

IRM PROCEDURAL UPDATE

DATE: 03/14/2025

NUMBER: ts-21-0325-0375

SUBJECT: Updates to Returned Refunds/Releases

AFFECTED IRM(s)/SUBSECTION(s): 21.4.3

CHANGE(s):

IRM 21.4.3.5(2) d - Updated to include BMF command codes for research when sending a referral for previously returned refund checks. Change made for IRM consistency.

(2) When answering taxpayer's calls regarding previously returned refund checks:

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

IRM 21.4.3.5.5(11) a - Updated to include reference to Excess Collections (XSF) and Unidentified Remittance (URF) Files for research. Changes made to clarify information.

(11) If unable to release the credit, transfer the credit as follows:

- a. If the credit is less than one year old, apply to the Unidentified Remittance File (URF– 4620 Account) using Form 2424, Account Adjustment Voucher. Refer to IRM 3.14.1.6.8, Excess Collections (XSF) and Unidentified Remittance (URF) Files.
- b. If the credit is more than one year old, apply to the Excess Collection File (XSF– 6800 Account) using Form 8758, Excess Collections File Addition. Refer to IRM 3.17.220.2, Excess Collections File, for specific information about the Excess Collections Account 6800.
- c. When moving a credit or payment to the Excess Collection File (XSF) or the Unidentified Remittance File (URF) follow procedures in IRM 21.5.8.4 (14), IDRS Guidelines for Credit Transfers. For assistance in matters related to XSF and URF, see Excess Collections/Unidentified Remittance Files contacts list, located on Servicewide Electronic Research Program (SERP) under the Who/Where tab.

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

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

- d. Monitor your case for 45 days using activity code "F8758XXX" where the "XXX" is the julian date that represents the last day of the suspense period. Close the control base when the credit has been moved from the account by Excess Collections. If no action after 45 days, follow up with Excess Collections via phone, email or fax.