond accordingly. IPU 23U0728 issued 06-14-2023.
- (6) IRM 25.25.8.2.1(3) - Re-wrote sentence to include the hyperlink to the script referenced as it was not previously included and will now save time when a Tax Examiner needs to send it. IPU 23U0728 issued 06-14-2023.
- (7) IRM 25.25.8.2.1(5) - Added missing instructions to updating Lead Only cases to a Completed status in the Lead Management Database. IPU 23U0952 issued 09-12-2023.
- (8) IRM 25.25.8.2.2 - Clarified, per feedback from an External Lead program review, what an ACH Reversal is and the importance of addressing this type of lead as a priority since delayed response could result in a loss of revenue. IPU 23U0728 issued 06-14-2023.
- (9) IRM 25.25.8.2.3 - Rewrote the definition of an altered check for clarity, and clearly identified the modifications that causes a check to be considered altered. IPU 23U0728 issued 06-14-2023.
- (10) IRM 25.25.8.2.4 - Revised the paragraph to categorize the other types of inquiries sent to the mailbox and how mailbox personnel should respond. Reclamation claims and indemnification requests were added since there weren't clear directions on how these inquiries should be worked. IPU 23U0728 issued 06-14-2023.
- (11) IRM 25.25.8.2.4.1 - Added a new subsection for reclamation claim inquiries since the IRM lacked sufficient guidance for working them. IPU 23U0728 issued 06-14-2023.
- (12) IRM 25.25.8.2.4.2 - Added a new subsection for Indemnification requests since the IRM previously did not provide guidance on how these should be worked. IPU 23U0728 issued 06-14-2023.

- (13) IRM 25.25.8.3(5) - Rewrote the instructions to emphasize the requirement to use the EL IAT tool to complete reviews as this was causing delays in making determinations on large cases. Also, a Reminder was added to make sure controls are placed on all applicable accounts so that those who need to research them are aware that the case is assigned to the External Lead program. IPU 23U0283 issued 02-21-2023.
- (14) IRM 25.25.8.3(7) - Added a Reminder to make sure it is understood that all employees are not authorized to issue indemnification letters or scripts, since this resulted in a NQRS error issued. IPU 23U0728 issued 06-14-2023.
- (15) IRM 25.25.8.3(7) - Added a Note for TEs to use when an indemnification letter is not required as this information was not known when accounts were reviewed. IPU 23U0283 issued 02-21-2023.
- (16) IRM 25.25.8.3(7) Row 1 - Added a condition to specify the guidance should only be applied to returns determined to be questionable so valid returns will not be delayed from being released or commingled. IPU 23U0115 issued 01-17-2023.
- (17) IRM 25.25.8.3(7) Table Row 9 - The name of the script that was previously issued for leads coming from CI and SBSE was revised and so the title was updated to reflect the current title. Also, the guidance was re-written to emphasize the importance of making sure CI and SBSE personnel are copied on all communications. IPU 23U0728 issued 06-14-2023.
- (18) IRM 25.25.8.3(7) Table, Row 10 - Removed the procedures pertaining to the actions required when funds are recovered and need to be processed. IPU 23U0974 issued 09-25-2023.
- (19) IRM 25.25.8.3(7) Table Row 11 - Removed these procedures as they no longer complied with current procedures for Frivolous Filer program referrals involving returns claiming certain social media scheme credits. IPU 23U0974 issued 09-25-2023.
- (20) IPU 23U0974 issued 09-25-2023 IRM 25.25.8.3(7) Table Row 12 - Row 12 will replace the deleted row 11. Updates were also made to remove the guidance referring to the actions to take after funds are recovered. Those procedures are covered under processing a deposit.
- (21) IRM 25.25.8.3(7) Row 12 - Added a row to address procedures to comply with Frivolous Filer Program guidelines implemented for referring returns claiming the FTC on returns screened regardless of the amount claimed. IPU 23U0952 issued 09-12-2023.
- (22) IRM 25.25.8.3(8) - Rewrote the paragraph to make sure TEs understand the table covers actions to take once the indemnification letter is issued, as oppose to focusing solely on the actions required after 45 days. IPU 23U0860 issued 07-31-2023.
- (23) IRM 25.25.8.3(8) - Added a new paragraph to incorporate procedures that align with processing an external lead versus monitoring them. IPU 23U0728 issued 06-14-2023.
- (24) IRM 25.25.8.3.1 - Revised altered check procedures to streamline steps, and to incorporate changes to BMF altered check procedures. The email address to forward altered checks to TIGTA was restricted as TIGTA advised it should not be made publicly available. IPU 23U0728 issued 06-14-2023.
- (25) IRM 25.25.8.3.1(1) - Added procedures to address the gap in creating a lead number for leads involving BMF altered check cases. IPU 23U0115 issued 01-17-2023.
- (26) IRM 25.25.8.3.1(3) - Revised the sentence to make sure the procedures in the table only apply to IMF altered checks versus BMF altered checks. IPU 23U0728 issued 06-14-2023.

- (27) IRM 25.25.8.3.1(3) Row 3 - Added a missing requirement, that potentially could have resulted in loss revenue, to request for funds to be returned on good returns where the check was altered. IPU 23U0728 issued 06-14-2023.
- (28) IRM 25.25.8.3.1(3) Row 2 - Added to the current condition, procedures to address the handling of altered checks involving prior year returns and how to get them in STARS as this was not addressed previously. IPU 23U0115 issued 01-17-2023.
- (29) IRM 25.25.8.3.2(1) - Due to an error issued for requesting a questionable EIP be returned, a Note was added to advised TEs that eligibility requirements will not be considered when told the EIP check was stolen or altered. IPU 23U0860 issued 07-31-2023.
- (30) IRM 25.25.8.3.3 - Consolidated and transferred from the alpha list to a table, the BMF External Lead procedures so TEs could quickly identify the actions needed to resolve the case. Also, research procedures were added to reduce the response time for requesting refunds on referrals sent to Entity Fabrication. IPU 23U0860 issued 07-31-2023.
- (31) IRM 25.25.8.3.3(1) d - Revised the BMF referral procedures to align with the agreement on how BMF Entity Fabrication would like to receive the referrals. IPU 23U0283 issued 02-21-2023.
- (32) IRM 25.25.8.3.3(1) - Added a reference link to direct TEs to address, if received, the altered check before proceeding with procedures for working the BMF lead. IPU 23U0115 issued 01-17-2023.
- (33) IRM 25.25.8.3.3(1) - Added instructions to require a TE to do some pre-screening for fabricated entity markers to reduce the suspense time while waiting for Entity Fabrication to advise if the funds should be recovered. IPU 23U0974 issued 09-25-2023.
- (34) IRM 25.25.8.3.3(1) Table - Revised the table to include instructions for researching previously identified Entity Fabricated cases, and the procedures to address them. Also, additional instructions for processing BMF leads were added to the table to comply with BMF referral procedures. IPU 23U0974 issued 09-25-2023.
- (35) IRM 25.25.8.3.3(2) - Removed the paragraph and table since the procedures were revised and then added to paragraph 1 of this subsection. IPU 23U0974 issued 09-25-2023.
- (36) IRM 25.25.8.3.3(2) - Created a new paragraph to streamline steps involved in processing a BMF Lead. Also, a timeframe for responding to BMF leads was added since these leads are referred to another department to determine if funds should be recovered. IPU 23U0728 issued 06-14-2023.
- (37) IRM 25.25.8.4(1) - Added a table to consolidate the various Reminders and Exceptions which was causing some delays when TEs had to work certain deposits. Also, additional guidance was added to remind TEs of the importance of CMODEing to the correct service center campus as mistakes were causing transaction failures when posting payments manually. IPU 23U0728 issued 06-14-2023.
- (38) IRM 25.25.8.4(1) - Added an Exception to address how to process leads involving more than 6 refunds due to the limitations of the EL IAT tool. IPU 23U0115 issued 01-17-2023.
- (39) IRM 25.25.8.4(1) - Changed the attribute Note and Exception as they were not applicable for the guidance TEs needed to follow when working cases. IPU 22U1185 issued 12-13-2022.
- (40) IRM 25.25.8.4.2(1) - Edited the sentence to advised that the programming issue causing the TC 720 payments to go unpostable, was fixed. Also, a note was added to remind everyone the workaround will still be used because the update only impacted payments effective cycle 202326. IPU 23U0860 issued 07-31-2023.

- (41) IRM 25.25.8.4(2) - The guidance was moved to the table in IRM 25.25.8.4(1) to be worked as this scenario was more appropriate to be worked as a deposit requiring special handling. IPU 23U0728 issued 06-14-2023.
- (42) IRM 25.25.8.4(7) table row 8 - Corrected the guidance for FTC claims that had TEs instructed TEs to disposition prior year returns in EFDS when they should have been manually referred. Updates were also made to row 7 and 9 to correct the disposition process status for current year returns being referred to Frivolous Filer. IPU 23U1021 issued 10-19-2023.
- (43) IRM 25.25.8.4(7) Row 7-10 - Procedures for working social media scheme returns (i.e., FTC and Sick Leave Credit) were updated to comply with current procedures for Frivolous filer referrals. IPU 23U0974 issued 09-25-2023.
- (44) IRM 25.25.8.4(7) Row 13 - Added missing requirement to update the Deposit Information in LMS when processing the BMF deposit. IPU 23U0860 issued 07-31-2023.
- (45) IRM 25.25.8.4.2 - Changed the title to make it more specific to its purpose; monitoring payments processed versus deposit. Also due to the programming issue resulting in TC 720 payments going unpostable, stakeholder escalations, as well as monitoring deficiencies discovered during a program review, instructions were added to make sure RIVO tracks their payments to reduce some of these issues. IPU 23U0728 issued 06-14-2023.
- (46) IRM 25.25.8.4.2 - Clarified the guidance provided to assure TEs are aware the focus of the subsection is to monitor for unpostable transactions and to provide procedures when identified. IPU 22U1223 issued 12-19-2022.
- (47) IRM 25.25.8.4.2 - Added a new IRM subsection that now requires TEs to monitor payments submitted for posting due to an increase in External Lead payments (TC 720) going unpostable. IPU 22U1185 issued 12-13-2022.
- (48) IRM 25.25.8.6(1) Table - Updated throughout the table, the IRM reference for completing the Manual Referral spreadsheet. Also added, since this was not clear, the employee responsible for changing the STARS disposition. IPU 23U0860 issued 07-31-2023.
- (49) IRM 25.25.8.6(1) - Deleted the paragraph since the instructions applied more to processing a lead versus monitoring one. IPU 23U0728 issued 06-14-2023.
- (50) IRM 25.25.8.7(2) - Added a statement to emphasize that CSRs should not be initiating a trace for a lost or stolen refund when the account has External Lead involvement since this action can negatively impact banks and our ability to protect revenue. IPU 23U0974 issued 09-25-2023.
- (51) IRM 25.25.8.7(2) - A Caution statement was added to instruct non-RIVO employees that there have been processing delays with leads received. So, to mitigate cases from being escalated, they are being reminded to follow the guidance stated. IPU 23U0384 issued 03-13-2023.
- (52) IRM 25.25.8.7(2) Row 6 - Rewrote the sentence for clarity, and to specify what the bank will tell a taxpayer regarding their returned refund. IPU 23U0728 issued 06-14-2023.
- (53) IRM 25.25.8.8(8) - Corrected the DFI Account number which is important for banks returning questionable tax refunds to the US Treasury through Credit Gateway program. IPU 23U1021 issued 10-19-2023.
- (54) IRM 25.25.8.9(7) - Added a Reminder due to the request from OCSE to suspend reversal adjustment unless the timeframe for inputting the adjustment is less than 30 days of the 150 we are given to request for the reversal. Otherwise if the adjustment is not inputted, the IRS will lose those funds on the cases a determination was made the return was fraudulent. IPU 23U1021 issued 10-19-2023.

- (55) IRM 25.25.8.9(7) - Caution statements were removed because the procedures cited, policy was implemented that no longer requires TE to perform adjustments to determine the offset amount. As a result, certain rows throughout the table that referenced adjustments were also deleted (see rows 5 and 10). Other deletions throughout the table that were removed, included updates/notes to AMS and EFDS as this procedure was not consistent with other External Lead inventory(see rows 11, 13, 14, 14a-b). IPU 23U0860 issued 07-31-2023.
- (56) IRM 25.25.8.9(7) Row 2 - Added for clarification, the additional information TEs needed to consider when determining the appropriate action to take based on the case scenario. Also clarified who should be contacting the TOP Liaison as this was not clear. In addition, a statement was added to make sure LMS updates are completed, and referrals are made, if applicable. IPU 23U0860 issued 07-31-2023.
- (57) IRM 25.25.8.9(7) Row 3 - A statement was added to make sure TEs enter all required LMS data as this information is needed to complete processing the offset. IPU 23U0860 issued 07-31-2023.
- (58) IRM 25.25.8.9(7) Row 12 - Added a statement to the response to make sure TEs review all scenarios that may apply to the scenario to assure the appropriate action is taken to resolve the case. IPU 23U0860 issued 07-31-2023.
- (59) IRM 25.25.8.9(7) Row 13 - Note was added to make TEs aware that Mass Push procedures should be followed for prior year returns being pushed to STARS. IPU 23U0860 issued 07-31-2023.
- (60) IRM 25.25.8.9(8) - Documented procedures the RIVO OCSE POC will follow during the initial import and subsequent export of cases referred. Which also includes the commitment to PAS for NQRS reviews. IPU 23U0860 issued 07-31-2023.
- (61) IRM 25.25.8.10 - Revised the paragraph to emphasize that only debit cards should be sent to RIVO since they were receiving other cards not associated with a questionable refund. Also added a link with procedures to address pre-paid EIP debit cards to make sure they are sent to the appropriate place to process. IPU 23U0728 issued 06-14-2023.
- (62) IRM 25.25.8.12(1) - Per feedback received from a program review, the paragraph was rewritten to clearly explain the difference between reject reason code R17 and the addendum records that identifies the specific reason an ACH deposit was rejected. IPU 23U0728 issued 06-14-2023.
- (63) IRM 25.25.8.12.1 - Removed the reference relating to reject reason code R23 as this type of reject is not part of the NACHA Opt-in program. IPU 23U0728 issued 06-14-2023.
- (64) IRM 25.25.8.12.1(3) - Removed the reference relating to reject reason code R23 as this type of reject is not part of the NACHA Opt-in program. IPU 23U0952 issued 09-12-2023.
- (65) IRM 25.25.8.12.1(5) Table Row 3 - Added procedures to require TEs to conduct additional screening after a taxpayer has authenticated to prevent refunds from be erroneously released. IPU 23U0952 issued 09-12-2023.
- (66) IRM 25.25.8.12.2(2) - Added missing procedures for notating R23 cases in LMS. IPU 23U0952 issued 09-12-2023.
- (67) IRM 25.25.8.12.2(3) - Added procedures for a TE to conduct additional screening for other fraud to reduce the possibility of erroneously releasing a refund if the taxpayer authenticates. IPU 23U0952 issued 09-12-2023.
- (68) IRM 25.25.8.12.1(4) - Added a condition to address how to identify returns claiming either the FTC or ERC and the appropriate manner to resolve the account. IPU 23U1042 issued 10-23-2023.

- (69) Editorial changes were made throughout this IRM to correct spelling, grammar, spacing, links, and punctuation. In addition, corrections were made to the title listed for the CP-53A and CP-53B notices. IPU 23U0952 issued 09-12-2023.
- (70) Editorial changes were made throughout the IRM to correct grammar and punctuation. Also revised some sentences to make them clearer. IPU 23U0860 issued 07-31-2023.
- (71) Editorial changes were made throughout the IRM to correct, spelling, spacing, broken links, unnecessary tags, grammar, punctuation and titles. In addition, symbols were removed that are not compatible with plain language guidance and header rows were added to tables. IPU 23U1021 issued 10-19-2023.
- (72) Editorial Change was made to correct the spelling of the organization. IPU 22U1223 issued 12-19-2022.
- (73) Editorial change were made to revised the numbering of rows in tables due to the deletion or revision of guidance. IPU 23U0974 issued 09-25-2023.
- (74) Editorial change made to correct an email address name. IPU 23U0283 issued 02-21-2023.

#### **EFFECT ON OTHER DOCUMENTS**

IRM 25.25.8 dated November 28, 2022 (effective 12-12-2023) is superseded. This IRM incorporates the following IRM Procedural Updates (IPUs) - IPU 22U1185 issued 12-13-2022, IPU 22U1223 issued 12-19-2022, IPU 23U0115 issued 01-17-2023, IPU 23U0283 issued 02-21-2023, IPU 23U0384 issued 03-13-2023, IPU 23U0728 issued 06-13-2023, IPU 23U0860 issued 07-31-2023, IPU 23U0952 issued 09-12-2023, IPU 23U0974 issued 09-25-2023, IPU 23U1021 issued 10-19-2023, and IPU 23U1042 issued 10-23-2023.

#### **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*

Denise D. Davis  
Director, Return Integrity Verification Program Management  
Wage and Investment Division

25.25.8

Revenue Protection External Lead Procedures

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Exhibits

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- 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 section 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 dispositioning 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 Verbiagescript* must be sent to the financial institution the same day or next business day after a lead is received.

25.25.8.2  
(07-31-2023)  
**External Lead Mailbox  
Process**

(1) Employees assigned to the mailbox process **must** review all e-mails received that day, or the next business day if it's received after hours, a weekend, or holiday. The lead type and/or inquiry must be identified by its designated flag. Follow local procedures for flag determinations. Working the mailbox should 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 requires 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) - follow procedures in IRM 25.25.8.2.1, Lead Only (No Funds Available)
- 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 account number for these leads will be identified with an Employer Identification Number as the TIN. 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 sent to the mailbox:

IF	AND	THEN
<p>1. Lead submitted includes <b>only</b> IMF accounts</p>	<p>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)</p>	<ul style="list-style-type: none"> <li>• 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 <b>see row 2 and 3 below for BMF leads, and those that include both IMF and BMF accounts)</b> <i>Example:</i> Lead receive date is February 2, 2023, and it was the third one received that day, the lead number will be <b>020223 03</b></li> <li>• E-mail the bank POC the <i>Acknowledgment Verbiage</i> script and the assigned lead number created. <i>Exception:</i> 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.</li> <li>• If the e-mail/attachments contain unsecured /unencrypted Personally Identifiable Information (PII), send the <i>Email/ Attachment Not Secured or Encrypted Script</i></li> </ul>

		<ul style="list-style-type: none"> <li>• 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 <b>CI or SBSE Collections</b>, add an abbreviated job title for the point of contact and their last name (i.e., Policy Analyst Joe Hog - <b>040222 01 West Bank PA HOG</b>)</li> <li>• 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.  <b>Reminder:</b> 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.</li> <li>• Lead folders will be placed in the appropriate site's folder for TE assignment</li> <li>• Import all leads, <b>except Lead Only - No Funds</b> to the Lead Management System (LMS) database</li> <li>• Add to LMS the following: Institution's routing transit number, Lead Type, Submission Method, and Lead Received Date</li> </ul>
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<p><b>1a.</b> Lead submitted to the External Lead mailbox or forwarded by RIVPM P&amp;A staff</p>	<p>No record found on the Financial Contact Information spreadsheet located on the Bank Working Directory.</p>	<ul style="list-style-type: none"> <li>• Contact RIVO POCs Super Admin users to add the bank to LMS so the spreadsheet can be imported into LMS</li> <li>• Send the bank POC, the Lead Submission spreadsheet if the template was not used and <i>Publication 5033, IRS EXTERNAL LEADS PROGRAM: FACT SHEET ON SUBMITTING LEADS</i></li> <li>• Follow guidance in row 1, Then column, to complete the mailbox procedures for IMF accounts and row 2 for BMF.</li> </ul>
<p>2. Lead includes BMF account(s) <b>only</b></p>		<ul style="list-style-type: none"> <li>• Add the letter B to the assigned Lead number <b>Example:</b> 030223 01<b>B</b></li> <li>• E-mail the bank POC the <i>BMF Acknowledgment Lead</i> script and the assigned lead number created, <b>unless</b> the lead source is from CI or SBSE employees</li> <li>• If the e-mail/attachments contain unsecured /unencrypted Personally Identifiable Information (PII), send the <i>Email/ Attachment Not Secured or Encrypted Script</i></li> <li>• 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 <b>CI or SBSE Collections</b>, add an abbreviated job title for the point of contact and their last name (i.e., Policy Analyst Joe Hog - <b>041722 01B West Bank PA HOG</b>)</li> </ul>

		<ul style="list-style-type: none"> <li>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.</li> <li><b>Reminder:</b> 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.</li> <li>Lead folders will be placed in the appropriate site's folder for TE assignment</li> <li>Import all leads, <b>except Lead Only - No Funds</b> to the Lead Management System (LMS) database</li> <li>Add to LMS the following: Institution's routing transit number, Lead Type, Submission Method, and Lead Received Date</li> </ul>
<p>3. Lead include IMF and BMF account leads</p>		<ul style="list-style-type: none"> <li>Create a separate spreadsheet for IMF and BMF accounts.</li> <li>Create a lead number for each payee type as described in row 1 and 2 above.</li> <li>Send the bank POC the <i>IMF-BMF Acknowledgment Lead</i> script</li> <li>Follow guidance to complete the mailbox procedures as outlined in row one or two based on payee type.</li> </ul>
<p>4. Lead only, no funds</p>		<p>See IRM 25.25.8.2.1, Lead Only (No Funds Available) for guidance to address these leads.</p>

<p>5. Leads requiring priority handling:</p> <ul style="list-style-type: none"> <li>• Pending Lawsuits</li> <li>• Reclamation Claims</li> <li>• Indemnification Requests</li> <li>• ACH reversals</li> </ul>		<ul style="list-style-type: none"> <li>• Follow local procedures for flagging the email. <b>Note:</b> Those flagged for RIVPM Headquarters, forward a copy of the email to all the RIVPM Analysts assigned to the External Lead program.</li> <li>• If no designated flag was created for the inquiry, then the TE needs to notify their Lead or manager for directions</li> </ul>
<p>6. Follow up e-mails <b>Reminder:</b> Mailbox personnel <b>must</b> take the actions described the same day or next business day if the email is received on a weekend, holiday, or after hours.</p>		<ul style="list-style-type: none"> <li>• Review the email to determine if it needs to be escalated (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.</li> <li>• <b>Escalations</b>, flag the email in accordance with local procedures and then forward it to RIVO P&amp;A and RIVPM P&amp;A point of contacts to address.</li> <li>• Other inquiries, <b>not requiring escalation:</b> <b>Lead number established</b> - Forward the email to the assigned employee and their manager to follow up. <b>No Lead number established</b> - Follow local procedures for creating a lead if it is applicable.</li> </ul>

. IRM 25.25.8.2.5

- 25.25.8.2.1 (09-12-2023)  
**Lead Only (No Funds Available)**
- (1) Contact the financial institution to ensure there are no funds available.
  - (2) Do not create a lead number nor import it into the Lead Management System (LMS).
  - (3) Send the financial institution, the *Lead Only (no funds available to be returned)* feedback script.

- (4) Refer all leads where no funds are available to the Industry Lead Mailbox,

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**Reminder:** Do not forward e-mails sent from the bank secured website. Create a new e-mail, include attachments and a secure password.

**Reminder:** This is not an encrypted mailbox. Therefore, create a password protected zip file, and then send the referral to Industry Fraud Leads. A confirmation e-mail will be received by the sender once the file is received. Refer to IRM 10.5.1.6.2, Encryption, for additional guidance when encrypting SBU data (including PII and tax information).

- (5) Update the lead as “Completed” in the LMB 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 should 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

(06-14-2023)

**Altered Checks**

- (1) An altered check is one that was materially or maliciously altered to commit fraud. Usually this entails the payees name, address and/or dollar amount was changed on the check.

- (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 send the *Request for Altered Check to be Returned (Both scanned and/or Physical)* script to the financial institution unless the check is in the External Lead team possession.

**Reminder:** If the altered check is in the possession of the External Lead team, handle it with rubber gloves, place in a plastic bag, and then secure for 90 days to allow TIGTA to follow up.

Below is a summary of the information contained in the script:

- a. A request to create an image of the front and back of the altered check.
- b. A request for gloves to be worn while handling the physical check.
- c. A request to place the check in a secure place for 90 days to allow time for TIGTA to follow up.

**Caution:** 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  
(06-14-2023)  
**Other Inquiries**

- (1) The External Lead mailbox may receive general inquiries that may require special handling. The proceeding paragraphs capture some of the more common inquiries and responses.
- (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 them 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.

25.25.8.2.4.1  
(06-14-2023)  
**Reclamation Claim Requests**

- (1) When a taxpayer initiates a claim for a lost or stolen check, Bureau of Fiscal Service (BFS) will send a claim to the bank to recover the funds if the check was negotiated. BFS gives the bank **30 days** to respond or dispute the claim. If an email is sent to the mailbox requesting assistance with the reclamation claim, send the bank the *Reclamation Claim Acknowledgement* script, research the account for the payment, and then follow the table below.

**Note:** Banks may not specifically state they received a reclamation claim. For example, the bank may state, BFS 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.

- (2) Follow the table below for reclamation claim inquiries.

IF	AND	Then
<p>1. The inquiry does not include the lead number</p> <p>or</p> <p>General information is requested about submitting a Reclamation Claim</p>		<ul style="list-style-type: none"> <li>• Advise the bank, when responding, enter in the subject line the wording “Disputed Reclamation Claim ”and the Lead number</li> <li>• Include in the body of the e-mail, the account information (i.e., name of taxpayer, TIN, and refund amount) and the date listed on the reclamation claim</li> </ul> <p><b>Note:</b> If the inquiry is for general information, the response only needs to include bullets 1 and 2 above.</p> <ul style="list-style-type: none"> <li>• See scenario one or two, as applicable for guidance once the information is received.</li> </ul>

IF	AND	Then
<p>2. Payment was recovered for the full amount of refund released</p> <p><b>Note:</b> Inquiries may come from BFS if the bank stated the funds were returned to the IRS via the External Lead program.</p>	<p>Claim is less than 30 days from the date listed on the reclamation claim.</p> <p><b>Note:</b> If <b>more than</b> 30 days, notify the bank to send an indemnification request and include the information needed for a manual refund.</p>	<ul style="list-style-type: none"> <li>• Complete the <i>Reclamation Dispute Worksheet</i></li> <li>• Forward the worksheet to the <i>BFS Point of Contacts</i> with a request to abandon the claim.</li> </ul> <p><b>Note:</b> No further action is required if the inquiry came from BFS.</p> <ul style="list-style-type: none"> <li>• Fill in the information on the <i>Payment Found</i> script and then e-mail it to the bank</li> </ul>
<p>3. Payment was not found or Payment was found, but it was less than the full refund amount released</p>		<ul style="list-style-type: none"> <li>• Send the <i>Reclamation Claim Disputescript</i> to the bank if research shows the payment was not received. If the inquiry came from BFS, just reply back that no record of the payment was found.</li> <li>• Partial payments recovered, send the <i>Payment Found (Partial Refund Recovered Amount)</i> script.</li> </ul>

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 the bank the *Indemnification Request Acknowledgement* script which includes the specifics on what the bank will need to provide.
- (2) Once the information is received, 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  
(09-12-2023)  
**Processing External  
Leads**

- (1) The Lead Management System (LMS) is used to assign a lead to Tax Examiners (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

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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"> <li>• CRN 299 - Qualified sick and family wages for wages paid April 1, 2020, through March 31, 2021</li> <li>• CRN 271 -Qualified Sick and Family Leave for wages paid April 1, 2021, through September 30, 2021</li> </ul>
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 EL IAT tool **must** be used to decide if a return is valid, unless instructed otherwise. If the tool cannot decide, follow the research steps in paragraph 6 below. The External Lead (EL) IAT tool will be used to input a TC 971 AC 134, TC 971 AC 850, and to open a control base on IDRS, "C#,BKLD,A,MISC 148(XX)00001,\*".

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

**Note:** Review the detail report from the EL IAT tool ensuring actions were input to the correct tax period. Manually input 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 you determine the funds were not from the IRS, do not request them to be returned. Update LMS comments. If the refund is from a federal



- j. 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.
- k. 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.

**Note:** If instructed in the table below to issue an indemnification letter and the financial institution does not require it, the TE must enter in the Comments field located on LMS Lead Record ID page, the note “**NILR**” (meaning No Indemnification Letter Required). It’s not applicable to Deposit only leads as it is understood that the bank does not require an indemnification letter.

**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
<p><b>1</b> the return is two years prior or older to the current processing year <b>Note:</b> <b>NO</b> further research is required</p>	<p>The return is questionable</p>	<ul style="list-style-type: none"> <li>• Update/Input IDRS control to “Cxx,REQFUNDS,A,MISC 148XX00002”.</li> <li>• Prepare indemnification letter to request funds from the financial institution.</li> <li>• Update EFDS notes with “ BKL lead number (lead number =MMDDYY XX) REQFUNDS IDT”.</li> <li>• Import LMS spreadsheet with results to the “Update” folder.</li> <li>• Notify POC that the indemnification process is complete.</li> </ul>

If	And	Then
<p><b>2</b> the return is current processing year or one year prior</p>	<p>the return is questionable, <b>AND</b> no funds were received with the lead</p>	<ul style="list-style-type: none"> <li>• Update/Input IDRS control to "Cxx,REQFUNDS,A,MISC 148XX00002"</li> <li>• Prepare indemnification letter to request funds from the financial institution and save in the associated lead folder</li> </ul> <p><b>Note:</b> 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"> <li>• Update EFDS notes with " BKL lead number (lead number =MMDDYY XX) REQFUNDS"</li> <li>• Import <i>LMS</i> spreadsheet with results to the "Update" folder</li> <li>• Notify POC that the indemnification process is complete</li> </ul>
<p><b>3</b> the return is questionable</p>	<p>funds were received with the lead</p>	<p>See IRM 25.25.8.4, Processing External Lead Deposits.</p>
<p><b>4</b> the return is valid</p>	<p>no funds were received with the lead</p>	<ul style="list-style-type: none"> <li>• Update/Input IDRS control to "Cxx,VALID150,C,MISC 148XX00007"</li> <li>• Update EFDS notes with " BKL lead number (lead number =MMDDYY XX) VALID150"</li> <li>• Input TC 972 AC 134 to reverse RIVO indicator</li> </ul> <p><b>Reminder:</b> 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"> <li>• Import <i>LMS</i> spreadsheet with results to the "Update" folder.</li> <li>• Notify POC that the indemnification process is complete</li> </ul>

If	And	Then
<b>5</b> The return is valid	The refund check was stolen	<ul style="list-style-type: none"> <li>• Update/Input IDRS control to <b>Cxx,REQFUNDS,A,MISC 148XX00002</b>.</li> <li>• Prepare an indemnification letter to request funds be returned.</li> <li>• Add a comment to LMS stating <b>Valid Return/Recovering Stolen Check</b>. Also Enter as a Note in AMS and EFDS, if the return is in EFDS, the same comment.</li> </ul>
<b>6</b> the return is valid	funds were received with the lead	See IRM 25.25.8.4, Processing External Lead Deposits.
<b>7</b> 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"> <li>• Update/close the control to "NOFNDSAVLB,C"</li> <li>• Add a note to EFDS , Lead number and "no funds available"</li> <li>• Update LMS</li> </ul>
<b>8</b> The return is good or bad	there is "TPP RECOVERY" in the MISC field	<ul style="list-style-type: none"> <li>• Update/Input IDRS control to "Cxx,REQFUNDS,A,MISC 148XX00002"</li> <li>• Prepare indemnification letter to request funds from the financial institution and save in the associated lead folder</li> </ul> <p><b>Note:</b> 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"> <li>• Update EFDS notes with " BKL lead number (lead number =MMDDYY XX) REQFUNDS"</li> <li>• Import LMS spreadsheet with results to the "Update" folder</li> <li>• Notify POC that the indemnification process is complete</li> </ul>

If	And	Then
<p><b>9</b> Lead source is from CI or SBSE Collection <b>Note:</b> Return is always considered bad</p>		<ul style="list-style-type: none"> <li>• Update/Input IDRS control to “Cxx,REQFUNDS,A,MISC 148XX00002”.</li> <li>• Prepare an indemnification letter to request the refund be returned.</li> <li>• Send the bank POC the <i>CI &amp; 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.</li> </ul> <p><b>Reminder:</b> Copy the lead source on all e-mail communications.</p> <p><b>Note:</b> 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"> <li>• Update EFDS notes with “ BKL lead number (lead number =MMDDYY XX ) REQFUNDS IDT”.</li> <li>• Import LMS spreadsheet with results to the “Update” folder.</li> </ul>

If	And	Then
<p><b>10</b>  <b>Current or prior year</b> Form 1040 was filed claiming the Fuel Tax Credit (FTC) or Credits for Sick Leave for Certain Self-Employed Individuals.</p>	<p>The accounts contain either of the following markers:</p>	<ul style="list-style-type: none"> <li>• Update/Input IDRS control to <b>Cxx,REQFUNDS,A,MISC 148XX00002</b></li> <li>• Prepare an indemnification letter to request funds</li> <li>• If funds are recovered, post to the account</li> <li>• Input a TC 570 to hold the refund</li> <li>• Suspend the account until further notice.</li> </ul>
<p><b>11</b>  <b>Current or prior year</b> Form 1040 was filed claiming the Fuel Tax Credit (FTC) or Credits for Sick Leave for Certain Self-Employed Individuals.</p>	<p>The account does not contain one of the markers outlined above</p>	<ul style="list-style-type: none"> <li>• Update/Input IDRS control to <b>Cxx,REQFUNDS,A,MISC 148XX00002</b></li> <li>• Prepare an indemnification letter to request funds</li> <li>• If funds are recovered, post to the account</li> </ul>

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<p>2. Bank responds, payment was returned</p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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</li> </ul>
<p>3. No response from bank nor funds received 15 days after the 45 day follow up letter is issued</p>	<ul style="list-style-type: none"> <li>• Follow guidance in 2 above (bullet number 2 and 3) to try and locate the payment.</li> <li>• If payment cannot be found, close the lead as no funds returned and close all controls.</li> </ul>

25.25.8.3.1  
(06-14-2023)  
**Processing Altered Checks**

- (1) The Tax Examiner (TE) will review the lead to determine if the account involves only an altered check, or a combination of accounts with altered and non-altered checks. Once the review is completed, the lead number will be assigned accordingly.
- Altered Checks only** - Create a new lead number that consist of the original lead number assigned, followed by the letter “A”.
- Combination of altered and non-altered checks** - **Do not** change the lead number assigned. Notate in the LMS Comment field, **Altered Check** for the account(s) associated with the altered check.
- BMF Altered Checks** - **Do not** change the lead number assigned. Notate in the LMS Comment field **BMF Altered Check**. Follow the guidance in paragraph 2 below and then see IRM 25.25.8.3.3, BMF External Lead Procedures to complete processing the BMF lead.

(2) Take the following actions once the lead number is assigned:

- If the physical check is received, place it in a plastic bag and store for 90 days to allow TIGTA to follow up.
  - Email the PDF copy of the front and back of the check and the lead number to the TIGTA Complaints Management Team (CMT) at *SDCLeads@ci.irs.gov*.
  - Include the following in a secure format, when sending the PDF document:
    - a.** State who is in possession of the physical check (i.e., **RIVO** - include the TE and Manager name, POD address, phone number, and e-mail address; **Bank** - include the bank name, POC name, phone number, and e-mail address).
    - b.** A screenshot image of the check issued as shown on the Treasury Check Information System (TCIS).
    - c.** If provided, state the city and state where the check was presented to the bank.
  - Add, if provided, the TIGTA CMT reference number to the lead folder created.
- Reminder:** If TIGTA decides to investigate the case, a Special Agent will be deployed to retrieve the physical copy of the altered check.

#

(3) Used the table below to work IMF altered checks:

If	And	Then
<p><b>1</b> Altered name and/or money amount</p>	<p>the return is good, and the check was not negotiated</p>	<ul style="list-style-type: none"> <li>• Access TCIS to F stop the check</li> <li>• Monitor for TC 841 to post, suspend to 148XX00017</li> <li>• Request physical check from the financial institution</li> <li>• Reissue to good taxpayer after TC 841 posts</li> </ul>

If	And	Then
<p><b>2</b> Altered name and/or money amount</p>	<p>questionable refund and the check were not negotiated</p>	<ul style="list-style-type: none"> <li>• Access TCIS to F stop the check</li> <li>• Request physical check from the financial institution</li> <li>• Monitor for TC 841 to post, suspend to 148XX00014</li> <li>• Disposition to ACE/ADJ once funds post to the account</li> <li>• Input EFDS return note, "RIVO EL IDT BKLD" unless it's a prior year return.</li> </ul> <p><b>Prior Year Returns</b></p> <ul style="list-style-type: none"> <li>• Follow the bullets from above.</li> <li>• Add the return to the Mass Push Spreadsheet.</li> </ul>
<p><b>3</b> Altered name and/or money amount</p>	<p>the return is good, and the check was negotiated</p>	<ul style="list-style-type: none"> <li>• Open a closed IDRS control: "C#,ALTEREDCK,C,EVFY " 148XX00003,*</li> <li>• Update/Input IDRS control to <b>Cxx,REQFUNDS,A-,MISC 148XX00002.</b></li> <li>• Update AMS and EFDS notes, notate "Received altered treasury check" enter altered dollar amount, original dollar amount, and check number. Indicate if the original check was received or a copy.</li> </ul>

If	And	Then
<p><b>4</b> Altered name and/or money amount</p>	<p>questionable refund and the check were negotiated</p>	<ol style="list-style-type: none"> <li>1. Input TC 971 AC 134 (if not already present).</li> <li>2. Open a closed IDRS control: "C#,ALTEREDCK,C,EVFY " 148XX00003,* .</li> <li>3. Request physical check from the financial institution.</li> <li>4. Update EFDS notes, notate Received altered treasury check, altered dollar amount and original dollar amount, check number, indicate if original check received or copy.   <b>Note:</b> Disposition as "CAT 5 CL" if resolved by another function. Disposition as "CAT 7 CL" if resolved by RIVO.   <b>Note:</b> If Process Status 49, follow local procedures to update.   <b>Note:</b> Add prior year processed returns to the Mass Push Spreadsheet to be updated.</li> <li>5. Update AMS History notes with same information as EFDS notes.</li> <li>6. If indications of Identity theft, input TC 971 AC 522 (if one does not already exist on CC ENMOD) with Misc field "WI FA ALTRD".</li> <li>7. Close all RIVO controls.</li> </ol>

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
<p><b>1</b> The Citizenship Code is <b>A</b>, there are no indicators of identity theft and the individual’s date of death occurred after the payment refund date.</p>	<p>A questionable <b>EIP1, EIP2 or EIP3</b> lead was received</p>	<ul style="list-style-type: none"> <li>• <b>Do not</b> recover the funds</li> <li>• Close control</li> </ul>
<p><b>2.</b> There are indicators of identity theft and/or the individual’s date of death occurred before the refund payment date.</p>	<p>A questionable <b>EIP1, EIP2 or EIP3</b> lead was received, and the citizenship code is <b>A, B, C, D, or E)</b></p>	<ul style="list-style-type: none"> <li>• Recover the funds</li> <li>• Close control</li> </ul>
<p><b>3.</b> The citizenship code is <b>B</b> <b>Note:</b> If taxpayer is deceased, apply <b>first</b> 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 <b>EIP1</b> 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 <b>EIP2 or 3</b> 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</p>	<ul style="list-style-type: none"> <li>• <b>Do not</b> recover the funds</li> <li>• Close control</li> </ul> <p><b>Note:</b> 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.</p>

IF	AND	THEN
<p><b>4.</b> The citizenship code is <b>B</b></p> <p><b>Note:</b> If taxpayer is deceased, apply <b>first</b> 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 <b>EIP1</b> lead was received, and: <b>No</b> 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 <b>No</b> W-2 income present.</p> <p>Or, A questionable <b>EIP2 or 3</b> lead was received, and: <b>No</b> 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 <b>No</b> W-2 income present</p>	<ul style="list-style-type: none"> <li>• Recover the funds</li> <li>• Close the control</li> </ul>
<p><b>5.</b> The citizenship code is <b>C, D. or E</b></p> <p><b>Exception:</b> If the citizenship code is <b>C and</b> the lead involves a questionable <b>EIP3</b> deposit, see Block 6 below to determine eligibility requirements.</p>	<p>A questionable <b>EIP1, 2, or 3</b> lead was received</p>	<ul style="list-style-type: none"> <li>• Recover the funds</li> <li>• Close the control</li> </ul>
<p><b>6.</b> The Citizenship Code is <b>C</b></p>	<p>A questionable <b>EIP3</b> 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"> <li>• <b>Do not</b> recover the funds</li> <li>• Close control</li> </ul>
<p><b>7.</b> The citizenship code is <b>Blank</b> 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 <b>EIP1, 2 or 3</b> was received:</p>	<p>Follow guidance in <b>Block 3 or 4 depending on your research results</b> to determine eligibility</p>

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

25.25.8.3.3  
(07-31-2023)  
**BMF External Lead Procedures**

- (1) A BMF lead involves a questionable refund that contains an Employer Identification Number (EIN) as the TIN. When a BMF lead is received, take the following actions:
- (2) The TE assigned the BMF lead will take the following actions:

<p>1. BMF lead received <b>Note:</b> If the referral was submitted by <b>CI or SBSE, or the lead source states the check was stolen or altered</b>, open controls to BMFREQFUND 148XX00002, add history note: H,XXXXXX-XXB, and then issue the indemnification letter. Attach to the indemnification letter sent, the <i>CI &amp; SBSE Recovery Assistance script only</i> when the referral comes from CI or SBSE. Proceed to step 3 once the recovered funds have posted.</p>	<ul style="list-style-type: none"> <li>• Open a control base on IDRS 148XX00001, activity code BMFBKL</li> <li>• Add history note: H,XXXXXX-XXB</li> </ul>
<p>2. Research Command Code (CC) ENMOD and/or EFDS to determine if the EIN of the entity was marked as fabricated. <b>Note:</b> Indicators include on IDRS CC ENMOD, a posted TC 971 AC 524 with MISC activity EINFAB, or EFDS Contact Employer disposition, "Suspicious".</p>	<ul style="list-style-type: none"> <li>• Markers are present, issue indemnification letter to request funds be recovered</li> <li>• Update controls to BMFREQFUND 148XX00002</li> <li>• Once the recovered funds post, proceed to step 3 below</li> </ul>

<p>3. Research confirms the entity was not fabricated or the funds from the fabricated entity posted.</p>	<ul style="list-style-type: none"> <li>• Send an e-mail to the <i>Entity Fabrication</i> mailbox, and include in the subject line, <b>External Lead BMF Referral. Lead number (EX: 010221 04B) - Do we request funds?</b> <b>Exception:</b> Do not add to the Subject line, “Do we request funds” if they were recovered already. Replace this with “Funds Recovered”.</li> <li>• Attach to the email, a copy of the Lead Submission spreadsheet and any relevant documents or explanations that provides details as to why the referral was made. If the Lead Submission spreadsheet is missing certain fields, like the tax period, refund amount, MFT, etc. add the data prior to referring it. <b>Reminder:</b> If any IMF accounts are listed on the spreadsheet they <b>must</b> be removed before sending the referral.</li> <li>• Save the sent e-mail as a pdf in the lead folder as <b>BMF Referral mmddy</b> and the reply to the e-mail as <b>BMF Referral Reply MMDDYY</b></li> <li>• Take the following action depending on the response from Entity Fabrication: <b>Request Funds</b> - Issue the indemnification letter and update the controls to BMFREQFUND 148XX00002 <b>Valid/Do Not Request Funds</b> - Update status in LMS, close the control base to “NOFNDSREQ” and notify the bank, funds will not be requested.</li> </ul>
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25.25.8.4  
(07-31-2023)  
**Processing External Lead Deposits**

- (1) Once notification is received that funds were returned, export the Lead Management System (LMS) spreadsheet, and review all information provided in the lead folder. Use of the EL IAT tool is mandatory when working deposits. See the table below instructions for deposits received that require specific actions.

**Exception:** Since the EL IAT tool will only allow a TE to override up to 6 refunds on an account, those that exceed that number will need to be applied manually using IDRS CC ELP45. When processing a payment manually, TEs **must** CMODE to Kansas City to prevent a transaction failure. See the table below for other requirements when working a deposit.

**Recovered Deposit Special Handling**

<b>If</b>	<b>Then</b>
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 EL IAT tool	TEs must work these manually
3. Fail to CMODE to the Kansas City sService Center location when posting a payment manually.	Input IDRS CC TERUP the same day to delete the transaction.
4. Deposit information is inaccurate, missing or not up to date	<ul style="list-style-type: none"> <li>• Update the inaccurate or missing information if it is available.</li> <li>• If not available, notify the Lead to contact the bank to secure the inaccurate or missing information.</li> </ul>
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"> <li>• Bank routing number, unless it cannot be located. Enter zeros if unable to locate.</li> <li>• Lead type</li> <li>• Total Amount available for Recovery</li> <li>• Indemnification Letter Date</li> </ul>

If	Then
<p>6. Deposits with no x-ref lead number</p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.   <b>Reminder:</b> Any additional e-mails/ attachments received, save to the associated lead folder as a PDF.</li> </ul>
<p>7. Non-IRS funds received</p>	<ul style="list-style-type: none"> <li>• Prepare a commingle memo</li> <li>• 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.</li> </ul>

- (2) Run the EL IAT tool 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 EL IAT tool 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 EL IAT tool 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) If the tool was unable to determine if the funds will be applied or remain in the commingled general ledger account, follow the table below to determine the next actions:

**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><b>1</b> the funds received are between \$1.01 and \$4.99</p>	<p>the return is considered good</p>	<ul style="list-style-type: none"> <li>• Input CC ELP45</li> </ul> <p><b>Caution:</b> You MUST CMODE to the deposit location to use this CC. This is based on the credit gateway information.</p> <p><b>Note:</b> Balance the ELP45/ commingled amounts to reflect total of deposit.</p> <p><b>Reminder:</b> The amount of the transfer may not exceed the TC 846 amount.</p> <ul style="list-style-type: none"> <li>• Update/open control to “Cxx,BKLDCK-RECD,A,MISC 148XX00007”</li> <li>• Update EFDS notes with “ BKL deposit # lead # (lead# =MMDDYY XX) ELP45 input”</li> <li>• Input TC 972 AC 134 to reverse RIVO indicator.</li> </ul> <p><b>Reminder:</b> If a TC 971 AC 134 is not already on the account, do not input a new TC 971 AC 134. Input a history on CC TXMOD as “ValidNo134”</p> <ul style="list-style-type: none"> <li>• Change disposition in STARS to “DL”</li> <li>• Update LMS spreadsheet with results</li> <li>• Input a TC 290 .00 with a posting delay of 2 to release the refund to the TP</li> <li>• Close all RIVO controls</li> <li>• Notify POC that process is complete</li> </ul>

If	And	Then
<p><b>2</b> the funds received are \$1.00 or less</p>	<p>the return is considered good</p>	<ul style="list-style-type: none"> <li>• Input CC ELP45</li> </ul> <p><b>Caution:</b> You MUST CMODE to the deposit location to use this CC. This is based on the credit gateway information.</p> <p><b>Note:</b> Balance ELP45/commingled amounts to reflect total of deposit.</p> <p><b>Reminder:</b> The amount of the transfer may not exceed the TC 846 amount.</p> <ul style="list-style-type: none"> <li>• Update/open control to “Cxx,BKLDCK-RECD,A,MISC 148XX00007”</li> <li>• Update EFDS notes with “ BKL deposit # lead # (lead# =MMDDYY XX) ELP45 input”</li> <li>• Input TC 972 AC 134 to reverse RIVO indicator</li> </ul> <p><b>Reminder:</b> If a TC 971 AC 134 is not already on the account, do not input a new TC 971 AC 134. Input a history on CC TXMOD as “ValidNo134”.</p> <ul style="list-style-type: none"> <li>• Change disposition in STARS to “DL”</li> <li>• Input a TC 290 .00 with a posting delay of 2 and a priority code of 5 to post accruals</li> <li>• Close all RIVO controls</li> <li>• Update LMS spreadsheet with results</li> <li>• Notify POC that process is complete</li> </ul>

If	And	Then
<p><b>3</b> the funds received are \$4.99 or less</p>	<p>the return is considered bad</p>	<ul style="list-style-type: none"> <li>• Update/close the control to “CXX,BKL-COMINGLED,C,MISC 148XX00004”</li> <li>• Input TC 971 AC 134 with MISC field “BKLD COMINGLED”</li> </ul> <p><b>Note:</b> If the tax year is in retention it must first be brought back to Master File using CC IMFOLB.</p> <p><b>Reminder:</b> This will be updated en masse after the entire lead/deposit is completed.</p> <ul style="list-style-type: none"> <li>• Update EFDS notes with “ BKL deposit # lead # (lead# =MMDDYY XX) BKL-COMINGLED ”. If two years prior or older add “suspected IDT” to the note</li> <li>• If not already dispositioned in EFDS, disposition current processing year returns as appropriate</li> <li>• Update LMS spreadsheet with results</li> <li>• Create the Commingled Memo and save to the associated lead folder</li> </ul> <p><b>Reminder:</b> For large deposits worked by more than one TE, create only one memo for the entire deposit.</p> <ul style="list-style-type: none"> <li>• Send e-mail to POC with notification that process is complete</li> </ul>

If	And	Then
<p><b>4</b> the account is <b>dormant</b>, in retention (refunds paid in calendar years prior to the current and prior calendar year) <b>or</b> the return is two years or older to the current processing year</p> <p><b>Note:</b> <b>DO NOT</b> perform more research</p> <p><b>Reminder:</b> Instructions in this row apply whether or not the Taxpayer Identification Number (TIN) owner is identified.</p> <p><b>Exception:</b> If the account contains a TC 971 AC 123 with MISC field “TPP Recovery”, post the money to the designated account.</p>		<ul style="list-style-type: none"> <li>• Update/close the control to “CXX,BKL-COMINGLED,C,MISC 148XX00004”</li> <li>• Input TC 971 AC 134 with MISC field “BKLD COMINGLED”</li> </ul> <p><b>Note:</b> If the tax year is in retention it must first be brought back to Master File using CC IMFOLB.</p> <p><b>Reminder:</b> This will be updated en masse after the entire lead/deposit is completed.</p> <ul style="list-style-type: none"> <li>• Update EFDS notes with “ BKL deposit number lead number(lead number =MMDDYY XX) BKLCOMINGLED ”. If two years prior or older add “suspected IDT” to the note</li> <li>• If not already dispositioned in EFDS, disposition current processing year returns as appropriate</li> <li>• Update LMS spreadsheet with results</li> <li>• Create the Commingled Memo and save to the associated lead folder</li> </ul> <p><b>Reminder:</b> For large deposits worked by more than one TE, create only one memo for the entire deposit.</p> <ul style="list-style-type: none"> <li>• Send e-mail to POC with notification that process is complete</li> </ul>

If	And	Then
<p><b>5</b> the return is considered bad</p>	<p>Account does <b>not</b> contain TC 841 with document code 48 in the DLN or TC 700 with document code 58 in the DLN</p>	<ul style="list-style-type: none"> <li>• Input CC ELP45 <b>Caution:</b> You MUST CMODE to the deposit location to use this CC. This is based on the credit gateway information.</li> <li><b>Note:</b> Balance ELP45/commingled amounts to reflect total of deposit.</li> <li><b>Reminder:</b> The amount of the transfer may not exceed the TC 846 amount.</li> <li>• Update/open control to “Cxx,BKLDCK-RECD,A,MISC 148XX00004”</li> <li>• Update EFDS notes with “ BKL deposit # lead # (lead# =MMDDYY XX) ELP45 input”</li> <li>• Update LMS spreadsheet with results</li> <li>• Notify POC that process is complete</li> </ul>
<p><b>6</b> the return is considered 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 <b>or</b> refunds are unidentified, excess funds or commingled accounts</p>	<ul style="list-style-type: none"> <li>• Update/close the control to “Cxx,BKL-COMINGLED,C,MISC 148XX00004”</li> <li>• Update EFDS notes with “ BKL deposit # lead # (lead# =MMDDYY XX) BKL COMINGLED”</li> <li>• Input TC 971 AC 134 with MISC field “BKLD COMINGLED ”</li> <li><b>Reminder:</b> This will be updated en masse after the entire lead/deposit is completed.</li> <li>• Update LMS spreadsheet with results</li> <li>• Create the Commingled Memo and save to the associated lead folder</li> <li>• Send e-mail to POC with notification that process is complete</li> </ul>

If	And	Then
<p><b>7</b> the return is valid</p>		<ul style="list-style-type: none"> <li>• Input CC ELP45 <b>Caution:</b> You MUST CMODE to the deposit location to use this CC. This is based on the credit gateway information.</li> <li><b>Note:</b> Balance ELP45/commingled amounts to reflect total of deposit.</li> <li><b>Reminder:</b> The amount of the transfer may not exceed the TC 846 amount.</li> <li>• Update/open control to “Cxx,BKLDCK-RECD,A,MISC 148XX00007”</li> <li>• Update EFDS notes with “ BKL deposit # lead # (lead# =MMDDYY XX) ELP45 input”</li> <li>• Input TC 972 AC 134 to reverse RIVO indicator</li> <li><b>Reminder:</b> If a TC 971 AC 134 is not already on the account, do not input a new TC 971 AC 134. Input a history on CC TXMOD as “ValidNo134”.</li> <li>• Change disposition in STARS to “DL”</li> <li>• Update LMS spreadsheet with results</li> <li>• Notify POC that process is complete</li> </ul>
<p><b>8</b> cannot find a return for the TIN provided by the financial institution</p> <p><b>Note:</b> Attempt to find a valid TIN. If valid TIN is found follow scenario in this if/then table.</p> <p><b>Exception:</b> If multiple accounts on a deposit are not from an IRS refund notify your lead before proceeding</p>	<p>Cannot allocate the money received</p>	<ul style="list-style-type: none"> <li>• Place the TIN provided by the financial institution in the LMS TIN field</li> <li>• Open your control on the TIN provided by the financial institution for the most recent tax period to “Cxx,BKLCOMNGLD,C,MISC 148XX00004,”</li> <li>• Input TC 971 AC 134 with MISC field “BKLD COMINGLED”</li> <li><b>Reminder:</b> This will be updated en masse after the entire lead/deposit is completed.</li> <li>• Update LMS spreadsheet with results</li> <li>• Create the Commingled Memo and save to the associated lead folder</li> <li>• Notify POC that the process is complete</li> </ul>

If	And	Then
<p><b>9</b> the TIN is valid, but cannot find the tax period <b>Note:</b> Attempt to find the correct tax period. If the correct tax period is found, follow scenario in this if/then table. <b>Exception:</b> If multiple accounts on a deposit are not from an IRS refund notify your lead before proceeding</p>	<p>Cannot allocate the money received</p>	<ul style="list-style-type: none"> <li>• Open your control on the most recent tax year to “Cxx,BKLCOMNGLD,C,MISC 148XX00004,”</li> <li>• Input TC 971 AC 134 with MISC field “BKLD COMINGLED”</li> </ul> <p><b>Reminder:</b> This will be updated en masse after the entire lead/deposit is completed.</p> <ul style="list-style-type: none"> <li>• Update LMS spreadsheet with results</li> <li>• Create the Commingled Memo and save to the associated lead folder</li> <li>• Send e-mail to POC with notification that process is complete</li> </ul>
<p><b>10</b> the return is considered good/bad</p>	<p>the response from the financial institution is no funds are available for return</p>	<ul style="list-style-type: none"> <li>• Update/close the control to “NOFND-SAVLB,C”</li> <li>• Add a note to EFDS BKL Deposit number, Lead number and “no funds available”</li> <li>• Update LMS</li> </ul>
<p><b>11</b> the return is considered bad</p>	<p>after 60 days with no response from the bank</p>	<ul style="list-style-type: none"> <li>• See the Table in IRM 25.25.8.6(1), Monitoring External Leads before taking the actions in the bullets below</li> <li>• Update/close the control to “NOFNDSRTND,C”</li> <li>• Add a note to EFDS BKL Deposit number , Lead number and “no funds returned”</li> <li>• Update LMS</li> </ul>

If	And	Then
<p><b>12</b> the return is considered good/bad</p>	<p>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 <b>and</b> the module contains a TC 848 or TC 849</p>	<ul style="list-style-type: none"> <li>• Update/close the control to “Cxx,BKL-COMNGLD,C,MISC 148XX00004”</li> </ul> <p><b>Reminder: DO NOT</b> post anything to the IRSN, open the control and take all actions on the SSN’</p> <ul style="list-style-type: none"> <li>• Update EFDS notes with “ BKL deposit number lead number (lead number =MMDDYY XX) BKL COMNGLD”</li> <li>• Input TC 971 AC 134 with MISC field “BKLD COMINGLED ”</li> </ul> <p><b>Reminder:</b> This will be updated en masse after the entire lead/deposit is completed.</p> <ul style="list-style-type: none"> <li>• Update LMS spreadsheet with results</li> <li>• Create the Commingled Memo and save to the associated lead folder</li> <li>• Send e-mail to POC with notification that process is complete</li> </ul>

If	And	Then
<p><b>13</b> BMF Deposit Received</p>		<ul style="list-style-type: none"> <li>• Prepare Form 3245 voucher for the amount returned for each account separately</li> <li>• Save the voucher in the lead folder as the last four digits of EIN, Name Control and tax year. Also include the Trace ID (TID) - see BMF External Lead Guide</li> <li>• Update the Deposit Information page in LMS</li> <li>• Update IDRS control base to: Bad Returns - BKL3245BMF 1481500004 Valid Returns - BKL3245BMF 1481500007 Commingled Funds - BMFCOMNGLD, use the same control number as above if Bad or Valid</li> </ul> <p><b>Note:</b> See IMF conditions in this table to determine if the BMF funds recovered must be commingled.</p> <p><b>Exception:</b> If the BMF Lead involves a dormant return or one that is two years or older as in row 4 above, these returns must go to the RIVO P&amp;A staff for review and determination.</p> <ul style="list-style-type: none"> <li>• Input TC 570 on IDRS and History item DONOTRFUND (<b>Only if Bad</b>)</li> <li>• Close all controls assigned to RIVO once the TC 720 post to the account.</li> <li>• Upon the completion of the deposit or no funds to be returned, send an e-mail to the <i>Entity Fabrication</i> mailbox, with a copy to RIVO P&amp;A point of contact (see SERP portal, BMF External Lead Guide for POC name).</li> <li>• Include in the subject line, External Lead BMF Referral Lead Closed.</li> <li>• Include in the e-mail body, the Lead number, EIN, MFT, tax year, and an explanation that the TC 720 has posted. Also advise the lead was closed and any other closing actions the</li> </ul> <p><b>Note:</b> If the funds received was for a <b>valid</b> return, the <b>TE will release it</b> by inputting a TC 290 .00, and then notify Entity Fabrication the funds were released. Include in the e-mail body all of the items stated in the bullet above</p>

If	And	Then
<p><b>14</b> Deposit recovered is from an EIP 1, 2 or 3 and regardless of the eligibility determination(i.e., IDT, Non-IDT, Decedent)</p>		<ul style="list-style-type: none"> <li>• Input CC ELP45 to post the funds</li> <li>• Close all controls</li> </ul> <p><b>Caution:</b> Once the payment posts to the account (i.e. TC 720, 841)<b>DO Not</b> 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 2020 tax return to recover the funds.</p>

25.25.8.4.1 (09-12-2022) (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.

**Reversal/Return of Recovered Funds**

If	And	Then
<p><b>1</b> Recovered funds submitted in error or return of funds requested by financial institution</p>	<p>Commingled funds applied to the 4971 General ledger account <b>or</b> funds applied to the 6801 (Excess) account</p> <p><b>Note:</b> Funds are applied to the 6801 (Excess) account two years after the date of deposit.</p>	<ul style="list-style-type: none"> <li>• Print documentation from the financial institution requesting the return of the recovered funds and save to the lead folder</li> <li>• Documentation from the financial institution must include:                         <ul style="list-style-type: none"> <li>• financial institution’s EIN</li> <li>• physical address</li> <li>• financial institution’s POC</li> <li>• lead #</li> <li>• amount requested</li> <li>• all associated TINs with full names of the taxpayers</li> <li>• reason for the return request</li> </ul> </li> </ul> <p><b>Reminder:</b> Contact the financial institution when required information is missing.</p> <ul style="list-style-type: none"> <li>• Prepare Form 3753, Manual Refund Posting Voucher with the appropriate ledger account</li> </ul>

If	And	Then
<p><b>2</b> Recovered funds submitted in error or return of funds requested by financial institution</p>	<p>funds applied to an individual account</p>	<ul style="list-style-type: none"> <li>• 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</li> <li>• Create/revise the commingled memo and then save to the lead folder</li> <li>• Open IDRS control “C#,PND722,M,MISC” “148XX00011,*”</li> </ul> <p>After TC 722 posts to the account:</p> <ul style="list-style-type: none"> <li>• Close IDRS control with, “Cxx,722POSTED,C,MISC”</li> <li>• 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.</li> <li>• Save the signed Form 3753 in the lead/deposit folder</li> <li>• Route forms to Manual Refunds per local procedures</li> </ul>

If	And	Then
<p><b>3</b> An inquiry/referral received after deposit resolution</p>	<p>a valid return and commingled funds applied to the 4971 General ledger account <b>or</b> funds were applied to the 6801 (Excess) account  <b>Note:</b> Funds are applied to the 6801 (Excess) account two years after the date of deposit.</p>	<ul style="list-style-type: none"> <li>• Input CC ELP45  <b>Caution:</b> You must CMODE to the deposit location to use this CC. This is based on the credit gateway information.  <b>Exception:</b> 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.</li> <li>• 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</li> <li>• Open IDRS control  "C#,PND720,M,MISC"  "148XX00007,*"  <b>Note:</b> This is only required when moving funds to an <b>EIN</b>.</li> <li>• Update EFDS notes with the amount of funds being applied to the taxpayer's account</li> <li>• If the return is in STARS, update the disposition to "DL" for STARS removal</li> </ul>

If	And	Then
<p><b>4</b> An inquiry/referral received after deposit resolution</p>	<p>A valid return and commingled funds are applied to the 4971 General ledger account <b>or</b> to the 6801 (Excess) account and there is not enough available to cover the TC 846 amount. <b>Note:</b> Funds are applied to the 6801 (Excess) account two years after the date of deposit.</p>	<ul style="list-style-type: none"> <li>• Input CC ELP45 <b>Note:</b> Credit the taxpayer’s individual account up to the available amount and debit the appropriate General Ledger account. <b>Caution:</b> You must CMODE to the deposit location to use this CC. <b>Exception:</b> 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.</li> <li>• 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</li> <li>• Open IDRS control “C#,PND720,M,MISC” “148XX00007,*” <b>Note:</b> This is only required when moving funds to an <b>EIN</b></li> <li>• Update EFDS notes with the amount of funds being applied to the taxpayer’s account</li> <li>• If the return is in STARS, update the disposition to “DL” for STARS removal</li> </ul>
<p><b>5</b> An inquiry/referral received after deposit resolution</p>	<p>A valid return and funds applied to the taxpayer’s account</p>	<ul style="list-style-type: none"> <li>• Release the refund</li> <li>• Update EFDS notes as applicable</li> <li>• Remove from STARS, by updating the disposition to “DL”</li> <li>• Enter a reason in STARS or EFDS Notes when requesting for a return’s deletion from STARS</li> <li>• Close all RIVO controls</li> </ul>

25.25.8.4.2  
(07-31-2023)  
**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 EL IAT tool 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.)

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.

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- 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.
- 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  
(07-31-2023)

**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"> <li>• Review the account for actions not taken</li> <li>• Update and/or /close the control base</li> </ul>

If	And	Then
<p><b>2</b> control number is 148XX00002</p>	<p>is 60 calendar days or older</p>	<ul style="list-style-type: none"> <li>• Review account to determine if TC 720 is present</li> </ul> <p><b>If not present:</b></p> <ul style="list-style-type: none"> <li>• Close the control base in status “C” with activity “NOFNDSRTND”</li> </ul> <p><b>If present:</b></p> <ul style="list-style-type: none"> <li>• Determine if return is good, bad or Identity Theft (IDT)</li> </ul> <p><b>If good:</b></p> <ul style="list-style-type: none"> <li>• Release refund</li> <li>• 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</li> </ul> <p><b>If bad and return is current processing year:</b></p> <ul style="list-style-type: none"> <li>• Push to STARS.</li> <li>• Update category and disposition per IRM 25.25.13-4, STARS Category Definitions and IRM 25.25.13-3, STARS Disposition Definitions</li> </ul> <p><b>If bad and prior processing year:</b></p> <ul style="list-style-type: none"> <li>• Complete Mass Push Template. IRM 25.25.13.5, Manual Referral, provide the instructions for completing the spreadsheet.</li> </ul> <p><b>Reminder:</b> If already in STARS, the National POC will update the STARS Disposition to the appropriate category and disposition.</p> <p><b>If IDT and the return is current processing year:</b></p> <ul style="list-style-type: none"> <li>• Push to STARS</li> </ul> <p><b>Reminder:</b> 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><b>If IDT and the return is prior processing year:</b></p> <ul style="list-style-type: none"> <li>• Complete Mass Push Template using “CAT 1”</li> <li>• Close the control base</li> </ul>
<p><b>3</b> 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
<p><b>4</b> control number is 148XX00004</p>	<p>there is a credit balance <b>and</b> TC 720 is present</p>	<p>If current processing year:</p> <ul style="list-style-type: none"> <li>• Push to STARS</li> <li>• Update category and disposition per IRM 25.25.13-4, STARS Category Definitions and IRM 25.25.13-3, STARS Disposition Definitions</li> </ul> <p><b>Note:</b> Manually refer to the appropriate workstream using the Manual Referral Spreadsheet if the return does not meet the auto-referral categories.</p> <p><b>If prior processing year:</b></p> <ul style="list-style-type: none"> <li>• Complete Mass Push Template and Manual Referral Template. IRM 25.25.13.5 , Manual Referral, provide the instructions for completing the spreadsheet</li> </ul> <p><b>Reminder:</b> If already in STARS, the National POC will update the STARS Disposition to the appropriate category and disposition.</p> <p><b>If IDT and the return is current processing year:</b></p> <ul style="list-style-type: none"> <li>• Push to STARS</li> </ul> <p><b>Reminder:</b> If completed en masse, update to “CAT 1”. If completed individually, refer to IRM 25.25.5-1, Triage Procedures</p> <p><b>If IDT and the return is prior processing year:</b></p> <ul style="list-style-type: none"> <li>• Complete Mass Push Template using “CAT 1”</li> <li>• Close the control as “Cxx,720POSTED,C,MISC”</li> </ul>
<p><b>5</b> control number is 148XX00004</p>	<p>a TC 720 is <b>not</b> present, <b>and it</b> is 10 calendar days or more from the date the CC ELP45 was input</p>	<ul style="list-style-type: none"> <li>• Research the account to determine why TC 720 not posted</li> <li>• Take appropriate actions to resolve</li> <li>• Update/close the control as applicable</li> </ul>

If	And	Then
<p><b>6</b> control number is 148XX00005</p>	<p>there is a TC 841 present for 10 days or more</p>	<ul style="list-style-type: none"> <li>• Determine if return is good, bad or IDT</li> </ul> <p><b>If good:</b></p> <ul style="list-style-type: none"> <li>• Release refund</li> <li>• Update disposition to “DL” to remove from STARS</li> <li>• Enter a reason in the return’s STARS or EFDS Notes when requesting its deletion from STARS</li> </ul> <p><b>If bad and return is current processing year:</b></p> <ul style="list-style-type: none"> <li>• Push to STARS</li> <li>• Update category and disposition per IRM 25.25.13-4, STARS Category Definitions and IRM 25.25.13-3, STARS Disposition Definitions</li> </ul> <p><b>If bad and prior processing year:</b></p> <ul style="list-style-type: none"> <li>• Complete Mass Push Template and Manual Referral Template. IRM 25.25.13.5, Manual Referral, provide the instructions for completing the spreadsheet</li> </ul> <p><b>Reminder:</b> If already in STARS , the National POC will update the STARS Disposition to the appropriate category and disposition.</p> <p><b>If IDT and the return is current processing year:</b></p> <ul style="list-style-type: none"> <li>• Push to STARS</li> </ul> <p><b>Reminder:</b> If completed en masse, update to “CAT 1. ”If completed individually, refer to IRM 25.25.5-1, Triage Procedures</p> <p><b>If IDT and the return is prior processing year:</b></p> <ul style="list-style-type: none"> <li>• Complete Mass Push Template using “CAT 1”</li> <li>• Close the control base as “841POSTED”</li> </ul>
<p><b>7</b> control number is 148XX00005</p>	<p>there is no credit balance <b>and</b> is 60 calendar days or older</p>	<p>Close the control base as “Cxx,RFNDNOTH-LD,C,MISC”</p>

If	And	Then
<b>8</b> control number is 148XX00007	there is a credit balance <b>and</b> TC 720 is present	<ul style="list-style-type: none"> <li>• Re-file the return and release the refund</li> <li>• Update disposition to “DL” to remove from STARS</li> <li>• Enter in the return’s STARS or EFDS notes when requesting its deletion from STARS</li> </ul> <p><b>Exception: Do Not Release</b> 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"> <li>• Close the control base</li> </ul>
<b>9</b> control number is 148XX00007	there is a credit balance and TC 720 is <b>not</b> present <b>and</b> is 10 calendar days or older from the CC ELP45 date	<ul style="list-style-type: none"> <li>• Research the account to determine why TC 720 has not posted</li> <li>• Take appropriate actions to resolve</li> <li>• Update/close the control as applicable</li> </ul>
<b>10</b> control number is 148XX00009	is 10 calendar days or older	<ul style="list-style-type: none"> <li>• Determine if return is in STARS</li> </ul> <p><b>If in STARS:</b></p> <ul style="list-style-type: none"> <li>• Update disposition to “CC” or “CL”</li> <li>• Close the monitoring control</li> </ul> <p><b>If not in STARS:</b></p> <ul style="list-style-type: none"> <li>• Research to determine why the return is not in STARS</li> <li>• Update/close the control base</li> </ul>
<b>11</b> control number is 148XX00011	the TC 722 is present	Follow IRM 25.25.8.4.1, box 2 <b>after TC 722 posts</b> , Reversal/Return of Recovered Funds
<b>12</b> control number is 148XX00011	the TC722/TC820 is not present <b>and</b> is 60 calendar days or older from prepa- ration date of the accounting form	<ul style="list-style-type: none"> <li>• Research the account to determine why TC 722 or TC 820 is not posted</li> <li>• Take appropriate actions to resolve</li> <li>• Update/close the control as applicable</li> </ul>
<b>13</b> control number is 148XX00013  <b>Note:</b> 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"> <li>• Disposition the return to Ace Adjustments (PS 30)</li> <li>• Input an EFDS return note of “RIVO EL IDT BKLD”</li> <li>• Close all RIVO controls</li> </ul>

If	And	Then
<p><b>14</b> control number is 148XX00013 <b>Note:</b> This is an account that contains a TC 971 AC 123 MISC "TPP Recovery"</p>	<p>the TC 720 is not posted, <b>and</b> it is 10 calendar days or older from the CC ELP45 date</p>	<ul style="list-style-type: none"> <li>• Research the account to determine why TC 720 has not posted</li> <li>• Take appropriate actions to resolve</li> <li>• Update/close the control as applicable</li> </ul>
<p><b>15</b> control number is 148XX00014</p>	<p>the TC 841 is posted</p>	<ul style="list-style-type: none"> <li>• Disposition the return to Ace/ Adjustments (PS 30)</li> <li>• Input an EFDS return note of "RIVO EL IDT BKLD"</li> <li>• Close all RIVO controls</li> </ul>
<p><b>16</b> control number is 148XX00014</p>	<p>the TC 841 is not posted, <b>and</b> it is 60 calendar days or older from the F stop request date</p>	<ul style="list-style-type: none"> <li>• Research the account to determine why TC 841 has not posted</li> <li>• Take appropriate actions to resolve</li> <li>• Update/close the control as applicable</li> </ul>
<p><b>17</b> control number is 148XX00017</p>	<p>the TC 841 is posted</p>	<ul style="list-style-type: none"> <li>• Reissue check to the good taxpayer</li> <li>• If account is in STARS, remove from STARS, by updating disposition to "DL"</li> <li>• Enter a reason in the return's STARS or EFDS Notes when requesting its deletion from STARS</li> <li>• Close all RIVO controls</li> </ul>
<p><b>18</b> control number is 148XX00017</p>	<p>the TC 841 is not posted, <b>and</b> it is 60 calendar days or older from the F stop date requested</p>	<ul style="list-style-type: none"> <li>• Research the account to determine why TC 841 has not posted</li> <li>• Take appropriate actions to resolve</li> <li>• Update/close the control as applicable</li> </ul>

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
<p>-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</p>	<p>Update STARS to "CAT 5 CL".</p>
<p>Return meets IDT criteria:</p> <ul style="list-style-type: none"> <li>• previous IDT marker (TC 971 AC 5XX)</li> <li>• date of death present (DOD)</li> <li>• date of birth (DOB) 1940 and prior or 2001 and after</li> </ul>	<ul style="list-style-type: none"> <li>• If completed en masse, update to "CAT 1"</li> <li>• If completed individually, refer to IRM 25.25.5-1, Triage Procedures</li> </ul>

- (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  
(06-14-2023)  
**Responding to Taxpayer Inquiries**

- (1) For non-RIVO employees receiving taxpayer inquiries follow the procedures outlined below.
- (2) The caller states the bank returned their refund to the IRS, see Exhibit 25.25.8-2, External Lead Involvement Indicators, and 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
<p><b>1</b> 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"> <li>• “BKLD”</li> <li>• “REQFUNDS”</li> </ul> <p><b>AND</b> the control base assignment number is one of the following:</p> <ul style="list-style-type: none"> <li>• 148XX00001</li> <li>• 148XX00002</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul>

If	And	Then
<p><b>2</b> 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"> <li>• “BKLDCKRECD”</li> <li>• “BKLDACHREV”</li> </ul> <p><b>AND</b> the control base assignment number is one of the following:</p> <ul style="list-style-type: none"> <li>• 148XX00004</li> <li>• 148XX00005</li> </ul>	<ul style="list-style-type: none"> <li>• Update AMS Notes with the following: name and contact information of the caller, name of the financial institution, and date of contact.</li> <li>• 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.</li> <li>• 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.</li> </ul> <p><b>Exception:</b> Identity Theft Victim Assistance ( IDTVA) Employees may make IDRS adjustments as needed after contacting the <i>External Leads POC</i> to verify if the financial institution returned the funds.</p> <p><b>Exception:</b> Do not initiate contact on “BKL-COMNGLD” , close the control base.</p>

If	And	Then
<p><b>3</b> 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"> <li>• "BKLDCKRECD"</li> <li>• "BKLDACHREV"</li> </ul> <p><b>AND</b> the module shows control base assignment number is one of the following:</p> <ul style="list-style-type: none"> <li>• 148XX00004</li> <li>• 148XX00005</li> </ul> <p><b>AND</b> the module shows a posted TC 720 or TC 841</p>	<ul style="list-style-type: none"> <li>• Update AMS Notes with the following: name and contact information of the caller, name of the financial institution, and date of contact.</li> <li>• 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.</li> <li>• 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.</li> </ul> <p><b>Exception:</b> ID Theft Employees may make IDRS adjustments as needed.</p>

If	And	Then
<p><b>4</b> 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"> <li>• "VALID150"</li> </ul> <p><b>AND</b> the control base assignment number is the following:</p> <ul style="list-style-type: none"> <li>• 148XX00007</li> </ul>	<ul style="list-style-type: none"> <li>• Update AMS Notes with the following: name and contact information of the caller, name of the financial institution, and date of contact.</li> <li>• If the TC 720/ TC 841 is <b>not</b> posted, advise the caller that the review of the return and refund is complete and to allow 10 weeks for the refund issue.</li> <li>• 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.</li> <li>• 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.</li> </ul>
<p><b>5</b> 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"> <li>• Update AMS Notes with the following: name and contact information of the caller, name of the financial institution, and date of contact.</li> <li>• 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.</li> <li>• 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.</li> </ul>

If	And	Then
<p><b>6</b> The taxpayer states their financial institution advised them their refund was returned to the IRS, provides a lead number and/or mentions the External Lead department.</p>	<p>The control base activity field is “NOFNDSAVLB” or “NOFNDSRTND” and the control base assignment number is 148XX00004.</p>	<ul style="list-style-type: none"> <li>• IRS never received any funds from the financial institution. Advise the caller to contact their financial institution regarding the refund.</li> </ul> <p>If the taxpayer states, they have already spoken to the bank and the bank referred the taxpayer back to IRS then:</p> <ul style="list-style-type: none"> <li>• Submit a Form e-4442 to “RICS RIVO EX LDS”. Advise the taxpayer to allow 60 days for a response.</li> </ul>
<p><b>7</b> The account contains a closed RIVO control base.</p>	<p>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.</p>	<ul style="list-style-type: none"> <li>• The financial institution returned the funds as a direct deposit reversal; however, the refund is released via a paper check.</li> <li>• Follow normal refund inquiry procedures per IRM 21.4.2, Refund Trace and Limited Payability.</li> </ul>
<p><b>8</b> The account contains an IDRS history item such as “BKLD DO NOT RELEASE” or “BKLD DO NOT REFUND”</p>	<p>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.</p>	<p>Refer to the last closed RIVO control base and follow the instructions in this “If and Then” chart.</p>

If	And	Then
<p><b>9</b> The taxpayer states the financial institution advised them their funds were returned to the IRS, provides a lead number and/or mentions the External Lead department</p>	<p>No open or closed RIVO control or indications of RIVO activity.</p>	<ul style="list-style-type: none"> <li>• Update AMS Notes with the following: name and contact information of the caller, name of the financial institution, and date of contact.</li> <li>• Advise the caller to allow 90 days from the date of the call to either receive the refund or a letter regarding the review.</li> <li>• If more than 7 days since the bank notified the taxpayer that the refund was returned to the IRS, 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.</li> </ul>

- (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
<p>The caller claims to be a tax return preparer who directed current year tax refunds into their account</p>	<p>Bank has told caller that the deposited refunds were returned to the IRS due to multiple refunds or name mismatch</p>	<ol style="list-style-type: none"> <li>1. 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".</li> <li>2. Include a brief explanation of why the preparer called and the bullet items below:                             <p><b>Example:</b> Return preparer called because the bank sent the refund back to IRS instead of depositing the refund into the preparer's bank account.</p> <ul style="list-style-type: none"> <li>• Preparer name</li> <li>• Preparer SSN number</li> <li>• Preparer PTIN</li> <li>• Preparer Firm EIN number (if available)</li> <li>• Preparer phone number</li> <li>• Bank routing number and account number</li> </ul> </li> <li>3. 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.                             <p><b>Note:</b> 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.</p> </li> <li>4. Do not provide any specific information about a taxpayer's account unless the caller has a power of attorney to receive it.</li> </ol>

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 should be provided fund transfer instructions below for the site working the inventory. The accounting POC for the site should be included in the instructions.
- (7) Update Lead Management System as required.
- (8) To initiate the fund transfer, use the following account information:

<b>Kansas City, MO</b>
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  
(07-31-2023)  
**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) The Office of Child Support Enforcement (OCSE) receives and manages various state's child support Treasury Offset Program (TOP) offset referrals. Questionable offsets are identified by states who run their own filters to determine if an overpayment is suspicious. In addition, an agency may also receive information from a taxpayer stating they did not work during the current year or file the tax return that generated the offset. OCSE load these leads to the Health and Human Services (HHS) website portal. Then, specific IRS personnel with access to the portal receive an e-mail from HHS that a new file was uploaded for review.

**Note:** Fraud Referral and Evaluation Analysts (FRE), during phase 1, retrieve the cases referred from the portal and then conduct the research using various

batch tools and databases to determine if the offset should be reversed. See IRM 25.25.12.9.7, Office of Child Support Enforcement (OCSE) for more details. Those cases not meeting FRE's criteria will be assigned to RIVO OCSE team to work in phase two of this process. The guidance, therefore, starting with paragraph 3 of this subsection, is specific to RIVO TEs assigned to work the fallout from phase 1 cases referred.

The IRS usually receives the following information:

- 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. Complete accurate research on referred OCSE accounts is critical to the success of the program and to the various state's appropriate disbursement of TOP offsets from federal tax refunds. The IRS' response on referred cases directly guides the states on whether to release offset referred or hold pending reversal request(s) from IRS or BFS. The assigned Examiner must consider the following when reaching a determination:

- All related transactions on the account
- The validity of corresponding claims
- Any prior actions taken by the IRS or BFS, to include full or partial reversal, and funds reissued
- The offset amount available
- Where to refer/treat an invalid claim

**Note:** The offset reversal leads process requires that the Tax Examiner review the entire corresponding module(s) for all items within RIVO scope. This includes all relevant entity research such as IDRS CC FTBOL, which is only updated once a year. Therefore, when reviewing this data, also review the FTBOL FY20XX Spreadsheet to determine if updated incarceration/release information is found when conducting research. Research should also include date of death and module transactions indicating GATT. See 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, identity theft, Unallowables, see IRM 4.19.15.15, Unallowable Code (UA) Program, non-eligible credits (see Form 1040 instructions) and dishonored/duplicate/erroneous payment refund issues.

Tax Examiner determinations include the following

- a. **"NO"** - RIVO will not be requesting the return of funds
- b. **"YES"** - The entire referred offset is no longer available for disbursement  
For all **"YES"** responses, TEs must indicate either taxpayer **Fraud, IDT, Inj Sp** or **Other** as appropriate. Additional comments should be entered in the Remarks field as needed

- c. **“PIR”** - Prior actions by IRS has already reversed the offset in full and therefore is no longer available for disbursement  
For all **PIR** accounts, TEs must indicate either taxpayer **Fraud, IDT, Inj Sp,** or **Other** as appropriate. Additional comments should be entered in the Remarks field as needed.
- d. **BFS** - TC 899(s) have posted to the account totaling the entire amount of the TC 898 and as a result, the offset is unavailable for disbursement

**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) Use batch tools to complete the research to determine the offset tax period.
- (5) 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.

- (6) 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 work. Research will include any identity theft markers, including TC 971 AC 125, and EFDS notes and “Compromised IRP Data - Do Not Release

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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).

- (7) After researching and reviewing the corresponding filing(s) and module(s), follow the If and Then chart below to reach a determination, and to resolve the assigned account(s). The chart provides the most encountered scenarios. If the scenario is not covered, consult your Lead for guidance.

If	And	Then
<p><b>1</b> TOP Offset, regardless of age, validity, Agency, or Sub-Agency Code</p>		<ul style="list-style-type: none"> <li>• Response is “<b>No</b>”</li> <li>• Update IDRS refund TIN and tax period in LMS as appropriate</li> <li>• Input via IDRS CC REQ77, TC 972 AC 134 MISC field “BKLD OFFSET”</li> </ul> <p><b>Note:</b> The TC 972 AC 134 is done en masse on a regular basis using automated GII tools.</p> <ul style="list-style-type: none"> <li>• Close all RIVO control bases</li> </ul>
<p><b>2</b> TOP Offset, regardless of Agency or Sub-Agency Code</p>	<p>more than 5 years 11 months from the offset date and you determine that the return is <b>NOT</b> valid within RIVO scope and/or there are items of interest as discussed in the <b>Note</b> in paragraph 3 above.</p>	<p>Contact the TOP Liaison (through worklead) to determine the availability of funds</p> <p style="text-align: center;"><b>Funds Available</b></p> <ul style="list-style-type: none"> <li>• Response is “<b>Yes</b>”</li> <li>• See boxes below in this table for LMS updates and referral guidance.</li> <li>• Update IDRS refund TIN and Tax Period in LMS if missing or incorrect.</li> </ul> <p><b>Note:</b> The offset cannot be reversed via TC 290 Action Code (AC) 766. A manual reversal must be requested through the TOP Liaison via the Manual TOP Offset Reversal Request form.</p> <p><b>No Funds Available</b></p> <ul style="list-style-type: none"> <li>• Response is “<b>No</b>”</li> <li>• Notate “Late Lead” in OSRL Remarks</li> <li>• Update IDRS refund TIN and Tax Period in LMS as appropriate</li> </ul>

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If	And	Then
<p><b>3</b> TOP Offset, regardless of age, validity, Agency, or Sub-Agency Code</p>	<p>There is a posted or pending freeze indicating Exam, Frivolous Filer Program (FRP), Criminal Investigations or Duplicate/ Amended return</p> <p><b>Exception:</b> If a -E Freeze and TC 810 with a Responsibility Code 4 is posted to the module, see IRM 25.25.8.3 Processing External Lead, Row 10-12, for the appropriate guidance.</p>	<ul style="list-style-type: none"> <li>• Response is “<b>No</b>”</li> <li>• Notate LMS remarks “FLEAZ”</li> <li>• Input via IDRS CC REQ77, TC 972 AC 134 MISC field “BKLD OFFSET”</li> </ul> <p><b>Note:</b> The TC 972 AC 134 is done en masse on a regular basis using automated GII tools.</p> <ul style="list-style-type: none"> <li>• Update IDRS refund TIN and tax period in LMS if missing or incorrect.</li> <li>• Close all RIVO control bases</li> </ul>
<p><b>4</b> Return is determined to be valid per tolerances established in IRM 25.25.2.2.1(6) ,Data Mining Screening Tree and there is no significant underreporting at or above Exam criteria, see IRM 4.19, Liability Determination</p>	<p>There are <b>no</b> GATT, Frivolous Claim, Unallowable or dishonored/ duplicate/erroneous payment/refund concerns as discussed in the Note in paragraph 3 above</p>	<ul style="list-style-type: none"> <li>• Response is “<b>No</b>”</li> <li>• Input via IDRS CC REQ77, TC 972 AC 134 MISC field “BKLD OFFSET ”</li> </ul> <p><b>Note:</b> The TC 972 AC 134 is done en masse on a regular basis using automated GII tools</p> <ul style="list-style-type: none"> <li>• Update IDRS refund TIN and tax period in LMS as appropriate</li> <li>• Close all RIVO control bases</li> </ul>
<p><b>5</b> Return is determined to be invalid per tolerances established in IRM 25.25.2.2.1(6), Data Mining Screening Tree</p>		<ul style="list-style-type: none"> <li>• Response is “<b>Yes</b>”</li> <li>• Reverse entire available offset amount</li> <li>• Indicate in OSRL LMS, “Fraud” and enter the offset reversal amount</li> <li>• Update IDRS refund TIN and tax period in LMS as appropriate</li> <li>• Send to scheme as appropriate (i.e., AQC, WOW, Exam, etc.; Current processing year through EFDS, Prior processing year through STARS/Manual Referral)</li> </ul>

If	And	Then
<p><b>6</b> Agency Code 02/NON-TANF</p>	<p>150 days or more have passed from the offset date</p>	<ul style="list-style-type: none"> <li>• Response is “No”</li> <li>• Notate “late lead” in the Remarks field of LMS</li> <li>• Input via IDRS CC REQ77, TC 972 AC 134 MISC field “BKLD OFFSET ”</li> </ul> <p><b>Note:</b> The TC 972 AC 134 is done en masse on a regular basis using automated GII tools</p> <ul style="list-style-type: none"> <li>• Update IDRS refund TIN and tax period in LMS as appropriate</li> <li>• Close all RIVO control bases</li> </ul>
<p><b>7</b> Referred TOP offset is <b>fully</b> reversed by TC 290 AC 766(s) and/or TOP Manual Reversal TC 700(s)</p>		<ul style="list-style-type: none"> <li>• Response is “PIR”</li> <li>• Indicate “Fraud”, “IDT”, “ Inj Sp”, or “Other” as appropriate per your review. Additional Remarks needed should be entered in the Remarks field of the OSRL LMS database</li> <li>• Update IDRS refund TIN and tax period in LMS as appropriate</li> <li>• Input via IDRS CC REQ77, TC 972 AC 134 MISC field “BKLD OFFSET ”</li> </ul> <p><b>Note:</b> The TC 972 AC 134 is done en masse on a regular basis using automated GII tools.</p> <ul style="list-style-type: none"> <li>• Close all RIVO control bases</li> </ul>
<p><b>8</b> Referred TOP offset is <b>fully</b> reversed by TC(s) 899(s)</p>		<ul style="list-style-type: none"> <li>• Response is “BFS”</li> <li>• Update IDRS refund TIN and tax period in LMS as appropriate</li> <li>• Input via IDRS CC REQ77, TC 972 AC 134 MISC field “BKLD OFFSET ”</li> </ul> <p><b>Note:</b> The TC 972 AC 134 is done en masse on a regular basis using automated GII tools.</p> <ul style="list-style-type: none"> <li>• Close all RIVO control bases</li> </ul>

If	And	Then
<p><b>9</b> Referred TOP offset is <b>fully</b> reversed by a combination of TC 290/766 or 700 AND TC 899(s)</p>		<ul style="list-style-type: none"> <li>• Response is “<b>Yes</b>”</li> <li>• Indicate “Fraud”, “IDT”, “Inj Sp”, or “Other” as appropriate per your review</li> <li>• Update IDRS refund TIN and tax period in LMS as appropriate</li> <li>• Enter “0.01” as the offset reversal amount</li> <li>• Notate “BFS/PIR” in the Remarks field of the OSRL LMS</li> <li>• Input via IDRS CC REQ77, TC 972 AC 134 MISC field “BKLD OFFSET ”</li> </ul> <p><b>Note:</b> This is done en masse on a regular basis using automated GII tools.</p> <ul style="list-style-type: none"> <li>• Close all RIVO control bases</li> </ul>
<p><b>10</b> A <b>portion</b> (less than the entirety) of the referred TOP offset has been reversed by TC 290/766 or 700 and/or TC 899</p>	<p>You determine the return is <b>valid</b> within RIVO scope and there are no items of interest as discussed above in #3 REMINDER.</p>	<ul style="list-style-type: none"> <li>• Response is “No”</li> <li>• Update IDRS refund TIN and tax period in LMS as appropriate</li> <li>• Input via IDRS CC REQ77, TC 972 AC 134 MISC field “BKLD OFFSET ”</li> </ul> <p><b>Note:</b> The TC 972 AC 134 is done en masse on a regular basis using automated GII tools.</p> <ul style="list-style-type: none"> <li>• Close all RIVO control bases</li> </ul>

If	And	Then
<p><b>10a</b> Conditions are the same as in scenario <b>10</b> above</p>	<p>You determine that the return is <b>NOT</b> valid within scope and <b>revenue can be protected</b>, along with funds available for recovery</p>	<ul style="list-style-type: none"> <li>• Response is “Yes”</li> <li>• Reverse the entire available offset amount</li> <li>• Indicate in OSRL LMS, “Fraud” and enter the offset reversal amount</li> <li>• Update IDRS refund TIN and tax period in LMS as appropriate</li> <li>• Input/Update EFDS and AMS notes per IRM 21.2.2.4.5, Account Management Services (AMS). Select “Refund Offset” issue</li> <li>• <b>Refundable credits to be adjusted:</b> <ol style="list-style-type: none"> <li>a. Refer on OCSE manual referral to AQC spreadsheet with AMS 1040X Worksheet and notate EFDS as appropriate</li> <li>b. Send to scheme and update Category as appropriate</li> </ol> </li> <li>• <b>No Refundable credits to be adjusted:</b> <ol style="list-style-type: none"> <li>a. Send to WOW (manual referral or systemic)</li> <li>b. Send to scheme and update Category as appropriate</li> </ol> </li> </ul>
<p><b>11</b> Referred offset was generated from a dishonored or misapplied payment, or erroneous refund</p>		<ul style="list-style-type: none"> <li>• Response is “Yes”</li> <li>• Notate the remarks field as needed</li> <li>• Update IDRS refund TIN and tax period in LMS as appropriate</li> <li>• Reverse entire available offset and input the offset reversal amount in OSRL LMS database</li> </ul>
<p><b>12</b> 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.</p>		<ul style="list-style-type: none"> <li>• Select the appropriate response to provide based on research conducted <b>Reminder:</b> Full research and review of both the original and refunding module is required. Based on the outcome of your review, follow the appropriate scenario from above/below boxes in this table</li> </ul>

If	And	Then
<p><b>13</b> Return is determined to be IDT</p>	<p>No taxpayer filing located</p>	<ul style="list-style-type: none"> <li>• Response is “Yes”</li> <li>• Indicate in OSRL LMS “IDT”</li> <li>• Update IDRS refund TIN and tax period in LMS as appropriate</li> <li>• Reverse entire available offset amount</li> <li>• Enter offset reversal amount in LMS</li> <li>• Notate EFDS</li> <li>• Triage IDT filing by sending to scheme and updating as per IRM 25.25.5-1, Triage Procedures</li> </ul> <p><b>Note:</b> Prior processing year, follow Mass Push procedures.</p>
<p><b>13a</b> Same condition as in 13 above</p>	<p>Valid taxpayer return located, and the claimed refund is equal to or more than the offset amount</p>	<ul style="list-style-type: none"> <li>• Response is “No”</li> <li>• Update IDRS refund TIN and tax period in LMS as appropriate</li> <li>• Treat IDT filing and account per IRM 25.25.4, Integrity &amp; Verification Identity Theft Return Procedures, including adjusting filing to taxpayer return as appropriate</li> </ul> <p><b>Caution:</b> Do <b>Not</b> reverse the TOP offset</p> <ul style="list-style-type: none"> <li>• Close all RIVO control bases</li> <li>• Input via IDRS CC REQ77, TC 972 AC 134 MISC field “BKLD OFFSET ”</li> </ul> <p><b>Note:</b> The TC 972 AC 134 is done en masse on a regular basis using automated GII tools</p>
<p><b>13b</b> Same condition as in 13 above</p>	<p>Valid taxpayer filing located and there is a balance due or zero return</p>	<ul style="list-style-type: none"> <li>• Response is “Yes”</li> <li>• Indicate in OSRL LMS “IDT”</li> <li>• Update IDRS refund TIN and tax period in LMS as appropriate</li> <li>• Reverse available offset amount</li> <li>• Enter offset reversal amount in OSRL LMS</li> <li>• Treat IDT filing and account per IRM 25.25.4, Integrity &amp; Verification Identity Theft Return Procedures including adjusting filing to taxpayer return as appropriate</li> </ul>

If	And	Then
<p><b>13c</b> Same condition as in 13 above</p>	<p>Valid taxpayer return located, and the claimed refund is <b>less than</b> the offset amount</p>	<ul style="list-style-type: none"> <li>• Response is “<b>Yes</b>”</li> <li>• Reverse entire available offset amount</li> <li>• Enter offset reversal amount in OSRL LMS</li> <li>• Update IDRS refund TIN and tax period in LMS as appropriate</li> <li>• Treat IDT filing and account per IRM 25.25.4, Integrity &amp; Verification Identity Theft Return Procedures including adjusting filing to taxpayer return as appropriate</li> <li>• After adjustments post, release remaining credit balance to taxpayer as appropriate</li> </ul>
<p><b>13d</b> Same condition as in 13 above</p>	<p>Taxpayer refund return located, but does not verify within tolerances established in IRM 25.25.2.2.1 paragraph 6 or contains GATT, Frivolous Claim, Unallowable or dishonored/ duplicate erroneous payment/refund concerns as discussed in the Note of paragraph 3 above</p>	<ul style="list-style-type: none"> <li>• Response is “<b>Yes</b>”</li> <li>• Enter “IDT” in OSRL LMS</li> <li>• Update IDRS refund TIN and tax period in LMS as appropriate</li> <li>• Reverse available offset amount</li> <li>• Enter offset reversal amount in OSRL LMS</li> <li>• Treat IDT filing and account per IRM 25.25.4, Integrity &amp; Verification Identity Theft Return Procedures including adjusting filing to taxpayer return as appropriate</li> <li>• Treat taxpayer filing as appropriate :</li> <li>• <b>Refundable credits to be adjusted:</b> <ul style="list-style-type: none"> <li>a. Refer on OCSE manual referral to AQC spreadsheet with AMS 1040X Worksheet and notate EFDS as appropriate</li> <li>b. Send to scheme and update Category as appropriate</li> </ul> </li> <li>• <b>No Refundable credits to be adjusted:</b> <ul style="list-style-type: none"> <li>a. Send to WOW (manual referral or systemic)</li> <li>b. Send to scheme and update Category as appropriate</li> </ul> </li> </ul> <p><b>Note:</b> Unallowables or other issues (as discussed in the Note in paragraph 3 above, manually refer as appropriate based on responsible functional area, including sending to scheme and updating Category as appropriate.</p>

If	And	Then
<p><b>14</b>  <b>Only</b> Schedule C, F, or Household Help (HSH)</p>	<p>All is true:</p> <p>a. There is no IRP support</p> <p>b. The filer did not verify as the TIN owner</p> <p>c. There is no consistency</p> <p>d. There is nothing on the return that can be used to verify the filer as the TIN owner</p> <p><b>Note:</b> Do not consider a Schedule C/F/HSH filing history as consistent when multiple returns claiming them are filed within the same processing year without additional research</p>	<ul style="list-style-type: none"> <li>• Response is “<b>Yes</b>”</li> <li>• Update IDRS refund TIN and tax period in LMS as appropriate</li> <li>• Reverse available offset amount</li> <li>• Indicate “<b>IDT</b>” in the OSRL LMS database and enter the offset reversal amount</li> <li>• Triage IDT filing by sending to scheme and updating as per IRM 25.25.5-1 , Triage Procedures</li> </ul>
<p><b>14a</b>            Same condition as in <b>14</b> above</p>	<p>Any of the following is true:</p> <p>a. There is IRP support</p> <p>b. Filer verified as the TIN owner</p> <p>c. There is a consistency in filing the schedules</p> <p>d. There is other data on the return such as IDOCs with income and/or withholding that can be used to verify the filer as the TIN owner</p> <p>e. There are <b>no</b> unallowable considerations as discussed in the Note in paragraph 3 above</p>	<ul style="list-style-type: none"> <li>• Response is “<b>No</b>”</li> <li>• Update IDRS refund TIN and tax period in LMS as appropriate</li> <li>• Input via IDRS CC REQ77, TC 972 AC 134 MISC field “BKLD OFFSET ”</li> </ul> <p><b>Note:</b> The TC 972 AC 134 is done en masse on a regular basis using automated GII tools</p> <ul style="list-style-type: none"> <li>• Close all RIVO control bases</li> </ul>

If	And	Then
<p><b>14b</b> Same condition as in 14 above</p>	<p>All conditions are true as specified in 14 above except, there <b>are</b> unallowables claimed on the return</p>	<ul style="list-style-type: none"> <li>• Response is “<b>Yes</b>”</li> <li>• Reverse available offset amount</li> <li>• Indicate “Fraud” in the OSRL LMS database and the offset reversal amount</li> <li>• Update IDRS refund TIN and tax period in LMS as appropriate</li> <li>• Refer return to the following: If refund amount claimed is <b>\$10K and over</b> - Refer to Frivolous Return Program for current year returns. Prior year, refer through Lead to the Manual Referral Coordinator If refund amount claimed is <b>under \$10K</b>, refer as normal</li> </ul>
<p><b>14c</b> Same condition as in 14 above</p>	<p>Exam previously disallowed a similar Schedule C, F, or HSH</p>	<ul style="list-style-type: none"> <li>• Response is “<b>Yes</b>” <b>Reminder:</b> The Schedule C may not be allowed, but the taxpayer may still qualify for refundable credits if claimed on the return</li> <li>• Reverse available offset amount</li> <li>• Indicate “Fraud” in the OSRL LMS database and the offset reversal amount</li> <li>• Update IDRS refund TIN and tax period in LMS as appropriate</li> <li>• Manually refer the return to Exam through the Manual Referral Coordinator and push to Scheme</li> <li>• Update EFDS/STARS notes as appropriate</li> <li>• Input/Update AMS notes per IRM 21.2.2.4.5, Account Management Services (AMS); Select “Refund Offset” issuer</li> </ul>
<p><b>15</b> Schedule C, F, or HSH <b>with</b> other types of income and/or withholding</p>	<p>Return is verified to be the TIN owner(i.e., IRP support, see IRM 25.25.8.9(6), External Offset Leads (State and Federal Agencies) above for unverified IRP, filer verification, consistency filing, or other data on the return that confirms the TIN owner) <b>Reminder:</b> See note above in 14</p>	<ul style="list-style-type: none"> <li>• The Schedule C, F, or HSH will be accepted</li> <li>• Review all other return items for validity and then based on the research completed, select the appropriate scenario above or below in this table to resolve the account</li> </ul>

If	And	Then
<p><b>15a</b> Same condition as 15 above</p>	<p>Identity theft is verified</p>	<p>Follow guidance in <b>14 through 14c</b> above</p>
<p><b>16</b> Offset involves an EIP payment</p>		<p>See the tables in paragraph 1 and 2 of IRM 25.25.8.3.2, Processing Economic Impact Payment Leads to determine eligibility requirements. If funds should be returned, take the following action to reverse the offset:</p> <ul style="list-style-type: none"> <li>• Reverse the available TOP Offset(s) amount per IRM 21.4.6.5.12, TOP Offset Reversals with Adjustments. Use Hold Code 4 to hold the credit and notice.</li> <li>• Open the control to “M” status with category “ELOF”, place in suspense to “1481011111 ”and use activity code “DECDEIP” for decedent cases or “IDTSEIP” for suspected or confirmed identity theft cases</li> <li>• Input/Update AMS notes per IRM 21.2.2.4.5, Account Management Services (AMS). Select Refund Offset as the issue, and indicate offset reversal was input on EIP payment</li> <li>• Update IDRS refund TIN and tax period in LMS as appropriate</li> <li>• IRS response is “Yes”</li> <li>• Input “EIP” and additional remarks as appropriate in LMS remarks column</li> <li>• Monitor the account for offset reversal transaction to post. Do not take any additional actions. Subsequent actions will be taken by W&amp;I to address the EIP</li> </ul> <p><b>If funds should not be returned:</b></p> <ul style="list-style-type: none"> <li>• Response is “No”</li> <li>• Notate EIP in the OSRL LMS remarks field</li> <li>• Input via IDRS CC REQ77, TC 972 AC 134 MISC field “BKLD OFFSET”</li> </ul> <p><b>Note:</b> The TC 972 AC 134 is done en masse on a regular basis using automated GII tools</p> <ul style="list-style-type: none"> <li>• Close all RIVO control bases</li> </ul>

(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
<p><b>1</b> The module contains an unreversed TC 971 AC 134 MISC field “BKLD OFFSET”</p>	<ul style="list-style-type: none"> <li>• Advise the taxpayer to wait 60 days from the date of the TC 971 input</li> <li>• 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</li> </ul>
<p><b>2</b> The module contains an open/closed control with activity “FraudCase” and category “DMFC”</p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>
<p><b>3</b> The module contains a TC 972 AC 134 MISC field “BKLD OFFSET”</p>	<p>Advise the taxpayer the refund will offset to any outstanding debt.</p>

If	Then
<p><b>4</b> The module contains a TC 972 AC 134 MISC field "BKLD OFFSET", with category "ELOF" <b>and</b> 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).</p>	<p>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.</p>

25.25.8.10  
(06-14-2023)  
**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 IRM 21.3.3.4.25, 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  
Post Office Box 219981  
Kansas City, MO 64121

- 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 should 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  
 Post Office Box 219981  
 Kansas City, MO 64121

**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  
 (11-13-2020)  
**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
<p><b>1</b> No TC 841 posted</p>	<p>the check has not been negotiated and identity theft documentation is attached</p>	<p><b>The TE will:</b></p> <ol style="list-style-type: none"> <li>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.</li> <li>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).</li> <li>3. Input TC 971 AC 134 (if not already present) and TC 971 AC 850.</li> <li>4. Input a history item “DONOTRFUND”.</li> <li>5. Update the control to reflect “PND841”.</li> <li>6. Update EFDS 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.”</li> <li>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,*.</li> <li>8. Update Accounts Management Services (AMS) History notes with same information as EFDS notes, see IRM 21.2.2.4.5 , Accounts Management Services (AMS).</li> <li>9. Update the Lead Management System (LMS) database. Input TC 971 AC 522 (if one does not already exist on CC ENMOD).</li> </ol> <p><b>The TCIS POC will:</b></p> <ol style="list-style-type: none"> <li>10. Access TCIS and use stop code “F” to stop the check. <b>Note:</b> Use the address provided on the documentation from the taxpayer. If an address is not provided use the address that populates in TCIS.</li> <li>11. Update the PND841 IDRS control to: “TCISCANCEL” .</li> <li>12. Input the cancelled check numbers on the “Cancelled Treasury Checks” monitoring spreadsheet.</li> <li>13. Send the cancelled check to Bureau of Fiscal Services (BFS), include the statement“ We cancelled the check in TCIS using F-stop.” <b>Note:</b> Stamp “VOID” on all checks if not present.</li> </ol> <p><b>Once the TC 841 posts, the monitoring POC working the age list will:</b></p> <ol style="list-style-type: none"> <li>14. Close the monitoring control with “841posted”.</li> <li>15. Close the “PNDSTARS” control base.</li> <li>16. Update the disposition return in EFDS/STARS. <b>Note:</b> 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).</li> </ol>

If	And	Then
<p><b>2</b> TC 841 posted</p>		<ol style="list-style-type: none"> <li>1. Input TC 971 AC 134 (if not already present) and TC 971 AC 850.</li> <li>2. Input a history item "DONOTRFUND".</li> <li>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).</li> <li>4. Close the IDRS control base: "C#,841POSTED,C,EVfy" 1481X00003,* .</li> </ol> <p><b>Note:</b> 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"> <li>5. Update EFDS notes 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."</li> </ol> <p><b>Note:</b> 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><b>Note:</b> If IDT and the money is posted, push the return to scheme and refer through STARS as "CAT 7 CC".</p> <p><b>Note:</b> 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><b>Note:</b> 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"> <li>6. Update AMS History notes with same information as EFDS notes.</li> <li>7. If indications of Identity theft ,input TC 971 AC 522 if one does not already exist on CC ENMOD .</li> <li>8. Import/Update LMS.</li> </ol>

25.25.8.11.2  
(01-19-2021)  
**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  
Post Office Box 219981  
Kansas City, MO 64121

- (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><b>1</b> Check(s) is made payable to a 3rd Party</p>		<ol style="list-style-type: none"> <li>1. Input TC 971 AC 134 (if not already present) and TC 971 AC 850.</li> <li>2. Input a history item "DONOTR-FUND".</li> <li>3. Update the IDRS control to: "3RDPRTYCK" and then update to "PND\$AMT".</li> <li>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). Current processing year return or the return is already in STARS:</li> <li>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. Prior processing year return:</li> <li>6. Complete the mass push template and open a control base to "C#,PNDSTARS,M,EVfy 148XX00009,".</li> <li>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.)."</li> <li>8. Monitor the "EVfy" control base.</li> </ol> <p><b>Note:</b> Funds returned for 3rd Party checks are worked as an ELP deposit.</p>

If	And	Then
<p><b>2</b> Check(s) is made payable to a 3rd Party</p>	<p>If no response received after 45 days</p>	<p>The monitoring POC working the age list will:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Update the IDRS control base "PND\$AMT" to "45FOLLOWUP".</li> <li>• Input an EFDS note, "CCP Lead #45 day follow up e-mail sent".</li> <li>• Update AMS with the same information as the EFDS note, see IRM 21.2.2.4.5, Account Management Services (AMS).</li> </ul>
<p><b>3</b> Check(s) is made payable to a 3rd Party</p>	<p>If no response received after an additional 15 days from the follow-up e-mail</p>	<p>The monitoring POC working the age list will:</p> <ul style="list-style-type: none"> <li>• Input an EFDS note, "No funds returned", as applicable.</li> <li>• Update AMS with the same information as the EFDS note, see IRM 21.2.2.4.5, Account Management Services (AMS).</li> <li>• Close the IDRS "45FOLLOWUP and" control base with, "NOFNDSRTND,C".</li> </ul>

If	And	Then
<p><b>4</b> Miscellaneous Repayment Check or money order is made payable to:</p> <ul style="list-style-type: none"> <li>• US Treasury</li> <li>• United States Treasury</li> <li>• Internal Revenue Service</li> <li>• Department of the Treasury</li> </ul>	<p>a. There is RIVO activity (RIVO transactions, letters, or freeze conditions)</p> <p>b. A Form 14039, Identity Theft Affidavit is attached, <b>OR</b></p> <p>c. Correspondence indicates identity theft</p>	<ol style="list-style-type: none"> <li>1. Input TC 971 AC 134 (if not already present) and TC 971 AC 850.</li> <li>2. Input a history item "DONOTR-FUND"</li> <li>3. Update the Open an IDRS control base to: "PNDMISCK"</li> <li>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)</li> </ol> <p><b>Current processing year return or already in STARS:</b></p> <ol style="list-style-type: none"> <li>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".</li> </ol> <p><b>Prior processing year return:</b></p> <ol style="list-style-type: none"> <li>6. Complete the mass push template and open a control to "C#,PNDSTARS,M,EVfy 148XX00009,*".</li> <li>7. Input the notes in EFDS: "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.)."</li> <li>8. Update AMS with the same information as the EFDS notes, see IRM 21.2.2.4.5, Account Management Services (AMS)</li> </ol>

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 b 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  
(09-12-2023)

**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. Based on the results provided by FRE, input the following EFDS notes:  
Add R17 returns to Case and add note “BKL - R17”  
Add R19 returns to Case and add note “BKL - R19”
  - i. 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 IDRS for any payments (TC 610, TC 670, TC 430, TC 716, etc.).
- f. Review account for any balance due conditions (this may indicate other actions taken on the account).
- g. Review IDRS for extension to file (TC 460).
- h. 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
<p><b>1</b> The return is good</p>	<p>filed by the TIN owner</p>	<ul style="list-style-type: none"> <li>a. Re-file the return in EFDS.</li> <li>b. Update EFDS notes.</li> <li>c. Input TC 971 AC 850.</li> <li>d. Release the refund inputting a TC 290 .00 with a Priority Code (PC) 1 and a Posting Delay Code (PDC) of 1.</li> <li>e. Close all RIVO controls.</li> </ul> <p><b>Note:</b> Release valid returns en masse weekly.</p>

If	And	Then
<p><b>2</b> The return is probable IDT or the refund was rejected using return reject reason code 17 addendum record 18</p>	<p>the full TC 846 was returned</p>	<ul style="list-style-type: none"> <li>• Disposition the return to Ace Adjustments (PS 30) <b>Exception:</b> 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”.</li> <li>• Input an EFDS return note of “RIVO EL IDT BKLD”</li> <li>• Close all RIVO controls</li> </ul>
<p><b>3</b> TPP results shows the taxpayer return was authenticated as indicated by a posted a TC 972 AC 121, 124 or 129</p>		<ul style="list-style-type: none"> <li>• 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.</li> <li>• If no other fraud is found, see the procedures in 1 above in this table.</li> <li>• If other fraud is found, work per the guidance in IRM 25.25.2.2, Data Mining Screening.</li> </ul>
<p><b>4</b> The return is considered IDT</p>	<p>the full TC 846 is <b>not</b> returned <b>Exception:</b> If the account contains a TC 971 AC 123 with MISC field “TPP Recovery”, then treat as in box 2 above</p>	<ul style="list-style-type: none"> <li>• 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”</li> <li>• Input an EFDS return note of “RIVO EL IDT BKLD”</li> <li>• Close all RIVO controls</li> </ul>
<p><b>5</b> The return is questionable</p>	<p>is an electronic filed return</p>	<ul style="list-style-type: none"> <li>• Update disposition in EFDS as appropriate</li> <li>• Close any RIVO open IDRS control bases</li> </ul>

(6) Follow the table below for paper returns:

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

- (7) If there is a duplicate Filing Condition on CC TXMODA indicated by a –A Freeze:
1. Suspend the case, update control base to B status and update the activity to "SUSPNCE2AM".
  2. When Accounts Management (AM) work is complete, they update the control activity to "DUPWKD" .
  3. RIVO then monitors for the activity update and inputs a TC 290 .00 with PC 1 and closes the control base.

25.25.8.12.2  
(09-12-2023)

**Reject Reason Code R23  
Procedures**

- (1) Financial Institutions use reject reason code 23 (R23) when a taxpayer states the refund received, is not theirs. IDRS CC TXMODA will contain in the DLN, blocking series number, **77714**. R23, generates notice CP-53B.
- (2) Pull Control D files for NACHA and save as a text file in the appropriate reject folder.
  - Import NACHA 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.
  - After file imports, update the record 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**.

- (3) Send R23s received to ACE/Adjustments and input the “BKL - R23” note along with the “RIVO EL IDT BKLD” note. If previously re-filed by TPP, check to see if that was because of the lost refund and not because of authentication, they can go back through for lost refund.

**Note:** TPP results shows the taxpayer 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. Follow guidance in IRM 25.25.2.2, Data Mining Screening for screening.

- (4) Split results into two tabs, TE & Valid. Run the DLNs through Discoverer 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"> <li>• Load into CASE and review any previous dispositions <b>Caution:</b> These could be IDT returns.</li> <li>• 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</li> <li>• Close all control bases using Access/Macros &amp; GII</li> <li>• Release these refunds with a TC 971 AC 850</li> <li>• Re-file (need to show re-filed by a NACHA TE)</li> </ul>

25.25.8.12.3  
(11-13-2020)  
**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:

<b>If</b>	<b>And</b>	<b>Then</b>
<b>1</b> Meets IDT characteristics for a current processing year	complete overpayment returned	Push through manual TPP process to PS 30 with the specific bank lead EFDS note.
<b>2</b> Meets IDT characteristics for a prior processing year	complete overpayment returned	push to STARS and update as CATG "7" Disp "MR".
<b>3</b> 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".
<b>4</b> Meets IDT characteristics for a prior processing year	partial refund returned	push to STARS and update as CATG "7" Disp "MR".
<b>5</b> Does not meet IDT characteristics		Take no action.
<b>6</b> Cannot determine if meets IDT characteristics		update EFDS note but take no actions. <b>Note:</b> FRE monitors for 60 days. If the S freeze is unresolved, push to STARS, update to Cat 7 and the applicable disposition.

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](mailto: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

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.

<b>1</b> <b>IDRS Activity and Control number</b>	<b>Description</b>
<b>2</b> "BKLD" (148XX00001)	An External Lead was received.
<b>3</b> "REQFUNDS" (148XX00002)	IRS requested the funds (refund) from the financial institution.
<b>4</b> "PND841BFS" (148XX00003)	Federal Refund Treasury Check received. Wait for TC 841 to post back funds.
<b>5</b> "BKLDCKRECD" (148XX00004 or 148XX00007)	IRS received the funds (refund), the amount returned typically is less than the TC 846 due to bank fees.
<b>6</b> "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.
<b>7</b> "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)
<b>8</b> "BKLDACHREV" (148XX00005)	Automated Clearing House (ACH) Reversal associated to an External Lead.
<b>9</b> "VALID150" (148XX00007)	When TC 720 posts, refund will be released.
<b>10</b> "DONOTRElse" or "DONOTRFUND" (148XXXXXXX)	TC 720 or TC 841 posted, and refund should not be released without approval from RIVO.
<b>11</b> "PNDSTARS"(148XX00009)	Suspend until return has been pushed to STARS and can be referred
<b>12</b> "FRAUDCASE", with Category code "ELOF" (148XX00012)	Suspend until offset reversal posts back to the account (TC 899)
<b>13</b> "BKLD OFFSET"	There is a potential for an offset reversal based on account review
<b>14</b> "3RDPRTYCK"	Third-party check received that has not posted.
<b>15</b> "PNDMISCK"	Payment received to repay a refund received in error.

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

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

<b>Recovery from Third Party Check Letter</b>	
<b>DEPARTMENT OF THE TREASURY</b>	
<b>INTERNAL REVENUE SERVICE</b>	
<b>ATLANTA, GA 30308</b>	
	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.	
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:	
<ul style="list-style-type: none"> <li>• Direct deposit (routing and deposit account) numbers,</li> <li>• Federal tax refund amount,</li> <li>• Date of deposit or ACH transfer,</li> <li>• Name reported on the ACH file, and</li> <li>• Social Security Number reported on the ACH file</li> </ul>	
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 <a href="mailto:efleads@irs.gov">efleads@irs.gov</a> 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](mailto:efleads@irs.gov).

We appreciate your assistance in this matter.

Sincerely,

Denise D. Davis

Director, Return Integrity Operation

