

IRM PROCEDURAL UPDATE

DATE: 12/17/2024

NUMBER: ts-21-1224-1233

SUBJECT: Updates to Refund Trace and Limited Payability

AFFECTED IRM(s)/SUBSECTION(s): 21.4.2

CHANGE(s):

IRM 21.4.2.3.3(3) - Updated to incorporate procedures for working CII inventory. Change made due to CII integration to Refund Inquiry inventory.

IRM 21.4.2.3.3(4) - Updated to incorporate procedures for working CII inventory. Change made due to CII integration to Refund Inquiry inventory.

IRM 21.4.2.3.3(5) - Updated to incorporate procedures for working CII inventory. Change made due to CII integration to Refund Inquiry inventory.

(1) At times taxpayers neglect to provide all necessary information when they return Form 3911, Taxpayer Statement Regarding Refund or IRS correspondence. Employees may either send the taxpayer the appropriate letter or may request the missing information by using the Form 8599, Request for Missing Information Regarding Refund.

(2) Upon receipt of incomplete Form 3911 (or Form 1310 or Form 13818, etc.), action must be taken to return the form(s) to the taxpayer for the missing information. For example, when taxpayers file a joint return, both parties must sign the Form 3911. If only one signature is present, the Refund Inquiry Unit will return the Form 3911 and advise the taxpayer that both parties must sign the document. An acceptable signature may be handwritten, electronic or digital.

Note: This includes Form 3911 which are signed by parties other than the taxpayer or their authorized representative.

(3) When returning Form 3911 to the taxpayer:

- Circle out the received date on the Form 3911.

Note: If working a CII case, in addition to circling out the receive date, enter the CII ID on the upper left corner of the first page of the Form 3911 and save, then print the document to be sent to the taxpayer.

- Use the appropriate "C" letter or Form 8599, Request for Missing Information Regarding Refund, to request **all** information necessary to complete the trace. This may include; missing forms, signatures, or other information.

Reminder: Attach a copy of the Form 8599 to the CII case **or** provide complete details of the missing information in the case notes (e.g., Missing forms, missing signature, etc.). If using a **C** letter, capture the **request completed** screen for CC LETER.

- For both CII and physical paper cases, leave a case note and update the IDRS Activity Code with the form number, and **TOTP** (e.g., **3911TOTP**, **1310TOTP**, etc.). This will provide an audit trail for any subsequent contact by the taxpayer that the IRS returned the form as incomplete.
- The Form 8599, is a two-part form. Both parts will be forwarded to the taxpayer along with the incomplete form(s).
Always include:
 - A PRE-ADDRESSED return envelope.
 - Unit Stop Number on the face of the return envelope.
- Close the case.

(4) If the response makes the previously rejected and closed CII case complete, begin the trace and create a link between the active and archived cases.

IRM 21.4.2.4(1) a - Updated to include block and series of TC 841 for Altered Checks. Changes made to clarify information.

(1) The procedures for processing a refund trace request are the same for telephone, Taxpayer Assistance Centers, or written inquiries. Refund trace cases should be worked at the Accounts Management (AM) Directorate where they are received. TAC and remote sites should refer cases to their affiliated Refund Inquiry team and include Form 3911, Taxpayer Statement Regarding Refund, requesting a refund trace be completed.

Exception: See (2) below.

- a. If the IMF paper refund issue date (TC 846 date) is within 12 months of the current date for paper checks, or 6 years for direct deposit, and there is no evidence of a refund trace being started (which is indicated by a TC 971 AC 011 posting after the TC 846 date), then input of CC CHKCL is required. See Exhibit 21.4.2-1, Command Code (CC) CHKCL Input. Oral statement criteria extends to the phone call only; once the call has ended if a trace has not been started, Form 3911, Taxpayer Statement Regarding Refund, is required.

Note: If TC 971 AC 011 is posted and CC TXMOD indicates an open Refund Inquiry control base, which is passed the refund trace time frame, indicated in

(3) or (6) below, and you are speaking to the taxpayer or their authorized representative, complete Form 4442, Inquiry Referral, or e-4442 with the information you obtain from the taxpayer and refer the case to the employee or unit with the open control. If processing the case through CII, see IRM 21.5.2.3, Adjustment Guidelines – Research.

Exception: If the refund trace is for a refund returned/rejected to the IRS by the financial institution through the RIVO External Lead process, DO NOT input a refund trace or advise the taxpayer to file a Form 3911. See IRM 25.25.8.7, Responding to Taxpayer Inquiries, for instructions.

Exception: Beginning mid-January 2025, all refunds identified by BFS (prior to a refund trace being started) as altered or stolen will be returned to IRS and can be identified by the posting of TC 841 with block and serial number 77715, that will create a P- freeze. Prior to the new programming, the **TC 971 AC 123 MISC>ALTERED-CHK** marker was used to identify the altered or stolen checks. This marker will no longer be used due to the new programming. **NO** action is needed to trace the refund. **DO NOT** initiate refund trace actions or advise the taxpayer to file a Form 3911. See IRM 21.4.1.4.6.1, Altered Check Process/Cancellations, for more information.

Reminder: BMF paper refunds **do not meet oral statement criteria**. Follow the procedures in IRM 21.4.2.4.1 (1), Form 3911, Taxpayer Statement Regarding Refund.

- b. If the IMF paper refund is over one year old, it must be processed by a Refund Inquiry Unit using Limited Payability rules because the refund **does not meet oral statement criteria**. **DO NOT** input **CC CHKCL**. Follow the procedures in IRM 21.4.2.4.1 (1), Form 3911, Taxpayer Statement Regarding Refund. Refund Inquiry employees see IRM 21.4.2.4.7, Limited Payability (LP) Rules.

Note: If the normal 6 week time frame has been met, and there are no open Refund Inquiry controls and the refund **does not meet oral statement criteria**, apologize for the processing delay. Ask the taxpayer if they can fax the Form 3911 to you while on the phone. Send Form 4442/e-4442 to your local Refund Inquiry function, along with the Form 3911 received requesting the trace be started. Advise the taxpayer of the proper time frame. If the taxpayer cannot fax the Form 3911 while on the call, advise them to file Form 3911 either by mail or fax. If the taxpayer calls back after the 30 days have passed and no open Refund Inquiry control can be found, see IRM 13.1.7, Taxpayer Advocate Service (TAS) Case Criteria, to determine if the inquiry meets Taxpayer Advocate Criteria.

IRM 21.4.2.4.1(1) a, b, c, d, f - Updated to incorporate procedures for working CII inventory. Change made due to CII integration to Refund Inquiry inventory.

(1) If the contact does not meet oral statement criteria:

- a. If the refund time frame prescribed in IRM 21.4.1.4.4, Refund Issued But Lost, Stolen, Destroyed or Not Received, has been met, advise the taxpayer that Form 3911, Taxpayer Statement Regarding Refund, is available through the internet on IRS.gov. See IRM 21.3.6.4.2, Other Methods of Obtaining Forms and Publications. If the taxpayer cannot obtain the form online, advise the taxpayer you can mail or fax them a form. Use of the IAT Missing Refund (CHKCL) tool is mandatory when sending the Form 3911 to the taxpayer. Be sure to verify the taxpayer's mailing address. If taxpayer has moved since filing their return and their current address is not on record (Command Code (CC) ENMOD), advise the taxpayer the form is available on IRS.gov. DO NOT UPDATE ADDRESS ON CC ENMOD unless the taxpayer meets oral statement criteria. See IRM 21.1.3.20.1, IMF and BMF Oral Statement Address Changes.

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

Caution: Do not initiate a refund trace over the phone if there is open IDT involvement on the account. See IRM 25.23.12.4.1, Telephone Inquiries Regarding Identity Theft Victim Assistance (IDTVA) Tax-Related Cases, for additional information. If the IDT involvement is closed, see paragraph 2 below.

Reminder: If the refund was issued as a manual refund (TC 840), OSA can't be accepted.

Caution: # 

Note: Regardless of RIVO involvement, do not reassign a Form 3911 unless the specific criteria mentioned above is met. If the case meets RIVO criteria, follow the appropriate procedures based on case status.

- b. When speaking to the taxpayer or their authorized representative, advise the taxpayer they must sign the Form 3911. For joint returns, both taxpayers must sign. An acceptable signature may be handwritten, electronic or digital. If surviving spouse, advise the taxpayer to add "Surviving Spouse" on the

decedent's signature line. See IRM 21.6.6.2.21.2 (1), Processing Decedent Account Refunds, for Form 1310 requirements.

Note: Form 3911 signed by anyone other than the taxpayer or their authorized representative, will be returned as incomplete following procedures in IRM 21.4.2.3.3, Form 8599, Request for Missing Information Regarding Refund.

- c. When speaking to the taxpayer or their authorized representative, advise the taxpayer they can either mail or fax their request. Provide the address and fax number of the IRS campus Refund Inquiry function associated to the taxpayer's state of residency. Advise the taxpayer they will be contacted by the Refund Inquiry Unit within 6 weeks for a paper refund check, or 120 days for a direct deposit refund, from the date the Form 3911 is received. For fax numbers and addresses, see Refund Inquiry Unit Addresses, located on SERP under the Who/Where tab.
- d. Using the Integrated Automation Technologies (IAT) Missing Refund (CHKCL) tool or Account Management Services (AMS), input the following history item on the account - "H,39112TP".
- e. If forwarding the Form 3911 to another Service Center with an open Refund Inquiry Unit control, create a history item stating "39112XX", using CC ACTON.

Note: XX in the above history item stands for Service Center (SC), the service center abbreviations are as follows:

Andover = AN
Atlanta = AT
Austin = AU
Brookhaven = BR
Cincinnati = CI
Kansas City = KC
Fresno = FR
Memphis = ME
Ogden = OG
Philadelphia = PH

IRM 21.4.2.4.4(1) - Updated to add information regarding TAS referrals. Change made for missing scenario.

IRM 21.4.2.4.4(1) box 9 - Updated to incorporate procedures for working CII inventory. Change made due to CII integration to Refund Inquiry inventory.

IRM 21.4.2.4.4(1) box 11 - Updated to incorporate procedures for working CII inventory. Change made due to CII integration to Refund Inquiry inventory.

IRM 21.4.2.4.4(1) box 12 - Updated to incorporate procedures for working CII inventory. Change made due to CII integration to Refund Inquiry inventory.

IRM 21.4.2.4.4(1) box 13 - Updated to incorporate procedures for working CII inventory. Change made due to CII integration to Refund Inquiry inventory.

(1) The taxpayer or their authorized representative, may subsequently inquire, either by phone or in correspondence, after initiation of a refund trace on their missing refund check or non-receipt of a direct deposit refund. Determine if the taxpayer expected to receive their refund as a paper check or direct deposit. Use the following table in your attempt to resolve the taxpayer's issues. If no TC 971 AC 011, for the refund in question, is posted after the TC 846 date, see IRM 21.4.2.4, Refund Trace Actions.

Reminder: The "MEMO-MONEY-AMT" field of the TC 971 AC 011, which indicates a previous trace, indicates the dollar amount of the refund being traced.

Note: In the chart below if it states, "your affiliated RI unit", Puerto Rico will send their IMF IRM-directed Forms 4442/e-4442 to the Brookhaven Campus Refund Inquiry unit and all BMF IRM-directed Forms 4442/e-4442 will be referred to the Cincinnati Campus Refund Inquiry unit.

Note: If the taxpayer meets hardship criteria, refer to IRM 21.1.3.18, Taxpayer Advocate Service (TAS) Guidelines, and IRM 13.1.7.4, Exceptions to Taxpayer Advocate Service Criteria, before referring to TAS.

Row	If	And	Then
1	Taxpayer calls to check the status of their refund trace	The refund was issued as a paper check	1. Research IDRS to determine the disposition code of the claim. Follow the procedures for the appropriate disposition code. See Exhibit 21.4.2-5, Disposition and Status Codes — Additional Action Time Frames, for more information. 2. If it has been longer than six weeks since the refund trace was started and there is no disposition code or you cannot resolve the taxpayer's inquiry, send Form 4442/e-4442 to the Refund Inquiry Unit which either now controls the case, or to your affiliated RI unit if there is no current control base. Select Referral Type: IRM, IRM Category: Refund, Sub-category: Refund Trace-Subsequent Contact and Reason: Other or

			Complex Issue/Training Specialization. Under notes section, include pertinent information. Verify taxpayer's telephone number and address. Advise the taxpayer to expect a response within 30 days.
2	Taxpayer calls to check the status of a direct deposit refund trace	Less than 90 days from the Activity Code 3911TORDCC	Advise the taxpayer banks are allowed up to 90 days to respond to our request for information, from the date of the CC CHKCL input. Note: While banks may have 90 days to respond, it may take up to 120 days for resolution.
3	Taxpayer calls to check the status of a direct deposit refund trace	90 days or more from the Activity Code 3911TORDCC	1. Research IDRS to determine the disposition code of the claim. Follow the procedures for the appropriate disposition code. See Exhibit 21.4.2-5, Disposition and Status Codes — Additional Action Time Frames, for more information. 2. If there is no disposition code or you cannot resolve the taxpayer's inquiry, send Form 4442/e-4442 to the Refund Inquiry Unit which either now controls the case, or to your affiliated RI unit if there is no current control base. Select Referral Type: IRM, IRM Category: Refund, Sub-category: Refund Trace-Subsequent Contact and Reason: Other or Complex Issue/Training Specialization.. Under notes section, include pertinent information. Verify taxpayer's telephone number and address. Advise the taxpayer to expect a response within 30 days.

4	Taxpayer finds their paper refund check after Form 3911, Taxpayer Statement Regarding Refund, was sent, or a refund trace was initiated per oral statement authority	no content	1. Determine if the CC CHKCL action can be interrupted. See Note below for CHKCL TERUP time frame. Note: A refund trace cannot be interrupted if the campus deadline to "DQ" the trace has passed. Per IRM 2.4.23.2 (5), General Overview for Command Code CHKCL/CHKCLR, CC TERUPC can only be done on the same day of input. 2. If it is too late to cancel the trace and the trace was valid, advise the taxpayer to wait for a replacement check and return the original when the replacement is received. If the original check is found and cashed, advise the taxpayer to return the replacement check. See IRM 21.4.3.5.4, Returned Refund Check Procedures, for information. Input a History Item on CC TXMOD saying "CHKFOUND". 3. If the CC CHKCL was input today and the TERUP can be completed (this action requires same day contact with the site that completed the input of CC CHKCL), advise the taxpayer the refund trace can be cancelled, and the check can be cashed.
5	Taxpayer locates their direct deposit refund after Form 3911, Taxpayer Statement Regarding Refund, was sent, or a refund trace was initiated per	no content	1. Determine if the CC CHKCL action can be interrupted. See Note below for CHKCL TERUP time frame. Note: A refund trace cannot be interrupted if the campus deadline to "DQ" the trace has passed. Per IRM 2.4.23.2 (5), General Overview for Command

	oral statement authority		Code CHKCL/CHKCLR, CC TERUPC can only be done on the same day of input. 2. If it is too late to cancel the trace and the trace was valid, advise the taxpayer to contact their bank regarding the trace and request assistance. Input a History Item on CC TXMOD saying "DEPFOUND". 3. If the CC CHKCL was input today and the TERUP can be completed (this action requires same day contact with the site that completed the input of CC CHKCL), advise the taxpayer the refund trace can be cancelled, and the direct deposited funds can be used.
6	Taxpayer received FS Form 1133, Claim Against the United States for the Proceeds of a U.S. Treasury Check.	Check was cashed by someone other than the taxpayer	Advise the taxpayer to complete the claim form (FS Form 1133) and return it to the Bureau of the Fiscal Service (BFS) to pursue the claim. Note: If the taxpayer needs assistance with FS Form 1133, provide the taxpayer with the BFS Check Claims Branch toll-free number, 855-868-0151 between the hours of 8:00 a.m. and 4:30 p.m. ET Monday - Friday. Advise to press option 1, then option 1 again. Both English and Spanish speaking assistance is available on the Check Claims toll free number.
7	Taxpayer received FS Form 1133, Claim Against the United States for the Proceeds of a U.S. Treasury Check	Check attached to the FS Form 1133 does not belong to the taxpayer	Advise the taxpayer to contact the BFS Check Claims Branch toll-free number, 855-868-0151 between the hours of 8:00 a.m. and 4:30 p.m. ET Monday - Friday to report the incorrect check received. Advise to press option 1, then option 1 again. Both English and Spanish speaking assistance is available on the Check Claims toll free number.

8	Taxpayer received FS Form 1133, Claim Against the United States for the Proceeds of a U.S. Treasury Check	Does not wish to pursue the claim	Advise the taxpayer no further action is required. Taxpayer may keep the copy of the check for personal records.
9	Account shows category PAID	Taxpayer states they did not receive the FS Form 1133	1. Research CII for a closed case. If found determine if FS Form 1133 has been attached, if attached provide taxpayer with a copy either by mail or fax. 2. If no prior CII case is found or FS Form 1133 is not attached to a prior CII case, then advise the taxpayer to contact the BFS Check Claims Branch toll-free number, 855-868-0151 between the hours of 8:00 a.m. and 4:30 p.m. ET Monday - Friday to request FS Form 1133 be sent to them. Advise to press option 1, then option 1 again. Both English and Spanish speaking assistance is available on the Check Claims toll free number.
10	Taxpayer finds the original check	Also received a replacement check	Advise the taxpayer to return the original as soon as possible. See IRM 21.4.3.5.4, Returned Refund Check Procedures, for information. Input a History Item on CC TXMOD saying "CHKFOUND".
11	Taxpayer sends correspondence to check the status of their refund trace	A TC 971 AC 011 is posted after the TC 846 date	1. Use information from the boxes above to research the account. 2. Follow procedures in IRM 21.3.3.3.4, Quality and Timely Responses, to advise taxpayer of the current status of their refund trace. For CII cases, after capturing the request completed screen of CC LETER, close your case.
12	Taxpayer's reply to 206C letter requesting	A TC 971 AC 011 is posted after the TC 846 date	1. If previous claim can be found in CII, then link new correspondence to original

	additional information is received in CII		claim. Update document type to Refund Inquiry Correspondence category 3911, and the program code to 01040. 2. If previous claim can not be found in CII, then refer the case to the Refund Inquiry Unit that initiated the trace (refer to the first 2 digits of the TC 971 AC 011 DLN) for additional research and reply to the taxpayer. For addresses, see Refund Inquiry Unit Addresses, located on SERP under the Who/Where tab.
13	Taxpayer's completed FS Form 1133 is received in CII	A TC 971 AC 011 is posted after the TC 846 date	1. If previous claim can be found in CII, then link new correspondence to original claim. Update document type to Refund Inquiry Correspondence category 3911, and the program code to 01040. 2. If previous claim can not be found in CII, then refer the case to the Refund Inquiry Unit that initiated the trace (refer to the first 2 digits of the TC 971 AC 011 DLN) for additional research and reply to the taxpayer. For addresses, see Refund Inquiry Unit Addresses, located on SERP under the Who/Where tab.
14	Taxpayer was issued a replacement check by BFS	Taxpayer states they did not receive the replacement check	Advise the taxpayer to contact the BFS Check Claims Branch toll-free number, 855-868-0151 between the hours of 8:00 a.m. and 4:30 p.m. ET Monday - Friday to request FS Form 1133 be sent to them. Advise to press option 1, then option 1 again. Both English and Spanish speaking assistance is available on the Check Claims toll free number.

Note: If you are unable to determine where an employee is located, refer to the IUUD:IDRS UNIT & USR DATABASE and Discovery Directory. When faxing Form 4442/e-4442, you must use the fax number provided in the IRM if one is available. If a fax number is not available, refer to the fax number for the appropriate function shown on the Form 4442 Referral Fax Numbers on the SERP Who/Where page. For additional information regarding preparing Form 4442/e-4442 and sending to the responsible Refund Inquiry function, see IRM 21.3.5.4.3, How to Transmit/Route Referrals to Another Office/Function.

IRM 21.4.2.4.4.1(1) a - Updated to incorporate procedures for working CII inventory. Change made due to CII integration to Refund Inquiry inventory.

(1) If a subsequent claim has been initiated, AND CC CHKCL was input, THEN complete the following:

- a. If the Disposition Code "11" is on IDRS, research CII for a closed case. If found determine if FS Form 1133 has been attached, if attached provide taxpayer with a copy either by mail or fax. If no CII case can be located then provide the check information (check and serial numbers) using CC IMFOL# and have the taxpayer contact the Bureau of the Fiscal Service (BFS). They can be reached by phone at 855-868-0151 (press option 1, then option 1) between the hours of 8:00 a.m. and 4:30 p.m. ET Monday - Friday. Advise the taxpayer that they offer English and Spanish speaking assistance. Refer to Exhibit 21.4.2-2, Disposition Code Chart - Refund Inquiry Employee Actions, and Exhibit 21.4.2-5, Disposition and Status Codes - Additional Action Time Frames, to identify codes.
If the taxpayer prefers, they can send a letter to BFS at:

Department of Treasury
Bureau of the Fiscal Service
Check Resolution Division
P.O. Box 51318
Philadelphia, PA 19115-6318

Note: Do not provide the phone number and address of BFS's Check Claims Branch to taxpayers who received a direct deposit refund. The Check Claims Branch deals only with paper checks and cannot help with direct deposit refunds.

Note: For **Refund Inquiry Units**, if a copy of the claim form is available on the Payment Details tab in TCIS, provide a copy of the claim form to the taxpayer without referring them to the BFS. To avoid erroneous responses, do not send FS Form 1133 as an attachment in your closing letter, send under separate cover without a return envelope. If working the claim through CII, attach a copy of the FS Form 1133 to the CII case and follow IRM 21.5.1.5.1(8), CII General Guidelines, and capture the "request completed" screen of the CC LETER request.

- b. If you cannot determine the disposition code (history has fallen off IDRS), a TC 971 AC 011 is on the module and the refund does not meet Limited Payability criteria, provide the check information (check and serial numbers) using CC IMFOL# and refer the taxpayer to BFS per paragraph (1) (a) above.
- c. Close the case.

IRM 21.4.2.4.7(5) - Updated to incorporate procedures for working CII inventory. Change made due to CII integration to Refund Inquiry inventory.

(5) All LP claims received after the 15th day of the 14th month must be processed by the IRS. Take the following actions:

- Research the Treasury Check Information System (TCIS) for a copy of the check.
- If check is available on the TCIS system, print a copy of the check.

Note: If working a CII case, enter the CII ID on the upper left corner of the first page of the check copy page and save, then print the document to be sent to the taxpayer.

- Input a TC 971 AC 011 on CC TXMOD using the date you secure the check, the money amount of the check in the FREEZE-RELEASE-AMT field and a **3** in the MISC CODE field.
- Send Letter 206C, Refund Inquiry; Copy of Check Requested or Provided/Check Being Traced Form 13818, to provide the taxpayer with a copy of the check.

If the taxpayer submitted Form 3911, include paragraph **R** in your response. Close your case control and treat the physical paper document as classified waste.

Note: If working a CII case, follow IRM 21.5.1.5.1(8), CII General Guidelines, and capture the "request completed" screen of the CC LETER request. After letter is attached if no other actions are needed, close your case.

If the taxpayer submitted correspondence, include paragraph **Y** along with an open paragraph with the following suggested verbiage "If you didn't cash the refund check, provide the information at the end of this letter and return it to the IRS's Refund Inquiry Unit." Also, include the contact information for your Refund Inquiry Unit and paragraph **i** in your response. Close your case control and treat the physical paper document as classified waste.

Exception: For prisoner refund checks that are stamped by their facility (ex: jail, prison, detention center) include paragraph **Y** along with an open paragraph with the following suggested verbiage "Our records indicate that the check was cashed by your facility, please speak with your facility for

assistance with your refund."

Note: If working a CII case, follow IRM 21.5.1.5.1(8), CII General Guidelines, and capture the "request completed" screen of the CC LETER request. After letter is attached if no other actions are needed, close your case.

Note: For paper inquiries, accept a written statement for CC CHKCL input provided all criteria in IRM 21.4.2.4 (5) are met and the correspondence is signed by the taxpayer or their authorized representative. For joint returns, both taxpayers must sign.

If the check is not available on the TCIS system, see IRM 21.4.2.4.7 (8) below.

Note: If the check in TCIS appears altered (e.g., different name on check, different money amount which is not supported by account research, etc.) proceed to IRM 21.4.2.4.11 (8), Limited Payability: Taxpayer Disputes/Check Cashed/Possible Forgery.

IRM 21.4.2.4.7(6) - Updated to incorporate procedures for working CII inventory. Change made due to CII integration to Refund Inquiry inventory.

(6) If the taxpayer requests a certified copy of a check from within the past seven years:

- Input CC CHKCL with non-receipt code **C** and BFS will provide a photocopy of the check directly to the taxpayer.
- Input a TC 971 AC 011 on CC TXMOD using the date you secure the check, use the money amount of the check in the FREEZE-RELEASE-AMT field and a 1 in the MISC CODE field.
- Send Letter 206C, Refund Inquiry; Copy of Check Requested or Provided/Check Being Traced Form 13818, advise the taxpayer that BFS will mail them the certified copy. You may use the following suggested verbiage: We asked the Bureau of the Fiscal Service (the office that issues refund checks) for a certified copy of your check. They will forward the copy to you within the next 30 days if the check was cashed.
- Close your case.

Note: If working a CII case, follow IRM 21.5.1.5.1(8), CII General Guidelines, and capture the "request completed" screen of the CC LETER request. After letter is attached if no other actions are needed, close your case.

IRM 21.4.2.4.11(3) b, c, d, e - Updated to incorporate procedures for working CII inventory. Change made due to CII integration to Refund Inquiry inventory.

IRM 21.4.2.4.11(5) - Updated to incorporate procedures for working CII inventory. Change made due to CII integration to Refund Inquiry inventory.

IRM 21.4.2.4.11(6) - Updated to add procedures for incomplete claims. Change made for missing information.

IRM 21.4.2.4.11(8) - Updated to incorporate procedures for working CII inventory. Change made due to CII integration to Refund Inquiry inventory.

IRM 21.4.2.4.11(10) - Updated to incorporate procedures for working CII inventory. Change made due to CII integration to Refund Inquiry inventory.

IRM 21.4.2.4.11(12) - Updated to incorporate procedures for working CII inventory. Change made due to CII integration to Refund Inquiry inventory.

(1) The following directions are for processing claims from taxpayers disputing cashed refund checks that are now Limited Payability (LP). If procedures in IRM 21.4.2.4.7, Limited Payability Rules and Procedures, have been followed to provide the taxpayer with a copy of their cashed refund check, proceed with determination below.

Note: If the check in TCIS appears altered (e.g., different name on check, different money amount which is not supported by account research, etc.) proceed to IRM 21.4.2.4.11 (9) below.

Reminder: If the taxpayer indicates a refund check was not received after the one-year time limit has expired follow procedures in IRM 21.4.2.4.7, Limited Payability (LP) Rules.

(2) If the check meets Limited Payability criteria and the taxpayer's correspondence claims the check involves forgery, compare endorsement(s) on the check to available samples of taxpayer signatures, including any other check copies found in TCIS. If you are **able** to make a determination of the taxpayer's signature, deny the claim. Proceed to IRM 21.4.2.4.11 (5) below for paragraphs to include in letter.

Note: Using multiple signature examples for comparison may produce a more accurate result.

(3) If you are **unable** to make a determination, or no signature appears on the check:

- a. Send Form 13818, Limited Payability Claim Against the United States for the Proceeds of an Internal Revenue Refund Check. Complete the following fields before sending Form 13818 to the taxpayer:

FIELD	Field Description
Date	Today's Date
Tax Examiner	IDRS number of TE preparing the form and who will work Form 13818 response, see IRM 3.13.2.2.1, Identification Requirements for IRS Employees, for more information

FIELD	Field Description
Payee name and address	Name and address to which check was issued
Check amount	Amount of check
Symbol number	4-digit check symbol number
Check number	8-digit check serial number
Date of check	Issued date of check (i.e., date printed on check)
Tax Year	Tax period from which refund was issued
Form	Form for which refund was issued

- b. Provide the taxpayer with a copy of the negotiated refund check secured from TCIS, and a return envelope for your Refund Inquiry function. Also attach copies of both the Form 13818 and refund check secured to your case file.

Note: If working a CII case, enter the CII ID on the upper left corner of the first page of Form 13818 and save. Attach a copy of the Form 13818 and a copy of the negotiated refund check to the CII case

- c. Notate "F13818TOTP" in the activity field of your open control, **do not** change the category code on IDRS. Suspend the case allowing 45 days for domestic taxpayers to respond and 70 days for overseas taxpayers.
- d. If no response, leave a case note in CII and close case. If working a physical paper case, close case with TC 290 .00 using case file as a source document.

Note: If response is received after case is closed, do not reopen a case from CII archives. Reopening cases from CII archives may create an overage case. Instead of reopening an archived case, you may utilize the create case option in CII to create a new case based on the taxpayer's contact and link the newly opened CII case to the related archived case(s).

- e. If a current address is unavailable or transposition errors not found, if working a physical paper case, update the control base with Activity Code "**NONEWADDR**" and close the base. Destroy the Form 13818 as classified waste per IRM 21.5.1.4.10, Classified Waste. If working the case in CII, leave a case note indicating current address is unavailable or transposition errors not found and close the case.

(4) When the taxpayer returns the completed and signed Form 13818, the Refund Inquiry tax examiner must:

- a. Review the claim form for all required information and signatures.
- b. Review the taxpayer's answers to questions on the Form 13818.
- c. Determine if the IRS erred in sending the refund check to an incorrect address.

Reminder: Do not deny the claim based solely on the address. The check could have been intercepted prior to the taxpayer taking possession.

- d. Compare endorsement(s) on the check to available samples of taxpayer signatures, including any other check copies found in TCIS. Look for any obvious similarities or differences in the signature that would lead you to support or deny the taxpayer's claim.

Note: If the taxpayer has returned the Form 13818, and is requesting an update on their refund, advise to allow 45-60 days to receive a determination from the IRS.

Note: Use appropriate paragraphs in Letter 206C, Refund Inquiry; Copy of Check Requested or Provided/Check Being Traced Form 13818, to send incomplete forms back to the taxpayer.

(5) Based on the review of all information supplied by the taxpayer, follow the chart below:

Note: When denying the claim, include paragraph X, unless otherwise noted below, to allow the taxpayer the opportunity to request reconsideration of their denial.

Note: If working a CII case, follow IRM 21.5.1.5.1(8), CII General Guidelines, and capture the "request completed" screen of the CC LETER request. After letter is attached if no other actions are needed, close your case.

Row	If	Then
1	It appears the taxpayer benefited from the check proceeds. For example: an indication that the check was deposited by one spouse on a joint account. Endorsement from a prison for deposit to a prisoners account.	1. Deny the claim. 2. Send Letter 2218C, Refund Inquiry; Check Claim Disallowed, Check Endorsed/Paid. Include paragraph M or O in your response. Do not include paragraph X in your response. Exception: For prisoner refund checks that are stamped by their facility (ex: jail, prison, detention center) do not include paragraph M or O in your response, instead advise the prisoner to speak with their facility for assistance with their refund.
2	It appears the check was cashed with taxpayer's permission	1. Deny the claim. 2. Send Letter 2218C; include paragraph L in your response. Do not include paragraph X in your response.

3	It appears the check was endorsed by the taxpayer	1. Deny the claim. 2. Send Letter 2218C; include paragraph Y in your response. Do not include paragraph X in your response.
4	It appears the taxpayer allowed someone else to endorse their check	1. Deny the claim. 2. Send Letter 2218C; include paragraph J in your response. Do not include paragraph X in your response.
5	Check is stamped with a business endorsement different from name on CC ENMOD and no connection to the taxpayer can be found	Allow the claim.
6	There is no endorsement other than the bank's endorsement on the check. (No signature appears on the check, this includes an indication of electronic/virtual/photo deposit)	1. Upon receipt of the completed Form 13818, take the following actions: - o Compare the banking information supplied by the taxpayer to the bank of first deposit (BOFD) listed on the check copy. - o Research TCIS for copies of any other negotiated checks to determine previously used BOFDs. - o If evidence is found that the BOFD has been used previously by the taxpayer, deny the claim. - o If no evidence of prior BOFD use, contact BOFD and request assistance in determining account ownership, or confirmation of non-endorsement acceptance. Depending on the answers from BOFD, accept or deny the claim as appropriate. 2. After making a determination whether to settle or deny the taxpayer's claim, continue with IRM 21.4.2.4.11 (7) below.
7	There is indication the taxpayer is making a fraudulent claim	1. Deny the claim.

		2. Send Letter 2218C, with an explanation to the taxpayer. Include paragraphs G and R in your response. Do not include paragraph W in your response.
8	No check copy or endorsement is available for handwriting analysis	1. Review taxpayer's account for any prior or subsequent year claims (TC 971 AC 011). 2. Request any documentation such as: ○ Bank Statements ○ Police Reports ○ Taxpayer Letters ○ Anything the taxpayer has that convinces them the check was not received, or information you feel may be helpful.

Note: The above guidelines are for the most common occurrences. If you have a case that is not covered in the table above, consult with your manager, senior, or lead tax examiner. If you cannot determine if the endorsement on the U. S. Treasury check is a forgery, go to IRM 21.4.2.4.11 (9) below.

(6) At times taxpayers neglect to provide all necessary information when they return Form 13818 or correspondence.

- a. Use the appropriate **C** letter or Form 8599, Request for Missing Information Regarding Refund, to request **all** information necessary to complete the claim. This may include; missing forms, signatures, or other information.

Reminder: Attach a copy of the Form 8599 to the CII case **or** provide complete details of the missing information in the case notes (e.g., Missing forms, missing signature, etc.). If using a **C** letter, follow IRM 21.5.1.5.1 (8), CII General Guidelines, and capture the "request completed" screen of the CC LETER request.

- b. Suspend the case allowing 45 days for domestic taxpayers to respond and 70 days for overseas taxpayers.
- c. If no response, leave a case note in CII and close case. If working a physical paper case, close case with TC 290 .00 using case file as a source document.

Note: If response is received after case is closed, do not reopen a case from CII archives. Reopening cases from CII archives may create an overage case. Instead of reopening an archived case, you may utilize the create case

option in CII to create a new case based on the taxpayer's contact and link the newly opened CII case to the related archived case(s).

(7) After all information is considered:

Note: When denying the claim, include paragraph X, unless otherwise noted above, to allow the taxpayer the opportunity to request reconsideration of their denial. If you are denying a reconsideration request, do not include paragraph X in your reply.

If	Then
Claim is valid	Continue to process, see IRM 21.4.2.4.14, Account 6565 Processing for Refund Inquiry Function.
Examiner cannot make a decision to settle or deny the claim	Additional processing is required. Prepare claim to send to Center for Science and Design (CSD) (formerly National Forensics Laboratory (NFL)). See IRM 21.4.2.4.11 (10) below.
Denying the claim	- Send Letter 2218C, and attach a copy to your case file. - If a copy of the check was needed to work the case, attach a copy to the case file. - Close case. For physical paper cases, close case with TC 290 .00 using case file as a source document.

(8) If you believe the taxpayer's claim is valid or no specific reason to deny the claim can be found, allow the claim following the procedures in IRM 21.4.2.4.14, Account 6565 Processing for Refund Inquiry Function.

Exception: Do not issue a replacement check for the first, second or third round of Economic Impact Payments (EIP). For consistency, follow established procedures in IRM 21.4.1.5.7.6, non-receipt of Direct Deposited Refunds- "Refund Inquiry Employees", paragraph 4 or 5 as appropriate. Do not issue a replacement check for the Advance Child Tax Credit (AdvCTC) Payments, instead follow procedures in IRM 21.6.3.4.1.24.2.2, Reconciling Advance Child Tax Credit (AdvCTC) Payments - REFUND INQUIRY EMPLOYEES ONLY.

(9) If an altered limited payability check is identified during your research, take the following actions:

- Refer a PDF copy of the claim package to the TIGTA Complaints Management Team (CMT) at OI.GovReports@tigta.treas.gov . TIGTA CMT will respond with a reference number for your case file.

Note: TEs should have a reference number within 14 days. If you have not received a reference number within 21 days, send a follow-up email to the TIGTA CMT mailbox requesting a reference number. **DO NOT** re-send the information unless instructed to do so by the TIGTA CMT agent.

Note: A TIGTA Special Agent will contact the financial institution to retrieve the altered check if they are in possession of it.

- Since these mailboxes are not secure, two e-mails must be sent regardless of the order. Documents must be password protected, you must create that password and send separate from the documents.
- Include the following when sending the PDF copy of the claim package:
 1. A complete image of the front and back of the altered check(s).
 2. A screenshot image of the TCIS Payment details screen.
 3. BOFD information for the bank where the check was cashed. Use the link at Financial Institution Routing Numbers to find the BOFD's information based on the RTN.
 4. A complete copy of the taxpayer's claim, including any additional information which may have been supplied by the taxpayer.
- Indicate in the body of the e-mail that the Lead Submission Excel spreadsheet pertaining to the specific altered check is not applicable.
- If the TE/CSR/Reviewer has determined the check to be altered then, upon receipt of the reference number from TIGTA CMT, follow the procedures in IRM 21.4.2.4.14, Account 6565 Processing for Refund Inquiry Function, to allow the Limited Payability (LP) claim.

Note: Ensure all documentation shared is also attached to your CII case.

Exception: Do not issue a replacement check for the first, second or third round of Economic Impact Payments (EIP). For consistency, follow established procedures in IRM 21.4.1.5.7.6, non-receipt of Direct Deposited Refunds- "Refund Inquiry Employees", paragraph 4 or 5 as appropriate. Do not issue a replacement check for the Advance Child Tax Credit (AdvCTC) Payments, instead follow procedures in IRM 21.6.3.4.1.24.2.2, Reconciling Advance Child Tax Credit (AdvCTC) Payments - REFUND INQUIRY EMPLOYEES ONLY.

(10) Send the case to the Center for Science and Design (CSD) (formerly National Forensics Laboratory (NFL)) for signature comparison **only** if you cannot determine if the endorsement on the U. S. Treasury check is a forgery. It may be necessary to request CSD assistance in the following instances:

- The endorsement is **written**, while the samples are printed. Obtain written samples from the taxpayer before forwarding to CSD.
- The endorsement is **printed**, while the samples are written. Obtain printed samples from the taxpayer before forwarding to CSD.
- A stylized signature appears on the check and legible writing is used on Form 13818 or Form 3911, Taxpayer Statement Regarding Refund.
- Legible writing is used for the endorsement and stylized signatures are used on the Form 13818 or Form 3911.

(11) When sending the case to CSD take the following actions:

- Review the check copy to make sure the check number, symbol number, payee name and amount are correct.
- Complete Form 13437, IRS Center for Science and Design Request for Services (Rev. 03/2023), and transmit electronically using the **Submit by Email** button located at the top of the form. The first page of Form 13437, is used to create a case in the laboratory while establishing the chain of custody as evidence is received by laboratory personnel. A copy of the completed Form 13437 must be included with the complete case being sent as evidence.
- Follow the instructions on page 2 of the form under the header **Submission of Physical Evidence**, for the handling and delivery of the complete case to CSD.
- In addition to a completed Form 13437, a complete case will include a photocopy of the check (front and back), a completed Form 13818, and/or any taxpayer correspondence received. If available, photocopies of prior checks signed by the taxpayer found on TCIS during your research and photocopies of three tax returns should also be included.

Note: CSD policy does not allow for evidence to be sent via email as an attachment. Therefore, shipments sent to the laboratory should be made via United Parcel Service (UPS). Shipping via Fed Ex or U.S. Postal Service (registered mail using proper return receipt) is acceptable, but UPS is the preferred carrier.

Note: Ensure all documentation shared is also attached to your CII case.

(12) Requests for lab assistance are usually completed in less than 60 days from the time the lab receives the complete case. If you have not received a response and it is more than 60 days, you may contact # [REDACTED] #. Tell them you are calling to follow up on a Limited Payability Trace. Provide the taxpayer's last name and Taxpayer Identification Number.

Note: The phone number above is for internal the IRS use only. This number is not staffed for public contact. Any taxpayer calls received are directed to a toll-free number for assistance.

(13) When the response is received from the CSD, the entire case file will be returned with a cover sheet entitled "Report of Laboratory Examination, IRS Claim Resolution (LP Trace)."

Note: If working a CII case, follow IRM 21.5.1.5.1(8), CII General Guidelines, and capture the "request completed" screen of the CC LETER request. Attach a copy of the response is received from the CSD.

If CSD response indicates	Then
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There are indications the payee was the writer	1. Deny the claim. 2. Send Letter 2218C; include paragraph R in your response. 3. Close case. For physical paper cases, close case with TC 290 .00 using case file as a source document.
There are indications the payee was not the writer	Allow the claim, if it otherwise appears valid.
No Conclusion - additional signature samples are required	1. Correspond with taxpayer using Letter 2219C, Refund Inquiry; Check Claim Received, Interim, Handwriting Sample Requested, using an open paragraph. Suspend case for 45 days (70 days for overseas taxpayers). 2. Request taxpayer to sign his name ten times on the back of the "C" letter. 3. Additionally, request copies of ten (10) documents signed within one year of date of refund check, if available. 4. When signatures are received, return case to "CSD" with "CSD" cover sheet on front or make the forgery determination if possible.
No Conclusion - a better copy of the check is needed	1. Research TCIS for a better photocopy of check. 2. If a better copy is located, return case to "CSD" with "CSD" cover sheet on front. 3. If a better copy is not located, elevate the case to your manager to request better check copy from BFS. Follow (2) above when better copy is received. 4. If better copy is not provided, do not return to "CSD". - Deny the claim. - Send Letter 2218C; include paragraph P in your response. - Close case. For physical paper cases, close case with TC 290 .00 using case file as a source document.
No Conclusion - too limited/poor quality/other	Unless the original check becomes available, no further examinations by CSD are practical at this time because of the limitations present in the evidence. 1. Deny the claim. 2. Send Letter 2218C; include paragraph P in your response.

	3. Close case. For physical paper cases, close case with TC 290 .00 using case file as a source document.
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(14) If claim on a Limited Payability trace is denied for any reason, send Letter 2218C. Keep a copy of the letter and a copy of the check with your case. Close case. For physical paper cases, close case with TC 290 .00 using case file as a source document.

(15) If taxpayer disputes denial, do not reopen a case from CII archives. Reopening cases from CII archives may create an overage case. Instead of reopening an archived case, you may utilize the create case option in CII to create a new case based on the taxpayer's contact and link the newly opened CII case to the related archived case(s). Reconsider decision based on the information provided by the taxpayer.

IRM 21.4.2.4.12(1) - Updated to incorporate procedures for working CII inventory. Change made due to CII integration to Refund Inquiry inventory.

(1) When a regular CC CHKCL trace finds the refund check has been negotiated, the Bureau of the Fiscal Service (BFS) will send a copy of the check with a FS Form 1133 Claim Form directly to the taxpayer. FS Form 1133 is used by the taxpayer to file a claim for replacement of a refund check that has been negotiated by someone other than the taxpayer and the taxpayer or BFS may send the forms to the IRS. FS Form 1133 on BFS claims received in the Refund Inquiry Unit should be processed as indicated below:

Note: For all actions below, do not reopen a case from CII archives. Reopening cases from CII archives may create an overage case. Instead of reopening an archived case, you may utilize the create case option in CII to create a new case based on the taxpayer's contact and link the newly opened CII case to the related archived case(s).

Reminder: When sending letters to the taxpayer follow IRM 21.5.1.5.1(8), CII General Guidelines, and capture the "request completed" screen of the CC LETER request.

If	And	Then
Taxpayer confirms the signature on back of check is authentic or genuine	Taxpayer returns claim form to the IRS	When working a physical paper case, close control base: "TPRECCK". When working a CII case: ensure any documentation is attached to the CII case, leave a case note and close the case.

Taxpayer confirms the signature on back of check is authentic or genuine	1. Taxpayer returns the claim form to BFS 2. When BFS sends information to the IRS	When working a physical paper case, close control base. When working a CII case: ensure any documentation is attached to the CII case, leave a case note and close the case.
Taxpayer states signature is not authentic	1. Taxpayer returns FS Form 1133 to the IRS 2. Refund Inquiry Unit will review the form for completeness and then send it to BFS. Send the taxpayer Letter 86C, Referring Taxpayer Inquiry/Forms to Another Office, advising them their claim was forwarded to BFS.	1. BFS will make the claim determination, and 2. Forward the determination to the IRS on the BFS Claims Disposition Notice (CDN). When working a CII case: ensure the CDN is attached to the CII case, use the Stamp or Text tool in the CII Document Viewer, or Adobe Acrobat Pro, to add "PII do not send to TP" to the upper left corner of the first page. Remember to click the Save button. 3. Refund Inquiry Unit will work case according to disposition on the CDN. When all actions are complete, close the CII case.
Taxpayer states signature is not authentic	The FS Form 1133 is incomplete	Refund Inquiry Unit will return it to the taxpayer, with appropriate "C" letter requesting they complete the form and return to BFS.

IRM 21.4.2.4.12.1 - Updated to incorporate procedures for working CII inventory. Change made due to CII integration to Refund Inquiry inventory.

(1) Upon receipt of an undeliverable Bureau of the Fiscal Service (BFS) FS Form 1133 from BFS, National Office or U.S. Postal Service, Refund Inquiry Unit will complete the following:

- a. Research CC ENMOD for address update after the date of the taxpayer inquiry.
- b. Determine if there were transposition errors in the name/address.

(2) If you can locate an updated address or you can correct transposition errors in the address:

- a. Leave a case note indicating that the Form 1133 is being mailed to the taxpayer.
- b. Re-mail FS Form 1133 to taxpayer.
- c. Close your CII case.

(3) If a current address is unavailable or transposition errors not found, leave a case note that a better address could not be located and close the case.

IRM 21.4.2.4.13(1) - Updated to incorporate procedures for working CII inventory. Change made due to CII integration to Refund Inquiry inventory.

(1) Once it is determined a refund check has been cashed and BFS decides whether to honor the payee's check claim, the disposition information is sent to the Refund Inquiry function on an BFS CDN. As of March 30, 1998, BFS issues replacement settlement checks directly to the taxpayer on refunds determined to be forged or when appropriate, issues denial letters.

Note: For all actions below, do not reopen a case from CII archives. Reopening cases from CII archives may create an overage case. Instead of reopening an archived case, you may utilize the create case option in CII to create a new case based on the taxpayer's contact and link the newly opened CII case to the related archived case(s).

Reminder: When sending letters to the taxpayer follow IRM 21.5.1.5.1(8), CII General Guidelines, and capture the "request completed" screen of the CC LETER request.

IRM 21.4.2.4.13(4) - Updated to incorporate procedures for working CII inventory. Change made due to CII integration to Refund Inquiry inventory.

(4) If the explanation says, "Forgery Established", use CC REQ77 to input TC 971 AC 078 on CC TXMOD. Input the date of the CDN as the transaction date. When working physical paper case, close case with TC 290, with appropriate non-refile blocking series, using the CDN received as your source document. When working a CII case, close case.

IRM 21.4.2.4.13(7) a, c - Updated to incorporate procedures for working CII inventory. Change made due to CII integration to Refund Inquiry inventory.

(7) If the explanation says, "Settlement Denied", "Settlement Not Authorized", or "Settlement Not Recommended and Case is Closed", BFS has disallowed the claim and advised the taxpayer. Input a TC 971 AC 079 and file the CDN with TC 290 as instructed in (4) above. Do not input more than one TC 971 AC 079 for the same refund.

- a. If there is a previous TC 971 AC 078 for the same refund, BFS has done further investigation and has disallowed the claim after previously allowing it. Input TC 971 AC 079 and associate with the previous CDN, see note above in paragraph 1.
- b. If claimant never lived at the check address (FS Form 1133 question 9 is "No"), research the return. If the check address was incorrect due to an IRS error, research for another taxpayer with the same name at the address shown on the check. If found, process as erroneous refund. If not found, send the case back to BFS with a note: "Please Adjudicate IRS error". The BFS adjudication process could extend the time frame for final resolution by 2 - 6 months. Advise the taxpayer they will be contacted by BFS if additional information is required. If the address on the check is the same as that on the return, send the form back to the taxpayer with Letter 206C, Refund Inquiry; Copy of Check Requested or Provided/Check Being Traced Form 13818, using appropriate paragraphs. If the case is a mixed entity, further research may be required to determine if the claimant is entitled to the check. Correct the account if necessary.
- c. If "Settlement not recommended pending refund from bank, incomplete FS Form 1133 Claim Form, or further investigation" or similar wording, file the CDN. When working physical paper case, input TC 290 with blocking series 05. When working a CII case, leave a case note and close case.

Caution: If BFS advises the IRS a settlement check has been issued to the taxpayer, do not issue a manual refund. This action will cause an erroneous refund. Anyone causing an erroneous refund must document the action and the employee must refer to IRM 21.4.5, Erroneous Refunds, and follow applicable actions.

IRM 21.4.2.4.13(9) - Updated to incorporate procedures for working CII inventory. Change made due to CII integration to Refund Inquiry inventory.

(9) If the CDN notes that "The payee has released their claim", when working physical paper case, close the control base with activity "TPRECCK". When working a CII case, leave a case note and close case.

IRM 21.4.2.4.13(11) - Updated to incorporate procedures for working CII inventory. Change made due to CII integration to Refund Inquiry inventory.

(11) Any CDN that is informational only should be destroyed as classified waste without taking a case count. The following list of examples is not all inclusive.

Note: The **Close As MISC** button allows a user to close case(s) by not counting them as a closure in CII reporting. **Close As MISC** button closes the CII case and updates the category code to MISC (in IDRS only), while closing the IDRS control base.

- Alleged forgery being investigated. More information to follow.
- Settlement is not recommended at this time. A request has been made to the payee for additional examples of their signature.
- Appeal received. Further review is necessary to determine what action should be taken.
- Settlement is not recommended at this time, pending further review by the United States Secret Service.

IRM 21.4.2.4.14(3) - Updated to incorporate procedures for working CII inventory. Change made due to CII integration to Refund Inquiry inventory.

(3) When forwarding to Accounting include the following:

- Completed Form 3809.
- History sheet.
- Complete transcript of account.
- Copy of Form 3911, Taxpayer Statement Regarding Refund, or taxpayer correspondence.
- Form 13818, Limited Payability Claim Against the United States for the Proceeds of an Internal Revenue Refund Check, response if one was sent to the taxpayer.
- Photocopy (front and back) of the cancelled check. If photocopy not available, an explanation is required on Form 3809.
- If case was sent to Center for Science and Design (CSD) (formerly National Forensics Laboratory (NFL)), include their response. Annotate on Form 3809 that this response is attached.

Reminder: Ensure that all documents being sent to accounting are attached as a PDF to the CII case before printing and forwarding.

Exhibit 21.4.2-1(4) - Updated to add note to annotate AMS narrative or CII case note with DLN and RSN of refund traced when multiple checks for the same amount are present. Changes made to clarify information.

(4) After determining taxpayer meets oral statement criteria or a completed Form 3911 has been received, follow the CC CHKCL procedures to start the refund trace (recertification) process.

Note: If multiple checks are issued for the same amount annotate the document locator number (DLN) and refund schedule number (RSN) of the refund being traced in an AMS narrative or in CII as a case note.

Exhibit 21.4.2-2 - Updated to provide direction on cases that have external lead involvement indicators to follow procedures in IRM 21.4.1.4.6 External Leads Program or Other Questionable Refund Inquiries. Change made for IRM

consistency.

Exhibit 21.4.2-2 - Updated to incorporate procedures for working CII inventory. Change made due to CII integration to Refund Inquiry inventory.

Exhibit 21.4.2-2 - Updated to provide direction for researching TCIS to ensure correct refund has been traced. Changes made to clarify information.

Exhibit 21.4.2-2 Disposition Status Code 09 - Updated to provide direction for researching TCIS for posting of FS Form 150.1 and to attach the form to CII. Changes made to clarify information.

The disposition code is located in the Activity Field of the IDRS Control History. The disposition code is displayed as the first 2 digits of the Activity Code followed by the date the Bureau of the Fiscal Service (BFS) provided the Disposition in YYYYMMDD format (i.e., 0120190325 = Disposition 01 provided by BFS on March 25, 2019).

Note: Additional category code information can be found in, Exhibit 21.4.2-6, Category Codes.

Note: Additional Disposition Code 11 information can be found in IRM 21.4.2.4.4.1, Subsequent Inquiries, With Status Codes, Without Prior Forgery Determination (CSR's and Refund Inquiry Unit), and Exhibit 21.4.2-5, Disposition and Status Codes - Additional Action Time Frames.

Reminder: In the follow up actions outlined below for IMF cases, except where noted, close physical paper cases with a TC 290 .00, use Blocking Series **05** and a source document. For cases currently assigned in Correspondence Imaging Inventory (CII) ensure source documents are attached to your CII case and follow procedures in IRM 21.5.1.5.1, CII General Guidelines, to close your CII case. A source document is defined as a paper Form 3911, Taxpayer Statement Regarding Refund, and/or taxpayer correspondence. A source document is not required for refund trace cases initiated via phone calls, or online through the Where's My Refund application.

Note: If External Lead indicators are present, see IRM 25.25.8-2, External Lead Involvement Indicators, then follow procedures found in IRM 21.4.1.4.6, External Leads Program or Other Questionable Refund Inquiries.

Disposition Status Code ☆ (Asterisk equals blank)	Category Code	Definition	Follow Up Action
01	ACKN	Claim processed by RFC to Treasury Check	1. Wait 30 days for second status.

		Information System (TCIS).	2. No reply, resubmit CC CHKCL.
03	OOPS	Rejected (Failed preliminary validity checks.)	1. Review case. 2. Resubmit CC CHKCL.
04	OOPS	1. Previously processed as Available Check Cancellation (ACC), 2. Refund credit returned by RFC, through the Electronic Funds Transfer (EFT) from the bank, 3. Refund check intercepted, 4. Undeliverable TC 740. See IRM 21.4.3.5.3, Undeliverable Refund Checks. 5. If the refund credit has already generated a subsequent TC 846 in the same month don't input CC CHKCL as the refund trace will default to the first TC 846. See IRM 21.4.1.4.3, Multiple Refunds Issued From the Same Module in the Same Cycle.	(1 - 4) Take action to release credit, if necessary. Place any physical paper case documentation in classified waste when actions are complete. If a CII case remains open, leave a case note with actions taken and close the CII case, if no other actions are needed. 5) Initiate the refund trace through the Treasury Check Information System (TCIS).
05	OOPS	Check previously mailed (within 5 days).	Close case and place any physical paper case documentation in classified waste when actions are complete. If a CII case remains open, leave a case note with actions taken and close the CII case.
06	OOPS	Previous CC CHKCL.	1. Check TCIS Payment History, UCC Detail and

			Claim Detail Screen for previous claim and ensure correct refund was traced. - If correct refund was traced, send Letter 129C, Refund Inquiry; Form 3911 Required, or Letter 206C, Refund Inquiry; Copy of Check Requested or Provided/Check Being Traced Form 13818, as appropriate, to the taxpayer. Include check number and date along with the toll-free telephone number for the Bureau of the Fiscal Service (BFS). Follow IRM 21.5.1.5.1(8), CII General Guidelines, and capture the "request completed" screen of the CC LETER request. - Place any physical paper case documentation in classified waste when actions are complete. If a CII case remains open, leave a case note with actions taken and close the CII case. - If correct refund was not traced, follow procedures in Exhibit 21.4.2-1, Command Code (CC) CHKCL, Input to trace correct refund. and follow established procedures to monitor the case.
07	OOPS	No payment issued or unprocessable claim.	- Review case. - Conduct additional research (i.e., different TIN.) - Resubmit CC CHKCL.

			Note: If input of additional CC CHKCL does not yield results, initiate the refund trace through the Treasury Check Information System (TCIS). Note: Do not reinput trace for EIP pre-paid debit cards.
08	OOPS	Second trace input on DD.	Monitor case for 30 days. • BFS will automatically follow up with the financial institution until the issue is resolved. BFS will load an electronic copy of the FS Form 150.1 to TCIS when it is received from the financial institution. • If after 30 days, there is no FS Form 150.1 posted on TCIS, send the taxpayer a Letter 86C, Referring Taxpayer Inquiry/Forms to Another Office, to notify them you are transferring the case to BFS for resolution. • In your letter, advise the taxpayer: a. The BFS toll-free assistance center phone number is 855-868-0151. b. They should select option 1, then option 1. c. The call center can be reached between the hours of 8:00 a.m. and 4:30 p.m. ET Monday - Friday. d. English and Spanish speaking assistance is available. • Close case. See reminder above.

			• If the FS Form 150.1 is loaded to TCIS, update the case control to “DDPD” and follow status 09 instructions. • If a Form 4442/e-4442, Inquiry Referral, is received, research case and take appropriate action.
09	DDPD	1. RFC has contacted bank via FS Form 150.1 to trace refund. 2. Bank to send a copy to RFC. 3. RFC will load an electronic copy of the FS Form 150.1 to TCIS.	1. Research TCIS Claim Detail Screen. If FS Form 150.1 is located, attach a copy of the Form 150.1 to your CII case, use the Stamp or Text tool in the CII Document Viewer, or Adobe Acrobat Pro, to add “PII do not send to TP” to the upper left corner of the first page. Remember to click the save button. Verify routing transit number, account code (either C for checking or S for savings), bank account number on CC IMFOBT. 2. If the information doesn’t match, follow IRM 21.4.1.5.7.6, Non-Receipt of Direct Deposited Refunds- “Refund Inquiry Employees”. 3. If the information does match, send appropriate letter to the taxpayer. Note: The FS Form 150.1 contains possible Personally Identifiable Information (PII) and cannot be sent to the taxpayer. 4. Close case. See reminder above.

			5. If it has been at least 90 days, and no FS Form 150.1 copy is available on TCIS, reinput CC CHKCL. Refer to Status 08 above. 6. If FS Form 150.1 does not resolve taxpayer's issue, continue processing, if necessary. Exception: If account contains history item of DEPFOUND, then case control may be closed without further action.
10	OOPS	Invalid Stop Reason Code	1. Review case. 2. Resubmit CC CHKCL.
2☆	OOPS	Amount difference	1. Review case. 2. Resubmit CC CHKCL.
3☆	OOPS	Claim submitted too early for RFC to process	1. Review case. 2. Resubmit CC CHKCL.
4☆	OOPS	Duplicate tape claims submitted.	1. Wait for update. 2. No reply in 30 days, resubmit CC CHKCL.
5☆	OOPS	Invalid Direct Deposit information submitted.	1. Review case. 2. Resubmit CC CHKCL.
7☆	ACKN	Photocopy request processed by RFC to TCIS.	1. Wait for 2nd status. 2. No reply in 30 days, research TCIS for copy. If not on TCIS, resubmit CC CHKCL.
9☆	PAID	Direct Deposit trace input with non-receipt Code "P" no FS Form 150.1 will generate.	Reinput trace with non-receipt Code "N" no limited payability on Direct Deposit. (Electronic File Transfer processed).
11	PAID or 3858	Paid -Photocopy and claim mailed to taxpayer.	BFS has sent claim package (FS Form 1133) to the taxpayer. Refund Inquiry Unit will send Letter 206C to taxpayer, including check information and using appropriate paragraphs. If working the claim through CII, attach a copy of the FS Form

			1133 to the CII case and follow IRM 21.5.1.5.1(8), CII General Guidelines, and capture the "request completed" screen of the CC LETER request. Close case. See reminder above. Note: For subsequent contact if a copy of the claim form is available on the Payment Details tab in TCIS, provide a copy of the claim form to the taxpayer without referring them to the BFS. To avoid erroneous responses, do not send FS Form 1133 as an attachment in your closing letter, send under separate cover without a return envelope.
14	PAID	1. Paid - Photocopy to follow, or 2. CC CHKCL input after an uncashed check has expired and the credit returned to the IRS.	1. Monitor for receipt. a. Upon receipt continue processing. See IRM 21.4.2.4, Refund Trace Actions. b. If copy not received in 30 days, research TCIS for a copy or reinput CC CHKCL. 2. Research for TC 740 and release freeze if necessary. 3. Close case. See reminder above.
14	PAID	1. Paid - Photocopy to follow, or 2. CC CHKCL input after an uncashed check has expired and the credit returned to the IRS.	If no photocopy within 30 days: a. IDRS shows certified photocopy previously received, update Activity Code to reflect proper status of case, or b. IDRS shows no indication that certified photocopy received, contact BFS.

15	PAID	Paid - Certified photocopy to follow.	Monitor for receipt of certified photocopy. a. Upon receipt continue processing. See IRM 21.4.2.4.15.2, Request for Administrative Photocopy. b. If no photocopy within 30 days and IDRS shows photocopy previously received, update activity code to reflect proper status of case. c. If IDRS shows no indication that certified photocopy received, contact BFS.
17	PAID	Paid - Endorsed, photo/claim to follow.	Monitor. If no photocopy in 30 days , contact BFS.
18	PAID	Paid - Claim submitted after the Limited Payability cutoff date.	If Form 3911 is available, research TCIS for a check copy. • If check is available on the TCIS system, attach a copy to your CII case and provide the taxpayer with a copy. Close the case. See reminder above. • Input a TC 971 AC 011 on CC TXMOD using the date you secure the check. You must also include the money amount of the check in the FREEZE-RELEASE-AMT field. • If not found, process as a Limited Payability (LP) Trace, reinputting the CC CHKCL with non-receipt Code P. If no Form 3911 is present, correspond with the taxpayer.
20	OOPS	Payment declined due to alteration of check.	Monitor if no photocopy in 30 days , follow up, contact BFS.

		Photocopy and claim to follow.	
22	OOPS	Insufficient agency information.	1. Review case. 2. Resubmit CC CHKCL. 3. Use appropriate Stop Reason Code.
27	OOPS	Previously processed as Limited Payability Check Cancellation and refund credit (TC 740) was returned by the RFC.	Take action to release credit, if necessary. Place case documents in classified waste when case is closed.
31		Check Outstanding. RFC will issue recertified check.	Monitor for TC 841.
32	ST32	Outstanding check cancelled credit will be returned to the IRS.	Monitor for TC 841.
33	OOPS	Outstanding - No Photocopy.	Send Letter 1219C, Refund Inquiry; (Joint F3911) Requires Certification: Form 1040. If you are working a CII case, follow IRM 21.5.1.5.1(8), CII General Guidelines, and capture the "request completed" screen of the CC LETER request.
53	OOPS	Reject - Duplicate Stop	Contact BFS Check Information Section at 855-868-0151, Option 1.
65	ACKN	Refund associated with TOP Offset.	1. Wait 30 days for second status. 2. No reply, resubmit CC CHKCL.
71	OOPS	TOP Offset refund in full.	See IRM 21.4.6.6.1, Taxpayer Inquiries on TOP Offset
72	OOPS	TOP Offset partial refund.	See IRM 21.4.6.6.1, Taxpayer Inquiries on TOP Offset
90	OOPS	TCIS/PACER disconnect error.	Contact BFS to reset the interface indicator.