



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

3.17.64

SEPTEMBER 8, 2025

EFFECTIVE DATE

(10-01-2025)

PURPOSE

- (1) This transmits revised IRM 3.17.64, Accounting and Data Control, Accounting Control General Ledger Policies and Procedures.

MATERIAL CHANGES

- (1) IRM 3.17.64.1, Program Scope and Objectives, updated audience, updated content to reflect ROC changes and to add ACO personnel. IPU 24U1189 issued 12-05-2024.
- (2) IRM 3.17.64.1.1, Background, updated language to reflect current usage of the IRM.
- (3) IRM 3.17.64.1.3, Responsibilities, updated sections to reflect current ROC.
- (4) Prior IRM 3.17.64.1.3.5, HQ Accounting, removed due to lack of accountability regarding submission processing subsidiary accounts.
- (5) IRM 3.17.64.1.3.6, Submission Processing Center, Taxpayer Services, updated wording to clarify assigned duties.
- (6) IRM 3.17.64.1.3.7, Revenue Accounting Units, updated wording to clarify assigned duties.
- (7) IRM 3.17.64.1.6, Terms/Definitions, updated Scorecard entry to reflect current procedures.
- (8) IRM 3.17.64.1.7, Acronyms, updated several entries to reflect current Servicewide usage.
- (9) IRM 3.17.64.2.2.1, CFO and Submission Processing Reports, added a column to denote the report's system of origin.
- (10) IRM 3.17.64.2.3, Submission Processing Chart of Accounts, removed all subsidiary accounts shown in subsequent IRM table.
- (11) IRM 3.17.64.2.3.1, Subsidiary Records and Balancing, added information regarding forms and documentation that must be maintained for account balancing.
- (12) IRM 3.17.64.2.3.3, Chart of Subsidiary Records External to RRACS, updated outdated account names and added missing accounts from the Form 3997.
- (13) IRM 3.17.64.3, Federal Government Accounting Requirements, removed due to contents being a word for word copy of IRM 3.17.64.1.5, Program Controls, and replaced with IRM 3.17.64.3.1, On-Site Audit by Government Accountability Office.
- (14) IRM 3.17.64.4, IRM Deviation Procedures, new section added to define criteria for IRM deviation. IPU 24U1189 issued 12-05-2024.
- (15) Prior IRM 3.17.64.4.4, Error Conditions, removed due to duplicate entry in IRM 3.17.63.7.8.
- (16) IRM 3.17.64.5, RRACS System Overview, updated to add additional pertinent information about RRACS.

- (17) IRM 3.17.64.5.1, Form 8166 Document Preparation, updated form drafting procedures to ensure a connecting audit trail and added requirement to be used for any combined journals. IPU 24U1189 issued 12-05-2024.
- (18) IRM 3.17.64.5.2, RRACS Inventory Accounts, updated to clarify PII guidelines for RRACS entries.
- (19) IRM 3.17.64.5.4, Correcting Erroneous Journal Entries, updated to define an erroneous journal entry and to differentiate erroneous journal entries posted from erroneous documents received by RACS teams.
- (20) IRM 3.17.64.6, General Ledger Procedures for Assessments, section renamed to keep consistency with other major categories of general ledger procedures.
- (21) IRM 3.17.64.6.9, Business Resumption/Disaster Recovery Plan for the Signing of 23C Assessment Certificates, clarified the relevance of Form 813 as supporting documentation for signing a 23C certificate.
- (22) IRM 3.17.64.6.11, Signing of 23C Certificates during Automated Manual Assessment Program Downtime, new section added to provide procedural guidelines during AMA downtime.
- (23) IRM 3.17.64.7, General Ledger Procedures for Manual Accounting Activity, new section added to consolidate all general ledger procedures for manual accounting activity. The following IRMs and associated subsections are now listed in this subsection:
 - a. IRM 3.17.64.7.1, Account Transfers
 - b. IRM 3.17.64.7.2, Automated Non-Master File (ANMF)
 - c. IRM 3.17.64.7.3, Credit Transfers
 - d. IRM 3.17.64.7.4, Department of Justice (DOJ)
 - e. IRM 3.17.64.7.5, Deposit Fund Inventory Control
 - f. IRM 3.17.64.7.6, Dishonored Check File
 - g. IRM 3.17.64.7.7, Electronic Federal Tax Payment System (EFTPS)
 - h. IRM 3.17.64.7.8, Erroneous Refunds, updated to remove previous practices and add new systemic changes. IPU 24U1047 issued 10-17-2024.
 - i. IRM 3.17.64.7.9, External Leads Processing (ELP), updated sharepoint link and removed logging requirements for RACS units. IPU 24U1189 issued 12-05-2024.
 - j. IRM 3.17.64.7.10, Insolvency (Ogden SPS Only)
 - k. IRM 3.17.64.7.11, Losses and Shortages
 - l. IRM 3.17.64.7.12, Refund Reversals
 - m. IRM 3.17.64.7.13, Remittances, updated wording to remove naked link. IPU 24U1047 issued 10-17-2024.
 - n. IRM 3.17.64.7.14, Service Center Suspense Files
 - o. IRM 3.17.64.7.15, Substantiated Credits
 - p. IRM 3.17.64.7.16, Transfer of Accountability of campus directors
 - q. IRM 3.17.64.7.17, Unidentified/Excess Collections Files
- (24) IRM 3.17.64.7.1.1, Account 1400 Tax Accounts Transferred Out, updated to include detailed information regarding account. IPU 24U1047 issued 10-17-2024.
- (25) IRM 3.17.64.7.7.2, EFTPS Deposit Ticket Journal (Ogden SPC Only), updated to 2926 account to reflect closure of 2910 account. IPU 24U1047 issued 10-17-2024.
- (26) IRM 3.17.64.7.7.3, EFTPS Debit Voucher Journal (Ogden SPC Only), updated to 2926 account to reflect closure of 2910 account. IPU 24U1047 issued 10-17-2024.

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- (27) IRM 3.17.64.7.8.1, RRACS Reports Supporting Erroneous Refund, new section added to consolidate all RRACS reports supporting Erroneous Refund accounting activity. The following IRMs are now listed in this subsection:
- a. IRM 3.17.64.7.8.1.1, Erroneous Refund Report (RRACS Report 0131)
 - b. IRM 3.17.64.7.8.1.2, Identity Theft Erroneous Refunds Monthly Activity Report (RRACS Report 155A)
 - c. IRM 3.17.64.7.8.1.3, Identity Theft Erroneous Refunds Summary Report (RRACS Report 155B)
 - d. IRM 3.17.64.7.8.1.4, Identity Theft Erroneous Refunds Open Cases Report (RRACS Report 155C)
 - e. IRM 3.17.64.7.8.1.5, Matched IDT Erroneous Refund Write-Offs (RRACS Report 155D)
 - f. IRM 3.17.64.7.8.1.6, Unmatched IDT Erroneous Refund Write-Offs (RRACS Report 155E)
 - g. IRM 3.17.64.7.8.1.7, Payment Over Cancellation Erroneous Refund Inventory Report (RRACS Report 0156)
 - h. IRM 3.17.64.7.8.1.8, Return Preparer Misconduct Erroneous Refund Inventory Report (RRACS Report 0157)
- (28) IRM 3.17.64.7.8.2.5, Account 1545 Identity Theft Erroneous Refunds, updated to reflect systemic changes. IPU 24U1047 issued 10-17-2024.
- (29) IRM 3.17.64.7.8.2.6, Account 1547 Return Preparer Misconduct Erroneous Refunds, updated to correct terminology and removed previous practices. IPU 24U1047 issued 10-17-2024.
- (30) IRM 3.17.64.7.8.3, New Erroneous Refund Case Processing(RRACS Window 480/481), updated to remove previous practices and to reflect systemic changes. IPU 24U1047 issued 10-17-2024.
- (31) IRM 3.17.64.7.8.4, Identity Theft Erroneous Refund New Case Processing Using Form 3809, updated to remove previous practices. IPU 24U1047 issued 10-17-2024.
- (32) IRM 3.17.64.7.8.4.1, Identity Theft Erroneous Refund Systemic New Case Processing, updated to add details regarding systemic updates. IPU 24U1189 issued 12-05-2024.
- (33) IRM 3.17.64.7.8.4.2, Return Preparer Misconduct Erroneous Refund Systemic New Case, updated to add details regarding systemic updates. IPU 24U1189 issued 12-05-2024.
- (34) IRM 3.17.64.7.8.4.3, Monthly Balancing Procedures - ID Theft and Return Preparer Misconduct, removed outdated notes and updated to align with systemic updates. IPU 24U1189 issued 12-05-2024.
- (35) IRM 3.17.64.7.8.8, Identity Theft Erroneous Refund Cleared, updated to correct team name. IPU 24U1047 issued 10-17-2024.
- (36) IRM 3.17.64.7.9.1.1, Account 4971, Unapplied External Leads, updated to reflect current procedures. IPU 24U1189 issued 12-05-2024.
- (37) IRM 3.17.64.7.9.1.2, Account 6801, Expired External Leads, updated to provide more information and reflect current procedures. IPU 24U1189 issued 12-05-2024.
- (38) IRM 3.17.64.7.9.2.1, Unapplied External Leads Report (RRACS Report 132), updated language to provide better detail and updated to reflect current procedures. IPU 24U1189 issued 12-05-2024.
- (39) IRM 3.17.64.7.9.2.2, External Leads Systemic Write-offs Report (RRACS Report 132B), updated language to provide more detail. IPU 24U1189 issued 12-05-2024.
- (40) IRM 3.17.64.7.9.3, Manual Deposit Processing, updated to reflect procedures shifted to RIVO. IPU 24U1047 issued 10-17-2024.

- (41) IRM 3.17.64.7.9.4, Electronic Payment Processing Kansas City CFO RACS Only, updated to reflect procedures shifted to RIVO. IPU 24U1047 issued 10-17-2024.
- (42) IRM 3.17.64.7.9.5, Processing of Form 3245, Posting Voucher (BMF) - Refund Cancellation or Repayment for ELP, updated to reflect current procedures. IPU 24U1189 issued 12-05-2024.
- (43) IRM 3.17.64.7.9.6, External Leads Systemically Journalled Payments, updated to reflect current procedures. IPU 24U1189 issued 12-05-2024.
- (44) IRM 3.17.64.7.9.7, Monthly Balancing of ELP, updated to reflect current procedures. IPU 24U1189 issued 12-05-2024.
- (45) IRM 3.17.64.7.9.8, Reversal of External Leads Funds, updated to reflect current procedures. IPU 24U1189 issued 12-05-2024.
- (46) IRM 3.17.64.7.9.8.1, Reversal of Credit Gateway External Leads (Within 48 Hours of Receipt), updated to remove Accounting POC. IPU 24U1189 issued 12-05-2024.
- (47) IRM 3.17.64.7.9.9, Posted External Leads Causing Unpostable TC 740 or TC 841 (Not Related to Identity Theft), updated to remove outdated note. IPU 24U1189 issued 12-05-2024.
- (48) IRM 3.17.64.7.9.10, Resolving an Unpostable TC 720 With A TC 841 Posted, updated to clarify recipient of documentation. IPU 24U1189 issued 12-05-2024.
- (49) IRM 3.17.64.7.9.11, External Leads Systemic Write-Offs, updated to reflect current procedures. IPU 24U1189 issued 12-05-2024.
- (50) IRM 3.17.64.7.12.1, Account 4970 Unapplied Refund Reversal, updated language for clarity and added IRM citations. IPU 24U1047 issued 10-17-2024.
- (51) IRM 3.17.64.7.13.1.1, Daily Balancing of TAC Cash Deposits, updated wording to remove naked link. IPU 24U1047 issued 10-17-2024.
- (52) IRM 3.17.64.7.17.1.3, Account 9998 Reversals Revenue Clearance Accountability, Reports Analyst review added for items moved to this account without following IRM procedures. IPU 24U1189 issued 12-05-2024.
- (53) IRM 3.17.64.8, General Ledger Procedures for Systemic Accounting Activity, new section added to consolidate all GL procedures for systemic accounting activity. The following IRMs and associated subsections are now listed in this subsection:
 - a. IRM 3.17.64.8.1, Reciprocal Accounting Control Record (RACR)
 - b. IRM 3.17.64.8.2, CADE - Customer Account Data Engine
 - c. IRM 3.17.64.8.3, Electronic Transmissions
 - d. IRM 3.17.64.8.4, Enterprise Computing Center, Martinsburg (ECC-MTB)
 - e. IRM 3.17.64.8.5, Receivables
- (54) IRM 3.17.64.9, Reconciliation of General Ledger Accounts, Form 3997, added detailed information regarding aged reconciled items and unreconciled amounts, updated to include aged definitions from related IRMs to define aged reconciled items on the balance sheet. IPU 24U1047 issued 10-17-2024. Updated to include optional task list that may accompany the F3997 Scorecard. IPU 24U1206 issued 12-12-2024.
- (55) IRM 3.17.64.9.2, F3997 Package, balance sheet requirements updated for document identification and journal numbers. IPU 24U1189 issued 12-05-2024.
- (56) IRM 3.17.64.9.3, Form 3997 Remediation Plan, added review to be conducted by RACS analysts.

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- (57) IRM 3.17.64.9.4, Form 3997 Scorecard, added informational details about each criteria of the scorecard.
- (58) Prior IRM 3.17.64.29.8, Scorecard CFO RACS Analyst Contacts, merged into 3.17.64.10.4, Form 3997 Scorecard.
- (59) Prior IRM 3.17.64.37, Unclaimed Funds (Disposition of Requests for Claims from State Treasury Departments), removed due to obsolete procedures.
- (60) The following IRM sections (listed using previously published IRM references) were removed and merged into IRM 3.17.63, Redesigned Revenue Accounting Control System:
- a. Prior IRM 3.17.64.11, Direct Debit Installment Agreements (DDIA)
 - b. Prior IRM 3.17.64.18, Fund Adjustments Reclassifications
 - c. Prior IRM 3.17.64.21, National Security Checks Processing Procedures (Kansas City SPS Only) (RRACS Window 210)
 - d. Prior IRM 3.17.64.22, Over the Counter Network (OTCnet)
 - e. Prior IRM 3.17.64.23.4.1, DMF 1550 Injured Spouse Claims Reconciliation Monthly Procedures
 - f. Prior IRM 3.17.64.28.1, CFO HQ Accounting Scorecard - End of Month Balancing for CARS Submission (Formerly SF 224)
 - g. Prior IRM 3.17.64.28.1.1, CFO HQ Accounting Scorecard - Supplemental CARS Submission (Formerly SF 224)
 - h. Prior IRM 3.17.64.28.2, CFO HQ Accounting Scorecard - Statement of Difference (Effective October 1, 2019 no longer scored)
 - i. Prior IRM 3.17.64.28.3, CFO HQ Accounting Scorecard - Trace ID (Annually Only) Effective March 2022, no longer scored)
 - j. Prior IRM 3.17.64.28.4, CFO HQ Accounting Scorecard - Suspense Account 20F3885
 - k. Prior IRM 3.17.64.28.5, CFO HQ Accounting Scorecard - Suspense Account 20F3500 and 20F3502 Process
 - l. Prior IRM 3.17.64.28.6, CFO HQ Accounting Scorecard - Informant Reward Account 20X5433 (Ogden SPS only)
 - m. Prior IRM 3.17.64.30, CARS Direct Reporting and Reclassifications Submission, Statement of Transactions
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 - q. Prior IRM 3.17.64.32, Statement of Difference
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- (61) IRM 3.17.64, Accounting Control General Ledger Policies and Procedures, minor editorial changes made throughout.

EFFECT ON OTHER DOCUMENTS

IRM 3.17.64, Accounting Control General Ledger Policies and Procedures, dated September 20, 2024, effective date October 1, 2024, is superseded. This IRM also incorporates the following IRM procedural updates (IPUs) issued: IPU 24U1047 issued 10-17-2024, IPU 24U1189 issued 12-05-2024 and IPU 24U1206 issued 12-12-2024.

AUDIENCE

Submission Processing, Taxpayer Services
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Accounting Control General Ledger Policies and Procedures

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 - 3.17.64.7.4.1.2 Account 4975 Liability DOJ Receipts (Real Account, CR Normal Balance)
 - 3.17.64.7.4.1.3 Account 2915 DOJ Receipts (Real Account, DR Normal Balance) (TAS 20F3844)

- 3.17.64.7.4.1.4 Account 6400 Miscellaneous Revenue Collections (Nominal Account, CR Normal Balance) (Account Active in All Sites)
- 3.17.64.7.4.1.5 Account 6950 DOJ Civil Debt Collection Holdback (Nominal Account, DR Normal Balance)
- 3.17.64.7.4.2 Deposit of Collections From Civil Judgments (RRACS Window 541)
- 3.17.64.7.4.3 Applying DOJ Payments
- 3.17.64.7.4.4 Court Ordered Criminal Restitution Payments
 - 3.17.64.7.4.4.1 Restitution Payment Processing
- 3.17.64.7.5 Deposit Fund Inventory Control
 - 3.17.64.7.5.1 Seized Property
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- 3.17.64.7.6 Dishonored Check File
 - 3.17.64.7.6.1 General Ledger Accounts for Dishonored Checks
 - 3.17.64.7.6.1.1 Account 1510 Other Receivables (Real Account, DR Normal Balance)
 - 3.17.64.7.6.1.2 Account 1710 Dishonored Checks (Real Account, DR Normal Balance)
 - 3.17.64.7.6.1.3 Account 1720 Dishonored Check Adjustments (Real Account, DR/CR Normal Balance)
 - 3.17.64.7.6.1.4 Account 1840 Other Receivable, Inactive (Real Account, DR Normal Balance)
 - 3.17.64.7.6.1.5 Account 6700 Foreign Check Collection Cost and Miscellaneous Bank Charges (Nominal Account, DR Normal Balance)
 - 3.17.64.7.6.1.6 Foreign Check Conversion Rate Overage/Shortage
 - 3.17.64.7.6.1.7 Miscellaneous Bank Charges (Foreign and Domestic)
 - 3.17.64.7.6.1.8 Account 7002 Deposit Fund Receipts/Disbursements
 - 3.17.64.7.6.2 Dishonored Check Applications (RRACS Window 210/220/400/411)
 - 3.17.64.7.6.3 Dishonored Checks on Miscellaneous Deposits (RRACS Windows 412/413)
 - 3.17.64.7.6.4 Dishonored Checks on Unidentified Remittances (RRACS Window 404)
- 3.17.64.7.7 Electronic Federal Tax Payment System (EFTPS)
 - 3.17.64.7.7.1 General Ledger Accounts for EFTPS
 - 3.17.64.7.7.1.1 Account 4125 EFTPS/FPLP Suspense for MF BMF (Real Account, DR/CR Normal Balance)
 - 3.17.64.7.7.1.2 Account 4225 EFTPS/FPLP Suspense for MF IMF (Real Account, DR/CR Normal Balance)
 - 3.17.64.7.7.1.3 Account 4425 EFTPS/FPLP Suspense for NMF (Real Account, DR/CR Normal Balance)
 - 3.17.64.7.7.1.4 Account 4765 EFTPS/FPLP Misc. Suspense (Real Account, DR/CR Normal Balance)
 - 3.17.64.7.7.1.5 Account 7001 Unclassified EFTPS/FPLP (Nominal Account, DR Normal Balance) (TAS 20F3820)
 - 3.17.64.7.7.2 EFTPS Deposit Ticket Journal (RRACS Window 210)
 - 3.17.64.7.7.3 EFTPS Debit Voucher Journal (RRACS Window 221)
 - 3.17.64.7.7.4 EFTPS Deposit Reclassification Journal (RRACS Automated Window 112)

- 3.17.64.7.7.5 EFTPS TEP Journal
- 3.17.64.7.7.6 Electronic Federal Tax Payments System (EFTPS) Accounting Package
- 3.17.64.7.8 Erroneous Refunds
 - 3.17.64.7.8.1 RRACS Reports Supporting Erroneous Refunds
 - 3.17.64.7.8.1.1 Erroneous Refund Report (RRACS Report 0131)
 - 3.17.64.7.8.1.2 Identity Theft Erroneous Refunds Monthly Activity Report (RRACS Report 155A)
 - 3.17.64.7.8.1.3 Identity Theft Erroneous Refunds Summary Report (RRACS Report 155B)
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 - 3.17.64.7.8.1.5 Matched IDT Erroneous Refund Write-Offs (RRACS Report 155D)
 - 3.17.64.7.8.1.6 Unmatched IDT Erroneous Refund Write-Offs (RRACS Report 155E)
 - 3.17.64.7.8.1.7 Payment Over Cancellation Erroneous Refund Inventory Report (RRACS Report 0156)
 - 3.17.64.7.8.1.8 Return Preparer Misconduct Erroneous Refund Inventory Report (RRACS Report 0157)
 - 3.17.64.7.8.2 General Ledger Accounts for Erroneous Refunds
 - 3.17.64.7.8.2.1 Account 1530 Court Case Erroneous Refund (Real Account, DR Normal Balance)
 - 3.17.64.7.8.2.2 Account 1535 CI Court Ordered Restitution Erroneous Refund (Real Account, DR Normal Balance)
 - 3.17.64.7.8.2.3 Account 1540 Non-Court Case Erroneous Refund (Real Account, DR Normal Balance)
 - 3.17.64.7.8.2.4 Account 1543 Payment Over Cancellation Erroneous Refund (Real Account, DR Normal Balance)
 - 3.17.64.7.8.2.5 Account 1545 Identity Theft Erroneous Refunds (Real Account, DR Normal Balance)
 - 3.17.64.7.8.2.6 Account 1547 Return Preparer Misconduct Erroneous Refunds (Real Account, DR Normal Balance)
 - 3.17.64.7.8.2.7 Account 4910 Disbursement Loss (Real Account, DR Normal Balance)
 - 3.17.64.7.8.2.8 Account 6905 ID Theft Erroneous Refund Write-Off (Nominal Account, DR Normal Balance)
 - 3.17.64.7.8.2.9 Account 6907 Return Preparer Misconduct Erroneous Refund Write-Off (Nominal Account, DR Normal Balance)
 - 3.17.64.7.8.2.10 Account 6920 Disbursement Write-Off (Nominal Account, DR Normal Balance)
 - 3.17.64.7.8.3 New Erroneous Refund Case Processing (RRACS Window 480/481)
 - 3.17.64.7.8.4 Identity Theft Erroneous Refund New Case Processing Using Form 3809
 - 3.17.64.7.8.4.1 Identity Theft Erroneous Refund Systemic New Case Processing
 - 3.17.64.7.8.4.2 Return Preparer Misconduct Erroneous Refund Systemic New Case
 - 3.17.64.7.8.4.3 Monthly Balancing Procedures - ID Theft and Return Preparer Misconduct
 - 3.17.64.7.8.5 Repayment or Partial Repayment of Erroneous Refund (RRACS Window 480/481)
 - 3.17.64.7.8.6 Erroneous Refund Non-Payment (RRACS Window 485)
 - 3.17.64.7.8.7 Erroneous Refund Cleared (RRACS Window 490)
 - 3.17.64.7.8.8 Identity Theft Erroneous Refund Cleared (RRACS Window 490)
 - 3.17.64.7.8.9 Identify Theft Erroneous Refund Systemic Write-Offs
 - 3.17.64.7.8.10 Return Preparer Misconduct Systemic Write-Offs

- 3.17.64.7.8.11 Reversals of TC 841/700
- 3.17.64.7.8.12 Duplicate or Invalid TC 841 (UPC138-4) or (UPC138-0)
- 3.17.64.7.9 External Leads Processing (ELP)
 - 3.17.64.7.9.1 General Ledger Accounts for External Leads
 - 3.17.64.7.9.1.1 Account 4971, Unapplied External Leads Real Account, Credit Normal Balance
 - 3.17.64.7.9.1.2 Account 6801, Expired External Leads Real Account, Credit Normal Balance
 - 3.17.64.7.9.2 RRACS Reports Supporting External Leads
 - 3.17.64.7.9.2.1 Unapplied External Leads Report (RRACS Report 132)
 - 3.17.64.7.9.2.2 External Leads Systemic Write-offs Report (RRACS Report 132B)
 - 3.17.64.7.9.3 Manual Deposit Processing
 - 3.17.64.7.9.4 Electronic Payment Processing
 - 3.17.64.7.9.5 Processing of Form 3245, Posting Voucher (BMF) - Refund Cancellation or Repayment for ELP
 - 3.17.64.7.9.6 External Leads Systemically Journalized Payments
 - 3.17.64.7.9.7 Monthly Balancing of ELP
 - 3.17.64.7.9.8 Reversal of External Leads Funds
 - 3.17.64.7.9.8.1 Reversal of Credit Gateway External Leads (Within 48 Hours of Receipt)
 - 3.17.64.7.9.9 Posted External Leads Causing Unpostable TC 740 or TC 841 (Not Related to Identity Theft)
 - 3.17.64.7.9.10 Resolving an Unpostable TC 720 With a TC 841 Posted
 - 3.17.64.7.9.11 External Leads Systemic Write-Offs
- 3.17.64.7.10 Insolvency
 - 3.17.64.7.10.1 General Ledger Accounts for Insolvency
 - 3.17.64.7.10.1.1 Account 4625 Insolvency Suspense (Real Account, CR Normal Balance) (TAS 20F3820)
 - 3.17.64.7.10.1.2 Account 7009 Insolvency (Real Account, DR Normal Balance) (TAS 20F3820)
 - 3.17.64.7.10.2 Insolvency Suspense Report (RRACS Report 139)
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- 3.17.64.7.11 Losses and Shortages
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 - 3.17.64.7.11.3 General Ledger Accounts for Losses and Shortages
 - 3.17.64.7.11.3.1 Account 6900 Adjustment or Correction of Revenue Receipts (Nominal Account, DR Normal Balance)
 - 3.17.64.7.11.3.2 Account 6901, ECP Adjustment of Revenue (Nominal Account, DR Normal Balance)
 - 3.17.64.7.11.3.3 Account 7610 Embezzlement and Thefts (Real Account, DR Normal Balance)
 - 3.17.64.7.11.3.4 Account 7620 Unexplained Losses (Real Account, DR Normal Balance)
 - 3.17.64.7.11.3.5 Account 7649 ECP Deposit Discrepancies (Real Account, DR Normal Balance)

- 3.17.64.7.11.3.6 Account 7650 Deposit Discrepancies (Real Account, DR Normal Balance)
- 3.17.64.7.11.4 New Embezzlement or Loss Case Processing (RRACS Window 306)
- 3.17.64.7.11.5 Repayment or Relief Granted of Embezzlement or Loss (RRACS Window 309)
- 3.17.64.7.11.6 New Unexplained Case Processing (RRACS Window 307)
- 3.17.64.7.11.7 Repayment or Relief Granted of Unexplained Loss (RRACS Window 310)
- 3.17.64.7.11.8 New Deposit Discrepancy Case Processing (RRACS Window 308)
- 3.17.64.7.11.9 Repayment, Approval to Write-Off or Relief Granted of Deposit Discrepancy Case (RRACS Window 311)
- 3.17.64.7.12 Refund Reversals
 - 3.17.64.7.12.1 Account 4970 Unapplied Refund Reversal (Real Account, DR/CR Normal balance)
 - 3.17.64.7.12.2 Standard Form 1098 Schedule of Cancelled or Undelivered Checks
 - 3.17.64.7.12.3 Standard Form 1184
 - 3.17.64.7.12.4 Miscellaneous Refund Check Cancellation
 - 3.17.64.7.12.4.1 Account 6565 Refund Cancellation Credits Allowed (Nominal Account, DR Normal Balance)
 - 3.17.64.7.12.4.2 Account 6910 Correction of Misc. Revenue (Nominal Account, DR Normal Balance)
 - 3.17.64.7.12.5 Reporting of SF 1081
- 3.17.64.7.13 Remittances
 - 3.17.64.7.13.1 Taxpayer Assistance Center (TAC) Courier Deposits
 - 3.17.64.7.13.1.1 Daily Balancing of TAC Cash Deposits
 - 3.17.64.7.13.1.2 Rejected TAC Cash Deposits
 - 3.17.64.7.13.2 Collections Revenue Receipts IDRS Accounting Package (RRACS Window 210)
 - 3.17.64.7.13.3 Regular Accounting Package and Cash Conversion (RRACS Window 210)
 - 3.17.64.7.13.4 Deposit Tickets and Debit Vouchers
 - 3.17.64.7.13.5 Accounting Package From Electronic Fund Transfer (EFT) System Deposit (RRACS Window 210)
 - 3.17.64.7.13.6 ISRP via Electronic Check Process
 - 3.17.64.7.13.6.1 ISRP Rejected Items
 - 3.17.64.7.13.7 Lockbox Deposits via Electronic Check Processing (ECP)
 - 3.17.64.7.13.7.1 ECP Rejected Items
 - 3.17.64.7.13.8 Advance Payments and IRC 6603 Deposits
 - 3.17.64.7.13.8.1 Account 4610 Unapplied Advance Payments (Real Account, CR Normal Balance)
 - 3.17.64.7.13.8.2 Account 4615 IRC 847, Special Estimated Tax Payments (Real Account, CR Normal Balance)
 - 3.17.64.7.13.9 Deposit Discrepancies
- 3.17.64.7.14 Service Center Suspense Files
 - 3.17.64.7.14.1 General Ledger IMF and BMF Accounts for SC Suspense
 - 3.17.64.7.14.1.1 Account 4120 SC Suspense for the MF BMF (Real Account, DR/CR Normal Balance)
 - 3.17.64.7.14.1.2 Account 4220 SC Suspense for the MF IMF (Real Account, DR/CR Normal Balance)

- 3.17.64.7.15 Substantiated Credits
 - 3.17.64.7.15.1 General Ledger Account for Substantiated Credits
 - 3.17.64.7.15.1.1 Account 6570 Substantiated Credits Allowed (Nominal Account, DR Normal Balance)
 - 3.17.64.7.15.2 Substantiated Credit Posting Documents (RRACS Window 400)
- 3.17.64.7.16 Transfer of Director Accountability
 - 3.17.64.7.16.1 General Ledger Account for Transfer of Accountability
 - 3.17.64.7.16.1.1 Account 7500 Undeposited Collections (Real Account, DR Normal Balance) (TAS 20-0110)
 - 3.17.64.7.16.2 General Guidelines for Transfer of Accountability
- 3.17.64.7.17 Unidentified Remittance/Excess Collections Files
 - 3.17.64.7.17.1 General Ledger Accounts for Unidentified Remittance Files and Excess Collections
 - 3.17.64.7.17.1.1 Account 4620 Unidentified Remittances (Real Account, CR Normal Balance)
 - 3.17.64.7.17.1.2 Account 6800 Excess Collections (Nominal Account, CR Normal Balance)
 - 3.17.64.7.17.1.3 Account 9998 Reversals Revenue Clearance Accountability (Nominal Account, DR/CR Normal Balance)
 - 3.17.64.7.17.1.4 Account 9999 Revenue Clearance Accountability (Real Account, DR/CR Normal Balance)
 - 3.17.64.7.17.2 Applications From Unidentified Revenue Receipts
 - 3.17.64.7.17.3 Applications from Unidentified Miscellaneous Funds (RRACS Window 404)
 - 3.17.64.7.17.4 Unidentified Deposit (RRACS Window 210)
- 3.17.64.8 General Ledger Procedures for Systemic Accounting Activity
 - 3.17.64.8.1 Reciprocal Accounting Control Record (RACR)
 - 3.17.64.8.1.1 Master File Reconciliation
 - 3.17.64.8.2 CADE - Customer Account Data Engine
 - 3.17.64.8.2.1 CADE Accounts Receivable
 - 3.17.64.8.2.1.1 Account 1200 IMF Accounts Receivable (Real Account, DR Normal Balance)
 - 3.17.64.8.2.1.2 Account 1205 CADE Accounts Receivable - Inactive (Real Account, DR Normal Balance)
 - 3.17.64.8.2.1.3 Account 1301 CADE Non-Receivables - Inactive (Real Account, DR Normal Balance)
 - 3.17.64.8.2.1.4 Account 1815 CADE Accounts Receivable - Inactive (Real Account, DR Normal Balance)
 - 3.17.64.8.2.1.5 Account 4205 CADE in Transit CADE to MF-IMF - Inactive (Real Account, DR/CR Normal Balance)
 - 3.17.64.8.2.1.6 Account 4522 CADE Pre-Payment CR Non-Tax - Inactive (Real Account, CR Normal balance)
 - 3.17.64.8.2.1.7 Account 4530 CADE Pre-Payment CR - Inactive (Real Account, CR Normal balance)
 - 3.17.64.8.3 Electronic Transmissions
 - 3.17.64.8.3.1 Account 4510 Pre-payment Credits BMF (Real Account, CR Normal Balance)
 - 3.17.64.8.3.2 Account 4521 Pre-payment Credit - Non Tax (Real Account, CR Normal Balance)
 - 3.17.64.8.3.3 Account 4520 Pre-payment Credits IMF (Real Account, DR/CR Normal Balance)
 - 3.17.64.8.3.4 Account 4950 IMF Unallowable Deductions (Real Account, DR/CR Normal Balance)

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- 3.17.64.8.4 Enterprise Computing Center, Martinsburg (ECC-MTB)
 - 3.17.64.8.4.1 General Ledger Accounts for Enterprise Computing Center (ECC)
 - 3.17.64.8.4.1.1 Account 4110 ECC Suspense for the MF-BMF (Real Account, DR/CR Normal Balance)
 - 3.17.64.8.4.1.2 Account 4130 ECC Unpostable Documents-BMF (Real Account, DR/CR Normal Balance)
 - 3.17.64.8.4.1.3 Account 4210 ECC Suspense for the MF-IMF (Real Account, DR/CR Normal Balance)
 - 3.17.64.8.4.1.4 Account 4215 ECC Suspense for CADE (Real Account, DR/CR Normal Balance)
 - 3.17.64.8.4.1.5 Account 4217 ECC MFT 30 to MFT 29 for CADE (Real Account, CR Normal Balance)
 - 3.17.64.8.4.1.6 Account 4230 ECC Unpostable Documents-IMF (Real Account, DR/CR Normal Balance)
 - 3.17.64.8.4.1.7 Account 4254 MFT 30 to MFT 29 (Real Account, CR Normal Balance)
 - 3.17.64.8.4.2 ECC Application Tapes to ECC (Mainline and IDRS)
 - 3.17.64.8.4.3 Corrected Unpostable Transactions
 - 3.17.64.8.4.4 Applications From Unpostables
 - 3.17.64.8.4.5 New Unpostables
 - 3.17.64.8.4.6 ECC Deletes
 - 3.17.64.8.5 Receivables
 - 3.17.64.8.5.1 Account Series 1000 Accounts Receivable
 - 3.17.64.8.5.2 Account 1100 BMF, Accounts Receivable (Real Account, DR Normal Balance)
 - 3.17.64.8.5.3 Account 1300 Non-Tax Receivables (Real Account, DR Normal Balance)
 - 3.17.64.8.5.4 Account 1550 Injured Spouse Claims Allowed Receivable (Real Account, DR Normal Balance)
 - 3.17.64.8.5.5 Account 1810 BMF Account Receivable - Inactive (Real Account, DR Normal Balance)
 - 3.17.64.8.5.6 Account 1820 IMF Accounts Receivable - Inactive (Real Account, DR Normal Balance)
 - 3.17.64.9 Reconciliation of General Ledger Accounts, Form 3997
 - 3.17.64.9.1 Form 3997 Submission Timeline and Requirements
 - 3.17.64.9.2 Form 3997 Package
 - 3.17.64.9.3 Form 3997 Remediation Plan
 - 3.17.64.9.4 Form 3997 Scorecard
 - 3.17.64.9.4.1 Business Resumption/Disaster Recovery Form 3997 Contingency Plan

3.17.64.1
(09-08-2025)
Program Scope and Objectives

- (1) Purpose: This IRM describes the necessary accounting procedures for Revenue Accounting Operations personnel and Accounting Control Operations personnel. It addresses the maintenance and responsibility of the CFO Redesign Revenue Accounting Control System (RRACS) general ledger accounts, specific accounting programs, reports and internal controls. These controls are necessary to ensure compliance with all administrative and legal requirements of the IRS, the Department of the Treasury and the Government Accountability Office (GAO).
- (2) Audience: Submission Processing, Taxpayer Services and Revenue Accounting Operations, CFO.
- (3) Policy Owner: Associate CFO for Revenue Financial Accounting.
- (4) Program Owner: Revenue Accounting Operations Office.
- (5) Primary Stakeholders: CFO RACS accounting technicians and Submission Processing accounting technicians.
- (6) Program Goals: To ensure efficient workflow guidance and reporting accuracy for accounting general ledger procedures.

3.17.64.1.1
(09-08-2025)
Background

- (1) This IRM describes the accounting procedures for maintenance and responsibility of the general ledger accounts, specific accounting programs, reports and internal controls. These controls are necessary to comply with all administrative and legal requirements of the IRS, the Department of the Treasury and the Government Accountability Office (GAO).

Note: IRM deviations must follow IRM 1.11.2.2.4, Internal Revenue Manual (IRM) Process, when procedures deviate from the IRM.

3.17.64.1.2
(08-31-2018)
Authorities

- (1) The authorities for this IRM include:
 - a. *31 USC (United States Code) Chapter 11, The Budget and Fiscal, Budget and Program Information*
 - b. *Government Accountability Office Policy and Procedures Manual for Guidance of Federal Agencies*
 - c. *31 USC 3512, Executive Agency Accounting and other Financial Reports and Plans*
 - d. *44 USC 3309, Preservation of Claims of Government Until Settled in Government Accountability Office (GAO)*

3.17.64.1.3
(09-08-2025)
Responsibilities

- (1) This section provides responsibilities for:
 - a. CFO and Deputy CFO
 - b. Senior Associate CFO for Financial Management
 - c. Associate CFO for Revenue Financial Accounting
 - d. Revenue Accounting Operations Office
 - e. Enterprise Computing Center, Martinsburg (ECC-MTB)
 - f. Submission Processing Center, Taxpayer Services
 - g. Revenue Accounting Units

3.17.64.1.3.1 (08-18-2022) CFO and Deputy CFO	(1) The CFO and Deputy CFO are responsible for establishing financial policy for the management and reporting of the custodial assets.
3.17.64.1.3.2 (08-24-2023) Senior Associate CFO for Financial Management	(1) The Senior Associate CFO for Financial Management is responsible for establishing, maintaining and ensuring compliance with custodial revenue policy and procedures, custodial accounting operations and financial reporting.
3.17.64.1.3.3 (08-24-2023) Associate CFO for Revenue Financial Accounting	(1) The Associate CFO for Revenue Financial Accounting is responsible for establishing, maintaining and ensuring compliance with custodial revenue policy/procedures and custodial accounting operations, including proper accounting and timely reporting of IRS custodial activities.
3.17.64.1.3.4 (08-24-2023) Revenue Accounting Operations Office	(1) The Revenue Accounting Operations office is responsible for developing and managing revenue policy on revenue accounting operations for financial reporting.
3.17.64.1.3.5 (08-31-2018) Enterprise Computing Center, Martinsburg (ECC-MTB)	(1) The Enterprise Computing Center, Martinsburg (ECC-MTB) is responsible for: <ol style="list-style-type: none"> Maintaining Master File (MF) and Customer Account Data Engine (CADE) records for taxpayers. Processing accounting and data control for Individual Master File (IMF), Business Master File (BMF) and CADE records. Generating accounting adjustments and abstracts of revenue receipts. Maintaining a Reciprocal Accounting Control Record (RACR) with each campus. Preparing separate SF1166 (Voucher and Schedule of Payments) or Secure Payment System (SPS) prints for the total amounts of overpayment principal and interest transcribed to BMF and IMF refund files.
3.17.64.1.3.6 (09-08-2025) Submission Processing Center, Taxpayer Services	(1) Each Submission Processing Center is responsible for functioning as a separate accounting operation by using an identifiable numeral. (2) The director is accountable for revenue receipts and repayments deposited to BMF, IMF and Non-Master File (NMF) accounts. (3) Collectively, each center is responsible for: <ol style="list-style-type: none"> Maintaining a general ledger and a case file for subsidiary records. Balancing and reconciling general ledger accounts to the subsidiary records and files each month. Controlling all accounting documents within the campus for entry to the BMF, IMF, NMF accounts. Receiving or initiating control and processes for all BMF, IMF and NMF accounting transactions involving other campuses. As necessary, initiating or processing account transfers, account adjustments, debit or credit transfers, statutory clearances, etc., related to BMF, IMF and NMF accounts.

- f. Receiving and initiating controls for schedules for manual refunds, transcripts, accounting reports and other accounting documents, as required.

3.17.64.1.3.7
(09-08-2025)
**Revenue Accounting
Units**

- (1) Each CFO RACS Unit is responsible for functioning as a separate accounting operation, using an identifiable numeral.
- (2) Together, each unit is responsible for:
 - a. Maintaining the integrity of the general ledger by controlling manual accounting documents within the campus for entry to any of the subsidiary accounts through accurate journaling and posting to the general ledger.
 - b. Receiving and controlling manual documents for BMF, IMF and NMF accounting outputs by conducting required journaling and posting to the general ledger.
 - c. As necessary, controlling manual documents for account transfers, account adjustments, debit or credit transfers, statutory clearances, etc., related to BMF, IMF and NMF accounts for journaling and posting to the general ledger.
 - d. Preparing Form 23C (RRACS Report 006), Form 2188 (RRACS Report 024), providing RRACS generated reports and other journaled accounting documents, as required by the IRM.

3.17.64.1.4
(08-31-2018)
**Program Management
and Review**

- (1) Program Reports: In accordance with Management Accountability Review regulations, managers are responsible for ensuring that internal controls are effective and efficient in day-to-day operations and safeguarded against waste, fraud and abuse.
- (2) Program Effectiveness: Managers are responsible for conducting operational and management control reviews to identify weakness and mitigate known risks. Managers perform program or spot reviews for accuracy and completeness. Discrepancies identified must be discussed with the appropriate functional area for corrective action. At least one program review should be performed each quarter by the manager, lead or the accounting reports analyst.

3.17.64.1.5
(08-31-2018)
Program Controls

- (1) Federal Government Accounting Requirements, USC 3512, places the responsibility for establishing and maintaining adequate systems of accounting and internal control upon the head of each executive agency and states that the head of each executive agency shall establish and maintain systems of accounting and internal control that provide:
 - a. Full disclosure of the financial results of the agency's activities.
 - b. Adequate financial information needed for the agency's management purposes.
 - c. Effective control over accountability for all funds, property and other assets for which the agency is responsible, including appropriate internal audit.
 - d. Reliable accounting results serving as the basis for preparation and support of budget requests, controlling the execution of its budget and providing financial information required by the President or other designated authority.

- e. Suitable integration of the agency's accounting with Treasury's accounting in connection with the central accounting and reporting responsibilities imposed by the Secretary of the Treasury.
- (2) These systems must conform to the accounting principles, standards and related requirements, as prescribed by the Comptroller General of the U.S. Historically, these have been reflected in the Government Accountability Office Policy and Procedures Manual for Guidance of Federal Agencies.
- (3) The accounting system of an executive agency or any of its component parts is subject to review and approval by the Comptroller General. The continuing efforts to improve, modernize and simplify accounting systems in the federal government are exercised under a joint program sponsored by the Comptroller General, the Secretary of the Treasury and the Director of Office of Management and Budget (OMB). This program contemplates the full development of sound accounting within each executive agency as a working arm of management and in terms of financial information and control. It envisions an integrated pattern of accounting and financial reporting for the government that is responsive to executive and legislative needs.
- (4) The established accounting and reporting principles, standards and basic procedures take into consideration the various areas of responsibility involved, the elimination of overlapping operations and paperwork and the broader application of efficient methods and techniques in accounting operations throughout the government. Integration of revenue accounting data with central accounts maintained by the Bureau of the Fiscal Service is accomplished primarily by the submission of monthly reports of deposit and classified collections and of disbursements from the refund appropriations.

3.17.64.1.6
(09-08-2025)

Terms/Definitions

- (1) The following terms and definitions apply to this program:
 - a. **Abatement** - The reduction or elimination of an assessment.
 - b. **Accounting** - An established record of all transactions for returns and documents that are processed throughout IRS.
 - c. **Account Balance** - The difference in dollars between the total debit and total credit of an account.
 - d. **Account Period** - Time covered by financial statements, which can be for any length of time but is usually annual, quarterly or monthly. The annual financial statements may be on a calendar or fiscal year basis.
 - e. **Agency Location Code (ALC)** - Eight-digit Treasury identifier assigned by the Fiscal Service for Treasury reporting purposes. The first two digits identify the Treasury department, the third and fourth digits identify the IRS and the remaining four digits identify the IRS campus.
 - f. **Assessment** - Taxes assessed, penalties and interest charged to a taxpayer's account.
 - g. **Assessment Statute Expiration Date (ASED)** - The date the statutory period of time for assessing tax ends. The time frame for assessing tax is normally three years from the due date or three years from the date the return is filed, whichever is later. (IRC 6501)
 - h. **Automated Non-Master File (ANMF)** - A system of pre-ADP (Automated Data Processing) cases, overflow cases and those cases for which ADP processing is not available, such as new taxes enacted by Congress for which there is no provision in existing master-file systems.

- i. **Batch Process** - Computer processing of business transactions and preparation of financial reports in which processing tasks are scheduled in a logical order.
- j. **Business Event Type Code (BETC)** - An 8-character code used in the Central Accounting Reporting System (CARS) system to indicate the type of activity being reported, such as payments, collections, investments, etc. This code must accompany the Treasury Account Symbol (TAS) and the dollar amounts to classify the transaction against the fund balance with Treasury.
- k. **Central Accounting Reporting System (CARS)** - Address the central accounting and reporting functions and processes associated with budget execution, accountability and cash/other types of management asset. This includes the collection and dissemination of financial management and accounting information from and to federal program agencies. CARS was formerly known as Government Wide Accounting (GWA).
- l. **Collections Information Repository (CIR)** - A collections reporting tool, supplying the latest information on deposits and detail of collections transactions to federal agencies. The system will allow financial transaction information from all collections systems and settlement mechanisms to be exchanged in a single system. CIR was previously named Transaction Reporting System (TRS) prior to January 2013
- m. **Classification** - The process of assigning all transactions to the appropriate accounts. All amounts of revenue collected during a current fiscal year will be controlled and reported by the tax class application.
- n. **Collection Statute Expiration Date (CSED)** - The date the statute expires for collection of tax, penalty or interest. The CSED is ten (10) years from the assessment date (23C date) of the posting of the original return (Transaction Code 150).
- o. **Custodial Detail Data Base (CDDDB)** - An enhancement to the Financial Management Information System created to track all individual payments that comprise a deposit ticket, process all posted remittance transactions and generate reconciliation reports to balance RRACS deposit totals to the CDDDB deposit totals. It creates report schedules and completeness test reports to compare accumulated Master File total against RRACS totals. It has also been expanded to include refund transactions.
- p. **Customer Account Data Engine (CADE)** - The cornerstone of the IRS modernization program. It is incrementally replacing the IRS tape-based Individual Master File (IMF) system as the system of record for taxpayer account and return data. CADE is being developed and implemented over a series of multiple releases. Taxpayer accounts are moved from the IMF to the modernized system based on a segmented approach whereby the simplest accounts are moved first (e.g., Form 1040-EZ accounts), followed by increasingly complex taxpayer accounts with each new phase. CADE was discontinued in June 2011.
- q. **Customer Account Data Engine 2 (CADE 2)** - A centralized relational database. Beginning January 2012, the Individual Master File (IMF) will provide daily processing of taxpayer's accounts.
- r. **Debit Voucher (DV) - SF 5515** - Summary document used by a bank to control returned dishonored checks or to make adjustments to deposit tickets.
- s. **Deposit Ticket (DT) - SF 215/OTCnet** - Summary document issued by a financial institution for the purpose of summarizing and classifying collections received for a specific deposit date.

- t. **Disbursement Accounts** - Series of accounts that record monies disbursed as refunds of previously collected revenue or funds.
- u. **Document Locator Number (DLN)** - A controlled number assigned to every return or document input through the Automated Data Processing (ADP) system. The DLN is used to control, identify and locate documents processed in the ADP system.
- v. **Enterprise Computing Center (ECC)** -The computing site primarily responsible for maintenance of the Master File records for each taxpayer and for the electronic processing of related inputs and outputs.
- w. **Erroneous Refund Statute Expiration Date (ERSED)** - Expires two years from the date of the refund (transaction code (TC) 846/840) if caused by the IRS or five years from the date of the refund (TC 846/840) when it is proven that the refund was issued due to fraud or misrepresentation of material fact by the taxpayer.
- x. **Fiscal Year (FY)** - Any 12- month accounting period used by an economic entity. For reporting purposes, a fiscal year extends from October 1 through September 30.
- y. **Fiscal Year End Processing** - The process by which fiscal year- end reports are generated after verifying September month-end reports and all nominal account balances are closed out.
- z. **General Ledger (GL)** - A database, which contains all the government agency accounts. Each account is maintained separately.
- aa. **Government On-line Accounting Link System II (GOALS II)** - The system that allows BFS to receive agency accounting data and forward it to various systems within BFS for final processing and to distribute agency accounting reports.
- ab. **Journal** -The source for recording all debits and credits into the general ledger account.
- ac. **Month End Closing** - When all transactions for an accounting month have been input, procedures must be followed to close out the month, generate reports and set up the database for a new month's transactions. Due to the initiative set forth by the Secretary of the Treasury, these procedures should be started on the second workday after the close of the accounting month.
- ad. **Nominal Account** - Accounts showing the accumulation of revenue and expenses for only one accounting period. Nominal accounts are systematically transferred into Account 9998 at the end of each fiscal year leaving this account at zero.
- ae. **Non-Tax Receivables** - The net total of non-tax monies posted on Master File that have an outstanding module balance.
- af. **Normal Balance** - The usual balance of an account, debit or credit.
- ag. **Opening Balances** - Beginning balances for all real accounts at the start of the fiscal year.
- ah. **Over the Counter Network (OTCnet)** - A system designed to consolidate the functionality of Paper Check Conversion-Over the Counter (PCC-OTC) and Treasury General Account Deposit Reporting Network (TGAnet), providing a one system solution for agency over-the-counter deposit activity.
- ai. **Paper Check Conversion (PCC)** - Converts paper checks into electronic debits.
- aj. **Real Account** - A permanent account whose balances are not zeroed out at the end of an accounting period but are carried over to the next accounting period.

- ak. **Receipt Account** - Series of accounts used to record the receipt of and the accountability for monies received for deposit into the Treasury. The accounts are classified by type of receipt received and represented by the Treasury Account Symbol (TAS).
- al. **Reclassification** - Adjustments made to correct classifications of revenue.
- am. **Reconciliation** - The act of ensuring that the total of the monetary balance of the appropriate general ledger account agrees with the balance in the related subsidiary account. All variances are identified.
- an. **Redesigned Revenue Accounting Control System (RRACS)** - The fully automated system used to provide accounting control for all revenue accounting transactions. The database, located at ECC-Detroit, consists of general ledger account, plus a variety of internal records used for balancing and reporting.
- ao. **Refund Statute Expiration Date (RSED)** - The RSED is generally three years from the Return Due Date (RDD) for prepaid credits if a return was filed, or two years from the payment date for other payments, whichever is later.
- ap. **Revenue Receipts** - Collection of taxes, penalties, interest and costs assessed or assessable against taxpayers, and payments on accepted Offer In Compromise, are classified as revenue receipts. Amounts received as payment of court fines, court costs, forfeitures, penalties incident to or imposed for, violation of applicable laws from the redemption of property acquired by the government, and receipts from consummated sales of acquired property, will also be classified for deposit as revenue receipts.
- aq. **Scorecard** - Used to track the timely submission of the Form 3997 to CFO RACS analyst to gauge the state of balancing and reconciliation in accounting.
- ar. **Subsidiary Account** - Subsidiary accounts provide necessary details in support of certain general ledger accounts.
- as. **Tax Class** - The process of assigning all transactions to the appropriate accounts. All amounts of revenue collected during a current fiscal year will be controlled and reported by the tax class of application.
- at. **Tax Period** - A six-digit number which represents the end of the tax liability year for a return; and is designated by the year and month.
- au. **Trace ID** - The CDDDB mechanism that identifies each deposit ticket and its corresponding payments is a 20-digit number made from 14 characters related to the corresponding deposit ticket and 6 characters representing the Detail Payment Transaction Record for an individual payment.
- av. **Transaction Type** - Descriptive information as to the kind of transaction being processed on a specific window or batch process.
- aw. **Treasury Account Symbol (TAS)** - Money collected under the accountability of the campus director is entered into one of the receipt accounts. The receipt accounts record the receipt of money to Treasury for the current fiscal year.
- ax. **Treasury Offset Program (TOP)** - Treasury's Bureau of the Fiscal Service (Fiscal Service) holds the responsibility for administering tax refund offsets to outstanding child support or state and federal agency debts.
- ay. **Trial Balance** - A listing of accounts in the general ledger with their debit or credit balances in respective columns.
- az. **23C Date** - The date a liability is assessed.

- ba. **Window** - Specific screens within the RRACS system, used to journal various types of transactions.
- bb. **Write-Off** - The amount of assessments that the entity still has statutory authority to collect at the end of the period but has no future collection potential and are therefore defined as write-offs.

3.17.64.1.7
(09-08-2025)
Acronyms

- (1) The following acronyms apply to this program:

ACRONYM	DESCRIPTION
AIS	Automated Insolvency System
BETC	Business Event Type Code
BFS	Bureau of the Fiscal Service
CADE	Customer Account Data Engine
CARS	Central Accounting Reporting System
CIR	Collections Information Repository
DDIA	Direct Debit Installment Agreement
EFT	Electronic Funds Transfer
EFTPS	Electronic Federal Tax Payment System
EIN	Employer Identification Number
ELVIS	Electronic Verification & Image Service
EPCF	Electronic Payment Control File
ERSED	Erroneous Refund Statute Expiration Date
FPLP	Federal Payment Levy Program
FRC	Federal Records Center
GAO	Government Accountability Office
GMF	Generalized Mainline Framework (Submission Pipeline)
GUF	Generalized Unpostables Framework
IPAC	Intra-Governmental Payment and Collection System
IRC	Internal Revenue Code
ISRP	Integrated Submission Remittance Processing
JV	Journal Voucher
NTRR	Net Tax Refund Report
OMB	Office of Management and Budget
OTCnet	Over the Counter Network
PCC	Paper Check Conversion
PJ	Pre-Journalized

ACRONYM	DESCRIPTION
RACR	Reciprocal Accounting Control Record
RFC	Regional Financial Centers
RPM	Return Preparer Misconduct
RRACS	Redesigned Revenue Accounting Control System
RS-PCC	Remittance Strategy for Paper Check Conversion
SF	Standard Form
SITLP	State Income Tax Levy Program
SSN	Social Security Number
TAS	Treasury Account Symbol
TC	Transaction Code
TDA	Taxpayer Delinquent Account
TDCS	Tape Data Control Sheet
TEP	Tape Edit Processor
TOP	Treasury Offset Program
TRACS	Treasury Receivable Accounting & Control System

3.17.64.1.8

(09-10-2019)

Related Resources

(1) The following provide additional instructions.

- a. IRM 3.0.167, Losses and Shortages
- b. IRM 3.8.44, Campus Deposit Activity
- c. IRM 3.8.45, Manual Deposit Process
- d. IRM 3.8.47, Manual Deposit Process for Field Offices
- e. IRM 3.10.5, Batch/Block Tracking System (BBTS)
- f. IRM 3.10.73, Batching and Numbering
- g. IRM 3.17.5, Hard-core Payment Tracers
- h. IRM 3.17.10, Dishonored Check File (DCF) and Unidentified Remittance File (URF)
- i. IRM 3.17.15, Accounting Reports Analyst - Responsibilities
- j. IRM 3.17.21, Credit and Account Transfers
- k. IRM 3.17.30, SC Data Controls
- l. IRM 3.17.41, Accounting and Operating Reports
- m. IRM 3.17.46, Automated Non-Master File (Accounting)
- n. IRM 3.17.50, Submission Processing RRACS Procedures
- o. IRM 3.17.63, Redesigned Revenue Accounting Control System
- p. IRM 3.17.79, Accounting Refund Transactions
- q. IRM 3.17.80, Working and Monitoring Category D, Erroneous Refund Cases in Accounting Operations
- r. IRM 3.17.220, Excess Collections File
- s. IRM 3.17.221, Enterprise Computing Center Data Controls
- t. IRM 3.17.243, Miscellaneous Accounting
- u. IRM 3.17.244, Manual Assessments

- v. IRM 3.30.123, Processing Timeliness: Cycles, Criteria and Critical Dates
- w. IRM 21.4.5, Erroneous Refunds

3.17.64.2
(03-31-2017)

References

- (1) The following sections contain a glossary of forms, reports, and subsidiary accounts used throughout this IRM.

3.17.64.2.1
(09-01-2011)

Forms

- (1) The following forms are commonly used in Revenue Accounting and will be referenced throughout this IRM.

FORM #	FORM TITLE
Form 215-A	Deposit Ticket
Standard Form 224	Statement of Transactions
Form 23C	Manual Summary Record of Assessment
Form 514-B	Tax Transfer Schedule
Form 784	Recap of Remittances
Form 813	Document Register
Form 813-A	Recap of Document Registers
Form 843	Claim for Refund & Request for Abatement
Standard Form 1081	Voucher and Schedule of Withdraws and Credits
Standard Form 1098	Schedule of Cancelled or Undelivered Checks
Standard Form 1166	Voucher and Schedule of Payments
Standard Form 1184	Unavailable Check Cancellation
Standard Form 1185	Schedule of Unavailable Checks/ Cancellations/ Credits
Form 1331	Notice of Adjustment
Form 1331-B	Notice of Adjustment (not on MF)
Form 2158	Credit Transfer Voucher
Form 2162	Summary of Assessments
Form 2188	Voucher & Schedule of Overpayment and Overassessments
Form 2221	Schedule of Collections
Form 2285	Concurrent Determination of Deficiencies
Form 2424	Account Adjustment Voucher
Form 2859	Request for Quick and Prompt Assessments

FORM #	FORM TITLE
Form 3177	Notice of Action for Entry on MF
Form 3210	Document Transmittal
Form 3244	Payment Posting Voucher
Form 3245	Posting Voucher-Refund
Form 3460	Transmittal Form
Form 3465	Adjustment Request
Form 3552	Prompt Assessment Billing Assembly
Form 3753	Manual Refund Posting Voucher
Form 3809	Miscellaneous Adjustment Voucher (non-revenue receipts)
BFS 3813	Reversal of Credit
Form 3997	Reconciliation of General Ledger Accounts
Form 4028	SCCF Adjustment Record (Format Code 216)
Form 4506	Request for Copy of Tax Return
Form 4830	IDRS Posting Document
Form 5147	NMF-IDRS Transaction Record
Standard Form 5515	Debit Voucher
Form 5792	Request for IDRS Generated Refund (IGR)
Form 6168	General Ledger Reconciliation with ECC RACR
Form 8485	Assessment Adjustment Case Record
Form 8758	Excess Collections File Addition

3.17.64.2.2
(09-01-2011)

Accounting Reports and Usage

- (1) The following accounting control reports can be generated on demand.
- (2) Online journal research must be completed as necessary.
- (3) RRACS reports must be retired to the FRC, as indicated in Document 12990, Records Control Schedules.

3.17.64.2.2.1
(09-08-2025)

**CFO and Submission
Processing RRACS
Reports**

- (1) The following CFO and Submission Processing reports are referenced throughout this IRM.

REPORT #	System Origin	REPORT NAME	FREQUENCY OF REPORT
003	RRACS	DTRIAL, Daily General Ledger Trial Balance	Daily
004	RRACS	MTRIAL, Monthly General Ledger Trial Balance	Monthly
006	RRACS	Summary Record of Assessments	Daily
018	RRACS	Historical SF 224, Statement of Transactions	Monthly
020	RRACS	SF 224, Statement of Transactions	Monthly
024	RRACS	Voucher and schedule of Overpayments & Over assessments	Daily
025	RRACS	Form 2162 Summary of Assessments	Monthly
025A	RRACS	FY 2162, Summary of Assessment Certificates Issued	Fiscal Year End
051	RRACS	General Ledger Account Details	Monthly
051S	RRACS	Single Sub Account by Account	Generated on demand
126	RRACS	EFTPS Error (Reprint Only)	Generated on demand
0131	RRACS	Erroneous Refund Report	Monthly
132	RRACS	Unapplied External Leads	Monthly
142	RRACS	Credit Transfer Out	Monthly
143	RRACS	EFTPS Activity Report	Generated on demand
145	RRACS	SF 224 Detail report	Generated on demand
155A	RRACS	Identity Theft Erroneous Refund Monthly Activity Report	Monthly (electronic version)
155B	RRACS	Identity Theft Erroneous Refund Summary Report	Monthly

REPORT #	System Origin	REPORT NAME	FREQUENCY OF REPORT
155C	RRACS	Identity Theft Erroneous Refund Open Cases	Monthly (electronic version)
155D	RRACS	Matched IDT Erroneous Refund	Monthly
155E	RRACS	Unmatched IDT Erroneous Refund	Monthly
156	RRACS	Payment Over Cancellation, Erroneous Refund Report	Monthly
157	RRACS	Return Preparer Misconduct Erroneous Refund Report	Monthly
576	RRACS	ECP Deposit Discrepancy Support List	Monthly
577	RRACS	Loss & Shortages	Monthly
1140	RRACS	Deposit Activity (4900)	Monthly
DCF 03	CTRL-D	Account 1710 transaction Register	Daily
DCF 05	CTRL-D	DCF Applications for IMF/ BMF	Daily
EOD 16	CTRL-D	IDRS PJ Recap	Daily
EOD 1622	CTRL-D	ID Theft Credit Transaction Report	Daily
EOD 1624	CTRL-D	RPM Credit Transaction Report	Daily
EOD 2421	CTRL-D	Area Office Remittance Register	Daily
GMF 15-45	CTRL-D	Transaction Release Summary	Weekly
GUF 53-40	CTRL-D	Unpostable Control Report	Weekly
GUF 53-42	CTRL-D	Revenue Receipts Control Sheets-Nullified Un-postables IMF/BMF	Daily
ISRP 0542	CTRL-D	RRPS General Ledger Account Number List-Journal Total Report	Daily
SCF 11-41	CTRL-D	Adjustment Control Record List Items with Control Record Source Code J	Daily

REPORT #	System Origin	REPORT NAME	FREQUENCY OF REPORT
SCF 11–47	CTRL-D	Control Record Renumbr Reclassification Summary	Daily
SCF 11–51	CTRL-D	Tape Control Record List	Daily
SCF 13–40	CTRL-D	Revenue Receipts Control Sheets (RRCS) IMF/BMF	Daily
TDA 55	CTRL-D	Error Report	Generated on demand
TDA 5540	CTRL-D	Run Controls Report	Generated on demand
URF 03	CTRL-D	Transaction Register	Daily
URF 05	CTRL-D	URF Applications for IMF/ BMF	Daily

Note: Additional CFO RRACS reports and information regarding those reports can be found in IRM 3.17.63, Redesignated Revenue Accounting Control System.

3.17.64.2.3
(09-08-2025)
**Submission Processing
Chart of Accounts**

- (1) The following is a chart of Submission Processing accounts that will be referenced throughout this IRM. This chart excludes accounts used for subsidiary accounts external to RRACS accounted for by Form 3997.

ACCOUNT #	ACCOUNT NAME
1100	BMF Accounts Receivable
1200	IMF Receivable
1205	CADE Accounts Receivable, Inactive
1300	Non-Tax Accounts Receivable
1301	CADE Non-Tax Receivable, Inactive
1810	BMF Accounts Receivable, Inactive
1815	CADE Accounts Receivable, Inactive
1820	IMF/CADE Accounts Receivable, Inactive
4110	ECC Suspense for MF - BMF
4210	ECC Suspense for MF - IMF/CADE
4215	CADE ECC Suspense
4217	CADE MFT 30 to MFT 29
4254	MFT 30 to MFT 29
4510	Pre-Payment Credits - BMF

ACCOUNT #	ACCOUNT NAME
4520	Pre-Payments Credits - IMF/CADE
4521	Pre-Payment Credit - Non-Tax
4522	CADE Pre-Payment Credit - Non-Tax, Inactive
4530	CADE Pre-Payment Credit, Inactive
4950	IMF Unallowable Deductions
6001	Installment Agreement Liability
6010	Arbitrage Rebate Liability
6011	Arbitrage Rebate Penalty Liability
6110	Withholding Tax Assessments - Principal
6111	Withholding Tax Assessments - Penalty
6112	Withholding Tax Assessments - Interest
6120	Individual Income Tax Assessments - Principal
6121	Individual Income Tax Assessments - Penalty
6122	Individual Income Tax Assessments - Interest
6130	Corporation Tax Assessments - Principal
6131	Corporation Tax Assessments - Penalty
6132	Corporation Tax Assessments - Interest
6140	Excise Assessments - Principal
6141	Excise Tax Assessment - Penalty
6142	Excise Tax Assessments - Interest
6150	Estate & Gift Tax Assessments - Principal
6151	Estate & Gift Tax Assessments - Penalty
6152	Estate & Gift Tax Assessments - Interest
6170	CTA Tax Assessments - Principal
6171	CTA Tax Assessments - Penalty
6172	CTA Tax Assessments - Interest
6180	FUTA Tax Assessments - Principal
6181	FUTA Tax Assessments - Penalty
6182	FUTA Tax Assessments - Interest
6190	Previously Assessed Tax
6191	Previously Assessed Penalty
6192	Previously Assessed Interest

ACCOUNT #	ACCOUNT NAME
6200	Taxpayer Accounts Transferred
6201	Mirror Assessments
6590	Deposit Fund Credits Transferred to and from
6600	Accounts Cleared Statute/Bankruptcy
6700	Foreign Check Collection Cost & Miscellaneous Bank Charges
6900	Adjustment or Correction of Revenue Receipts
6901	ECP Adjustments of Revenue
9999	Revenue Clearance Accountability

3.17.64.2.3.1
(09-08-2025)
**Subsidiary Records and
Balancing**

- (1) Subsidiary records containing necessary details in support of general ledger accounts must be maintained in a manner that's broadly accessible to balancing and reconciling personnel to ensure timely balancing of all accounting transactions for EOM Form 3997 submission and timely processing of reconciled balance sheet items. Posting to subsidiary accounts will be made directly from documents or forms evidencing the transaction, as prescribed by relevant submission processing IRMs. This practice avoids possible inaccuracies that may arise if information is transcribed or summarized separately and such summaries are then used for entries to the subsidiary accounts and ensures that all processing is in accordance with the IRM.
- (2) Balancing a subsidiary account requires the act of comparing the physical form or document representing the accounting transaction against the journal posting shown on the DPS (Daily Posting Summary) Report. The money amount, the accounting transaction and the accounts that were debited and credited must match the subsidiary document. The unique document identifier used to identify the form or document (Document Locator Number, Dishonored Check Number, Unidentified Remittance Number, Excess Collections Number, Reconciliation Sheet Number, Deposit Ticket Number, Debit Voucher Number) must match the DOC-ID of the posted journal. Any inconsistencies must be reported to the RACS manager or work leader for journal correction.

3.17.64.2.3.2
(09-01-2011)
**Accounting Subsidiaries
External to RRACS**

- (1) The frequency of reconciliation between the subsidiary and general ledger accounts is monthly to quarterly. To maintain control of the In-transit account 1600, Form 813 (2-part) numbered in support of Form 3552 may be released weekly or daily to the SCCF. Reconciliation of this account must be performed no less than monthly, and more often when warranted due to increased activity.

3.17.64.2.3.3
(09-08-2025)
**Chart of Subsidiary
Records External to
RRACS**

- (1) The chart below lists accounts that are maintained through subsidiary documents and records external to RRACS with a reconciliation frequency varying from Monthly to Quarterly. Subsidiary activity can be tracked through the monthly submission of Form 3997 and supporting documentation held for account maintenance representing all open balance sheet items that must be reconciled and processed by accounting control units.

GL Acct. No.	External Subsidiary	Frequency
1321	NMF Notice	Monthly
1322	NMF TDA	Monthly
1324	NMF TDA Deferral Under Tolerance	Monthly
1360	NMF Installment Agreement	Monthly
1371	NMF Offer-in-Compromise	Monthly
1389	NMF Suspense	Monthly
1400	Tax Account Transferred Out	Monthly
1510	Other Receivables	Monthly
1530	Court Case Erroneous Refunds	Monthly
1535	CI Court Order Restitution Erroneous Refunds	Monthly
1540	Non-Court Case Erroneous Refunds	Monthly
1543	Payment Over Cancellation Erroneous Refunds	Monthly
1545	ID Theft Erroneous Refunds	Monthly
1547	Return Preparer Misconduct Erroneous Refunds	Monthly
1600	Manual Assessment, Transit Account	Monthly
1710	Dishonored Check File, IDRS	Monthly
1720	Deposit Discrepancy, DCF Adjustments	Monthly
1830	NMF Accounts Receivable, Inactive	Monthly
1840	Other Receivables, Inactive	Monthly
4120	BMF Suspense, Service Center Control File	Monthly
4125	BMF Suspense, EFTPS	Monthly
4130	BMF Unpostables	Monthly
4220	IMF Suspense, Service Center Control File	Monthly
4225	IMF Suspense, EFTPS	Monthly
4230	IMF Unpostables	Monthly
4420	NMF Suspense, Service Center Control File	Monthly
4425	NMF Suspense, EFTPS	Monthly

GL Acct. No.	External Subsidiary	Frequency
4430	NMF Unpostables	Monthly
4440	Assessments and Abatements, Suspense	Monthly
4610	Unapplied Advance Payments	Monthly
4615	IRC Section 847 Special Estimated Tax Payment	Monthly
4620	Unidentified Remittance File, IDRS	Monthly
4740	Deposit Fund, In Transit	Monthly
4765	EFTPS Suspense, Miscellaneous	Monthly
4900	Revenue Credit In Transit to Other Service Center	Quarterly
4910	Disbursement Loss	Monthly
4970	Unapplied Refund Reversal	Monthly
4971	Unapplied External Leads	Monthly
4975	DOJ IPAC Receipts, Liability	Monthly
4985	IPAC-R Suspense, BFS Credits	Monthly
6510	Overassessment Credited	Monthly
6565	Refund Cancellation Credit Allowed	Monthly
6570	Substantiated Credit Allowed	Monthly
6700	Foreign Check Collection Cost	Monthly
6800	Excess Collection File, IDRS	Monthly
6801	Expired External Leads	Monthly
6905	ID Theft ERRF Write-Off	Monthly
6907	Return Preparer Misconduct ERRF Write-Off	Monthly
6910	Adjustment or Correction of Miscellaneous Revenue	Monthly
6920	Disbursement Write-Off	Monthly
6950	DOJ Civil Debt Collection Holdback	Monthly
7610	Embezzlement and Theft	Quarterly
7620	Unexplained Losses	Quarterly
7649	ECP Deposit Discrepancy	Quarterly
7650	Deposit Discrepancy	Quarterly

GL Acct. No.	External Subsidiary	Frequency
9998	Reversal Revenue Clearance Accountability	Monthly
1100, 1300, 1810, 4110, 4510, 4521	BMF RACR Accounts	Monthly
1200, 1300, 1820, 4205, 4210, 4215, 4254, 4520, 4521, 4530, 4531	IMF RACR Accounts	Weekly/ Monthly

3.17.64.3
(01-13-2014)
**On-Site Audit by
Government
Accountability Office**

- (1) GAO audits of the tax refund transactions of the Service will usually be conducted where the operations and the accounting records are maintained. This is subject to changes based on field conditions, staffing availability, and other conditions otherwise unforeseen by management at the time of an audit.
- (2) Copies of CARS reconciliation, related original refund and check cancellation voucher schedules with any required supporting documents plus other documents, such as the ALC Payment Detail listing, are to be retained in the supporting files in accordance with 44 USC 3309.
- (3) In accounting period order, separate files will be maintained of the refund disbursement and check cancellation schedules and other documents relating to the monthly CARS reconciliation as follows:
 - a. Original SF 1166 SPS (Voucher and Schedule of Payments)
 - b. Original SF 1098 (Schedule of Cancelled or Undelivered Checks), SF 1184 (Unavailable Check Cancellation), (or the Control-D file, RPA4140 and RPA4240, if originals are not provided) SF 1081(Voucher and Schedule of Withdraws and Credits) or BFS 3813 (Reversal of Credit)
 - c. Adjustment documents or explanatory memoranda relating to the correction of errors in a previously prepared CARS reconciliation.
- (4) These additional records will be made available:
 - a. BMF and IMF Recaps of Assessments, Abatements and Other Post-Journalized Transactions
 - b. Form 8485 (Assessment Adjustment Case Record)

c. Form 2285(Concurrent Determination of Deficiencies)

- (5) Form 8485 and Form 2285 will be made available for restricted-interest cases only and taxpayer names must be blocked out.
- (6) On request by the GAO auditors, specific transcripts will be produced for individual cases selected for verification of refund interest computation. All PII as determined by policy not to be released must be redacted prior to delivery.
- (7) All unaudited records of refund transactions will be retained either in the campus files or the FRC for audit by GAO. Records of refund transactions which have been audited by GAO may be transmitted to the FRC or otherwise retired or given another disposition authorized by their applicable record control schedule.
- (8) Fax copies used in lieu of originals must be photocopied for the GAO file.

3.17.64.4
(12-05-2024)
**IRM Deviation
Procedures**

- (1) The IRM is the primary, official compilation of instructions to staff that relate to the administration and operation of the IRS. The IRM ensures employees have the approved policy and guidance they need to carry out their responsibilities in administering the tax laws or other agency obligations. Program guidance stated in this IRM must be followed by all sites across the service.
- (2) Local procedures may be created or developed to provide specific instructions to local offices on specific programs, however those local procedures must continue to supplement and support the IRM. Local procedures cannot deviate, contradict, or duplicate material in the IRM, nor can they set policy or change Servicewide program guidance.
- (3) Guidance that deviates from the IRM or establishes new practices (even if temporary) must abide by these guidelines.
 - Approved by the IRM author or designee with program responsibility.
 - Communicated to employees in writing.
 - Reviewed annually if the deviation is effective longer than one year to be renewed, rejected, or integrated into the IRM.
- (4) Site personnel submission for a request to deviate from the IRM must abide by these procedures.
 - Circumstances that require deviation must be summarized.
 - Applicable IRM sections must be identified.
 - Reason for deviation must be described and the deviation must provide a solution to the circumstances that was summarized.
 - All MOU's related to the procedures must be submitted with the request.
 - Effective time frame must be specified with a one-year maximum limit.

3.17.64.5
(09-08-2025)
**RRACS System
Overview**

- (1) RRACS is a fully automated system used to provide accounting control for all revenue accounting transactions. The database consists of general ledger accounts and a variety of internal records used for balancing and reporting. Formatted reports can be generated for all regular accounting financial reports.
- (2) Each accounting transaction is recorded in the database to the proper general ledger account. A double-entry accounting system is used to record both the debit and the credit sides of the transaction. A journal number is assigned to

each transaction. The journal number must be used by the RACS technician to cross reference the input documents with the transaction.

- (3) The journal number is 15 digits signifying a unique transaction. The first three digits identify the RRACS main menu and sub-menu selections, the next eight digits are the current date and the last four signify the sequence for that window series. The first three digits also correlates with the type of accounting transaction being controlled by the journal.
- (4) The RRACS database is comprised of journal records that summarize the total debit and credit entries by account numbers.
- (5) Each update to the database is made by journal entry. Journal entries and automated posting records will be assigned a journal number. In case of an error in a journal entry or online report, the capabilities exist to reverse the entire entry by a reversal journal if conducted within the same accounting period.

3.17.64.5.1 (09-08-2025) **Form 8166 Document Preparation**

- (1) Certain document preparation procedures must be performed prior to input on the RRACS system. For certain windows, a volume of source documents is used for a single input. On other windows, two or more source documents must be balanced against each other. Several windows are input directly from the source documents.
- (2) Form 8166 has been developed for the purpose of consolidating volume source documents for a single input or for reconciling source documents when a combination of documents is used as input.
- (3) Any journal consolidating multiple source documents for a single input must include Form 8166 as backup documentation.
- (4) Assign a number to the Form 8166. Maintain logbooks for these numbers. For individual windows that specify Form 8166, use the reconciliation sheet number as the DOC-ID.
- (5) Use Form 8167 as a continuation sheet to Form 8166 when more space is necessary, using the same date and number.
- (6) The RRACS system displays the journal numbers of each transaction when the posting to the database has been completed. These journal numbers must be used to cross-reference documents. When the reconciliation sheet is used, the journal number(s) must be recorded on the reconciliation sheet along with document identifiers for each document that was consolidated into F8166. The reconciliation sheet number is used as a cross-reference on the source documents to assist balancing entities to identify issues, as long as the Form 8166 is labeled with the journal number after input to RRACS.
- (7) There is a maximum of 75 source journals per posting number. This includes the reclassification and application posting necessary for a complete journal.

3.17.64.5.2 (09-08-2025) **RRACS Inventory Accounts**

- (1) RRACS must never contain any taxpayer information. Do not enter any personally identifiable information into the RRACS system.

- (2) For all inventory accounts, never use a DBA reversal window to reverse any action or a modification window to correct an open case. It is necessary to close and then reopen the case.
- (3) For all inventory accounts open over 30 days, a history sheet to document actions taken must be maintained.

3.17.64.5.3
(08-19-2020)

**Input Windows for CFO
RACS Units Accounts**

- (1) A series of input windows is provided in RRACS. Separate windows are provided for the various types of transactions. The first part of this table is for “batch” journals generated from other systems. The second part of this table is for journals from “manual” input.

WINDOW NUMBER	BATCH JOURNAL TYPE AND ACCOUNTS
100	GUF 5302 Corrected New and Nullified Unpostables - DR 4110, 4120, 4130, 4210, 4220, 4230 and CR 4110, 4120, 4130, 4210, 4220, 4230
101	SCCF 1101 Adjustment Reclass - DR 21XX, 4120, 4220, 4420, 4620, 6540, 6800 and CR 21XX, 4120, 4220, 4420, 4620, 6540, 6800
102	GMF 1505 TEP - DR 4110, 4120, 4210, 4215, 4220 and CR 4110, 4120, 4210, 4215, 4220
107	IMF Recap - Semi-Annual
108	BMF Recap - DR 1100, 1810, 1300, 21XX, 2380, 2385, 4110, 4210, 4520, 4521, 6200, 6510, 6530, 6540, 6560, 6580, 6575, 6810 and CR 1100, 1300, 21XX, 2380, 2385, 4110, 4510, 4521, 6010, 6011, 6100, 6200, 6510, 6540, 6580, 6575, 6600
110	EFTPS Deposit - DR 2110, 2120, 2130, 2140, 2150, 2170, 2180, 2190 and CR 4125, 4225, 4425, 4765
111	EFTPS Debit Voucher - DR 4125, 4225, 4425, 4765 and CR 2110, 2120, 2130, 2140, 2150, 2170, 2180, 2190
112	EFTPS Reclass - DR 2110, 2120, 2130, 2140, 2150, 2170, 2180, 2190, 4125, 4225, 4425, 4765 and CR 2110, 2120, 2130, 2140, 2150, 2170, 2180, 2190, 4125, 4225, 4425, 4765
113	EFTPS TEP- DR 4125, 4225, 4110, 4210, 4251 and CR 4125, 4225, 4110, 4210, 4251
114	FMS Levy Reclass DT/DV
133	Regular Assessment
134	Prompt Assessment
135	Quick Assessment
136	Jeopardy Assessment

WINDOW NUMBER	BATCH JOURNAL TYPE AND ACCOUNTS
137	IMF Abatement
138	BMF Abatement
140	IDRS End of Day (EOD) - DR 21XX, 2380, 2385, 4120, 4220, 4620, 6800, 9998 and CR 1710, 21XX, 4120, 4220
141	ANMF Service Center Recap - Other
142	ANMF Service Center Recap - Assessment
155	External Leads Payments
156	External Leads Write Off
162	IMF Recap - DR 1200, 1300, 1550, 1820, 21XX, 2380, 2385, 4210, 4254, 4420, 4520, 4521, 4950, 6001, 6200, 6330, 6510, 6530, 6540, 6550, 6560, 6575, 6580, 6600, 6810 and CR 1300, 1550, 21XX, 2380, 2385, 4210, 4254, 4520, 4521, 4950, 6001, 6100, 6110, 6200, 6330, 6510, 6530, 6540, 6550, 6560, 6575, 6580, 6600, 6800, 6810
170	ISRP
171	Identity Theft Erroneous Refund
172	Return Preparer Erroneous Refund
173	Return Preparer Erroneous Refund Write Off
174	Identity Theft Erroneous Refund Write Off
180	Lockbox
199	Year-End Processing
MANUAL INPUT TYPE	
210	Deposit
211	Confirm Deposit
220	Debit Voucher
221	Debit Voucher Adjustment
250	Deposit Reclass
306	Loss Embezzlement & Theft
307	Loss Unexplained
308	Loss Deposit Discrepancy
309	Recover Embezzle & Theft

WINDOW NUMBER	BATCH JOURNAL TYPE AND ACCOUNTS
310	Recover unexplained Loss
311	Recover Deposit Discrepancy
400	Accounting Application
402	Misc Application
404	URF/Miscellaneous
406	URF/Deposit Fund
407	URF/Misc Fee
408	URF/Refund Repay
409	URF/Loss
411	DCF/SCCF
412	DCF/Misc Fee
413	DCF/Deposit Fund
414	DCF/Loss
415	DCF/Anti-Drug
417	EFTPS GMF/TEP - BMF
418	EFTPS GMF/TEP - IMF
421	ECC GMF/TEP - BMF
422	ECC GMF/TEP - IMF
424	ECC Deletes - BMF
425	ECC Deletes - IMF
427	ECC Unpostables - BMF
428	ECC Unpostables - IMF
435	Credit Transfer-Out Revenue Receipt CR Doc
436	Credit Transfer-Out Revenue Receipt DR Doc
437	Credit Transfer-Out Deposit Fund CR Doc
438	Credit Transfer-Out Deposit Fund DR Doc
441	Credit Transfer-In Revenue Receipt CR Doc
442	Credit Transfer-In Revenue Receipt DR Doc
443	Credit Transfer-In Deposit Fund CR Doc
444	Credit Transfer-In Deposit Fund DR Doc
446	Confirm Credit Transfer-Out Revenue Receipt Cr Doc
447	Confirm Credit Transfer-Out Revenue Receipt DR Doc

WINDOW NUMBER	BATCH JOURNAL TYPE AND ACCOUNTS
448	Confirm Credit Transfer-Out Deposit Fund CR Doc
449	Confirm Credit Transfer-Out Deposit Fund DR Doc
458	Account Transfer-Out - Debit
459	Account Transfer-Out - Credit
460	Account transfer-In - Debit
461	Account Transfer-In - Credit
465	Confirm Account Transfer-Out - Debit
466	Confirm Account Transfer-Out - Credit
469	IPACR Applications
470	TRACS Payment-Over Cancellation (CR 4970)
471	CADE 2
480	Erroneous Refund - Court Case, ID Theft Erroneous Refund
481	Erroneous Refund - Non-Court Case, Return Preparer Misconduct Erroneous Refunds, Payment-Over Cancellation Erroneous Refund
485	Non-Payment of Erroneous Refund
490	Clear Erroneous Refund, ID Theft Erroneous Refund W/O, Return Preparer Misconduct Erroneous Refund W/O
498	Insolvency Recovery
499	Revenue Clearance TRF
541	IPAC Receipt
610	Assessment - Regular - Current - Withholding (TC 1)
611	Assessment - Regular - Current - Individual Income (TC 2)
612	Assessment - Regular - Current - Corporation (TC 3)
613	Assessment - Regular - Current - Excise (TC 4)
614	Assessment - Regular - Current - Estate & Gift (TC 5)
615	Assessment - Regular - Current - CTA (TC 7)
616	Assessment - Regular - Current - FUTA (TC 8)
620	Assessment Regular Deficiency - Withholding (TC 1)
621	Assessment Regular Deficiency - Individual Income (TC 2)

WINDOW NUMBER	BATCH JOURNAL TYPE AND ACCOUNTS
622	Assessment Regular Deficiency - Corporation (TC 3)
623	Assessment Regular Deficiency Excise (TC 4)
624	Assessment Regular Deficiency - Estate & Gift (TC 5)
625	Assessment Regular Deficiency - CTA (TC 7)
626	Assessment Regular Deficiency - FUTA (TC 8)
630	Assessment Quick Current - Withholding (TC 1)
631	Assessment Quick Current - Individual Income (TC 2)
632	Assessment Quick Current - Corporation (TC 3)
633	Assessment Quick Current - Excise (TC 4)
634	Assessment Quick Current - Estate & Gift (TC 5)
635	Assessment Quick Current - CTA (TC 7)
636	Assessment Quick Current - FUTA (TC 8)
640	Assessment Quick Deficiency Withholding (TC 1)
641	Assessment Quick Deficiency Individual Income (TC 2)
642	Assessment Quick Deficiency Corporation (TC 3)
643	Assessment Quick Deficiency Excise (TC 4)
644	Assessment Quick Deficiency Estate & Gift (TC 5)
645	Assessment Quick Deficiency CTA (TC 7)
646	Assessment Quick Deficiency FUTA (TC 8)
650	Assessment Prompt Current Withholding (TC 1)
651	Assessment Prompt Current Individual Income (TC 2)
652	Assessment Prompt Current Corporation (TC 3)
653	Assessment Prompt Current Excise (TC 4)
654	Assessment Prompt Current Estate & Gift (TC 5)
655	Assessment Prompt Current CTA (TC 7)
656	Assessment Prompt Current FUTA (TC 8)
660	Assessment Prompt Deficiency Withholding (TC 1)
661	Assessment Prompt Deficiency Individual Income (TC 2)
662	Assessment Prompt Deficiency Corporation (TC 3)
663	Assessment Prompt Deficiency Excise (TC 4)
664	Assessment Prompt Deficiency Estate & Gift (TC 5)

WINDOW NUMBER	BATCH JOURNAL TYPE AND ACCOUNTS
665	Assessment Prompt Deficiency CTA (TC 7)
666	Assessment Prompt Deficiency FUTA (TC 8)
670	Assessment Jeopardy Current Withholding (TC 1)
671	Assessment Jeopardy Current Individual Income (TC 2)
672	Assessment Jeopardy Current Corporation (TC 3)
673	Assessment Jeopardy Current Excise (TC 4)
674	Assessment Jeopardy Current Estate & Gift (TC 5)
675	Assessment Jeopardy Current CTA (TC 7)
676	Assessment Jeopardy Current FUTA (TC 8)
680	Assessment Jeopardy Deficiency Withholding (TC 1)
681	Assessment Jeopardy Deficiency Individual Income (TC 2)
682	Assessment Jeopardy Deficiency Corporation (TC 3)
683	Assessment Jeopardy Deficiency Excise (TC 4)
684	Assessment Jeopardy Deficiency Estate & Gift (TC 5)
685	Assessment Jeopardy Deficiency CTA (TC 7)
686	Assessment Jeopardy Deficiency FUTA (TC 8)
690	Non-Tax Assessment
691	Abatement
692	Erroneous Abatement
695	Non-Tax Abatement
810	Manual Assessment Regular Current Withholding (TC 1)
811	Manual Assessment Regular Current Individual Inc. (TC 2)
812	Manual Assessment Regular Current Corporation (TC 3)
813	Manual Assessment Regular Current Excise (TC 4)
814	Manual Assessment Regular Current Estate & Gift (TC 5)
815	Manual Assessment Regular Current CTA (TC 7)
816	Manual Assessment Regular Current FUTA (TC 8)

WINDOW NUMBER	BATCH JOURNAL TYPE AND ACCOUNTS
820	Manual Assessment Regular Deficiency Withholding (TC 1)
821	Manual Assessment Regular Deficiency Individual Inc. (TC 2)
822	Manual Assessment Regular Deficiency Corporation (TC 3)
823	Manual Assessment Regular Deficiency Excise (TC 4)
824	Manual Assessment Regular Deficiency Estate & Gift (TC 5)
825	Manual Assessment Regular Deficiency CTA (TC 7)
826	Manual Assessment Regular Deficiency FUTA (TC 8)
830	Manual Assessment Quick Current Withholding (TC 1)
831	Manual Assessment Quick Current Individual Income (TC 2)
832	Manual Assessment Quick Current Corporation (TC 3)
833	Manual Assessment Quick Current Excise (TC 4)
834	Manual Assessment Quick Current Estate & Gift (TC 5)
835	Manual Assessment Quick Current CTA (TC 7)
836	Manual Assessment Quick Current FUTA (TC 8)
840	Manual Assessment Quick Deficiency Withholding (TC 1)
841	Manual Assessment Quick Deficiency Individual Inc. (TC 2)
842	Manual Assessment Quick Deficiency Corporation (TC 3)
843	Manual Assessment Quick Deficiency Excise (TC 4)
844	Manual Assessment Quick Deficiency Estate & Gift (TC 5)
845	Manual Assessment Quick Deficiency CTA (TC 7)
846	Manual Assessment Quick Deficiency FUTA (TC 8)
850	Manual Assessment Prompt Current Withholding (TC 1)
851	Manual Assessment Prompt Current Individual Income (TC 2)
852	Manual Assessment Prompt Current Corporation (TC 3)
853	Manual Assessment Prompt Current Excise (TC 4)

WINDOW NUMBER	BATCH JOURNAL TYPE AND ACCOUNTS
854	Manual Assessment Prompt Current Estate & Gift (TC 5)
855	Manual Assessment Prompt Current CTA (TC 7)
856	Manual Assessment Prompt Current FUTA (TC 8)
860	Manual Assessment Prompt Deficiency Withholding (TC 1)
861	Manual Assessment Prompt Deficiency Individual Inc (TC 2)
862	Manual Assessment Prompt Deficiency Corporation (TC 3)
863	Manual Assessment Prompt Deficiency Excise (TC 4)
864	Manual Assessment Prompt Deficiency Estate & Gift (TC 5)
865	Manual Assessment Prompt Deficiency CTA (TC 7)
866	Manual Assessment Prompt Deficiency FUTA (TC 8)
870	Manual Assessment Jeopardy Current Withholding (TC 1)
871	Manual Assessment Jeopardy Current Individual Inc. (TC 2)
872	Manual Assessment Jeopardy Current Corporation (TC 3)
873	Manual Assessment Jeopardy Current Excise (TC 4)
874	Manual Assessment Jeopardy Current Estate & Gift (TC 5)
875	Manual Assessment Jeopardy Current CTA (TC 7)
876	Manual Assessment Jeopardy Current FUTA (TC 8)
880	Manual Assessment Jeopardy Deficiency Withholding (TC 1)
881	Manual Assessment Jeopardy Deficiency Individual Inc. (TC 2)
882	Manual Assessment Jeopardy Deficiency Corporation (TC 3)
883	Manual Assessment Jeopardy Deficiency Excise (TC 4)
884	Manual Assessment Jeopardy Deficiency Estate & Gift (TC 5)
885	Manual Assessment Jeopardy Deficiency CTA (TC 7)

WINDOW NUMBER	BATCH JOURNAL TYPE AND ACCOUNTS
886	Manual Assessment Jeopardy Deficiency FUTA (TC 8)
DBA ONLY	
902	Modification
903	Reversal
905	Adjust NTRR Line Data
906	Undeposited Collection
907	Deposit

3.17.64.5.4
(09-08-2025)
**Correcting Erroneous
Journal Entries**

- (1) A journal entry error occurs when a posted journal does not have information matching the journaled document. Potential errors include an incorrect money amount, incorrect debit/credit labeling, incorrect accounts used and duplicate journal entry.
- (2) Whenever a journal entry error is discovered, supervisory authorization is required for the correcting entry to the general ledger account.
- (3) The authorization must be documented and retained by the manager. The documentation should include the original journal number, the original document, the reason for the reversal or journal correction request and managerial approval.
- (4) The incorrect entry should be reversed by the DBA, then re-input by the technician who made the original incorrect journal entry (when possible). A journal correction request will be assigned to a technician. On the reversal journal, the DBA must include the original journal number and an explanation in the message text. On the correction journal, the technician must include the original journal number and the reversal journal number along with an explanation in the message text. To ensure adequate audit trail information, the technician must also notate the reversal journal number and the new correction journal number on the Daily Posting Summary (DPS) (RRACS Report - 001) next to the original journal number.
- (5) Maintain a log of all errors and include all correction requests, modifications and reversal journals for a proper audit trail.
- (6) If a document was drafted incorrectly and the posted journal entry accurately reflects the document, the journal is to be considered correct. The team accountable for drafting the form must submit corrective form(s) to rectify all errors created by the original erroneous document and attach all previous erroneous documentation as backup for corrective action to be journaled.

3.17.64.6
(09-08-2025)
**General Ledger
Procedures for
Assessments**

- (1) Regulations 301.6203-1 and 301.6201-1 give the Submission Processing campus director authority to appoint one or more assessment officers. This appointment should not be given to a position lower than an operation manager. An operation manager may, by designation in writing appoint an assessment officer to sign the Summary Record of Assessment in the absence of

the operation manager. The Form 23C must be certified (signed) on the assessment date and Delegation of Authority file with the certificate.

Note: The accounting operation managers must utilize a monthly calendar to be initialed daily after the 23C certificate(s) have been signed. If the assessment officer is someone other than the operation manager on a specific day, the assessment officer signing the 23C certificates should initial the calendar. On the last business day of the month, place the initialed calendar in the 23C folder.

- (2) Assessments related to MF accounts are based on taxable returns, not on payments and unpaid balances. The adjusted gross tax liability for each return, and any additional assessments, are processed by the site for debit entry to the taxpayer's MF account. All payments or equivalent credits are processed for credit entry to the MF account. In conjunction with entries to the MF accounts, a SC Recap is produced and used as the basis for input to RRACS. A Summary Record of Assessment must be produced.
- (3) Assessments related to NMF accounts are based on unpaid balances and payments. Each additional assessment appears on a separate NMF account. Assessments relative to NMF accounts are based on unpaid balances. It is important, therefore, that all NMF overpaid (refund), even, and non-taxable returns be included in the block DLNs in the audit trail area of the Summary of Assessments. This action will establish a statute date.
- (4) Monday is the regular established assessment date for all MF assessments. In addition, a daily Summary Record of Assessments for Manual Assessments may be prepared. Summary Records of Assessments for Monday consists of the following certificates:
 - a. Regular Assessments - SC Recaps IMF, BMF and NMF regular weekly assessments
 - b. Daily Assessments - Prompt, Quick and Jeopardy
- (5) If a Barred Assessment is found follow the procedures in IRM 25.6.1.13.2.1, Barred Statute Report (Form 9355/3999).

3.17.64.6.1
(09-01-2011)
**After Hours
Assessments**

- (1) Each site must establish procedures for after-hours assessments. After-hours assessments include such items as imminent statutes, jeopardy and terminations that cannot be legally assessed during regular hours of the following workday. At a minimum, these procedures should include but are not limited to, the following:
 - a. Ensure there is an assessment officer available at all times.
 - b. Ensure appointments are current for after-hours assessment officers.
 - c. Ensure that after-hours assessment officers are adequately trained to prepare a manual Form 23C, Certificate of Assessment.
 - d. Provide all necessary forms and instructions for preparing a Form 23C.
 - e. Have a system in place to ensure that Form 23C is given to RACS for the journal entry on the next business day.
 - f. Provide field office personnel with a list of after-hours assessment officers. Maintain an updated contact phone tree for assessment officers, and ensure procedures are in place to contact the sites by jurisdiction.

3.17.64.6.2
(03-11-2016)

Manual Assessments

- (1) Manual assessments are prepared expeditiously to protect an assessment from being barred by the expiration of the period of limitation or to expedite the collection process. They can be either MF or NMF.
- (2) The accounting function will receive a Form 2859, Request for Quick or Prompt Assessment, for processing. See IRM 3.17.46, Automated Non-Master File Accounting and IRM 3.17.244, Manual Assessments, for further processing procedures.
- (3) Journal entry information will come from the back of Form 813 for all MF assessments and NMF daily assessments. Each Form 813 will be a separate input document. It is essential that all necessary information for input be on or associated with, the Form 813.
- (4) Journal entry of assessments can be completed on a variety of RRACS windows depending upon the type of assessment (regular, quick, prompt or jeopardy), whether it is current or a deficiency, the tax class, and whether it is tax, penalty or interest. The windows that can be used range from 610 through 686 and 810 through 886. For further instructions on determining which window to use, refer to IRM 3.17.50.8.1, Submission Processing RRACS Procedures.

3.17.64.6.3
(09-01-2011)

**General Ledger
Accounts for
Assessments and
Settlements
(Nominal Account, CR
Normal Balance)**

- (1) This series of accounts records the assessment of tax liabilities and the liabilities for fees, penalties or costs for services rendered. Also included in this series of accounts are settlements of accounts other than by payment. This series of accounts is nominal and will be closed to the revenue clearance account at the end of the accounting year.

3.17.64.6.3.1
(09-01-2011)

**Account 1600 Manual
Assessments Transit
Account
(Real Account, DR
Normal Balance)**

- (1) The balance of manual assessments may be established in the manual assessments, transit account.
- (2) Manually prepared assessments may be transferred from account 1600 to NMF, BMF, and IMF, in accordance with schedules established by the individual campuses.
- (3) External subsidiary record is a file of new documents pending transfers to NMF, BMF, and IMF.

3.17.64.6.3.2
(09-01-2011)

**Account Series 6000
Assessments and
Settlements
(Nominal Account, CR
Normal Balance)**

- (1) This series of accounts records the assessment of tax liabilities and liabilities for fees, penalties or costs for services rendered. Settlements of accounts other than by payment, including abatements, write-offs, transfers and clearances due to statute expiration are included in this series. This series of accounts is nominal and will be closed to the revenue clearance account at the end of the fiscal year.

3.17.64.6.3.3
(09-01-2011)

Account 6001
Installment Agreement
Liability
(Nominal Account, CR
Normal Balance)

- (1) This account sets up the liability for installment agreement user fees when these fees are established on the MF.

3.17.64.6.3.4
(09-01-2011)

Account 6010
Arbitrage Rebate
Liability
(Nominal Account, CR
Normal Balance)

- (1) This account is used to summarize the total amount of assessments of non-tax revenue money. The balance of this account represents total non-tax revenue assessments for the year.
- (2) These assessments will not appear on the Summary Record of Assessments.

3.17.64.6.3.5
(09-01-2011)

Account 6011
Arbitrage Rebate Penalty
Liability
(Nominal Account, CR
Normal Balance)

- (1) This account is used to summarize the total amounts of assessments of non-tax revenue penalties. The balance of this account represents total non-tax revenue penalty assessments for the year.
- (2) These penalty assessments will not be recorded on the Summary Record of Assessments.

3.17.64.6.3.6
(09-01-2011)

Account 6110
Withholding Tax
Assessments - Principal
(Nominal Account, CR
Normal Balance)

- (1) This account is used to summarize the total amounts of assessments of tax class 1 principal. The balance of this account represents total tax class 1 principal assessments for the year.
- (2) All principal assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity.
- (3) Total tax class 1 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record.

3.17.64.6.3.7
(09-01-2011)

Account 6111
Withholding Tax
Assessments - Penalty
(Nominal Account, CR
Normal Balance)

- (1) This account is used to summarize the total amounts of assessments of tax class 1 penalties. The balance of this account represents total tax class 1 penalty assessments for the year.
- (2) All penalty assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity.
- (3) Total tax class 1 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record.

- 3.17.64.6.3.8
(09-01-2011)
Account 6112
Withholding Tax
Assessments - Interest
(Nominal Account, CR
Normal Balance)
- (1) This account is used to summarize the total amounts of assessments of tax class 1 interest. The balance of this account represents total tax class 1 interest assessments for the year.
 - (2) All interest assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity.
 - (3) Total tax class 1 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record.
- 3.17.64.6.3.9
(09-01-2011)
Account 6120
Individual Income Tax
Assessments - Principal
(Nominal Account, CR
Normal Balance)
- (1) This account is used to summarize the total amounts of assessments of tax class 2 principal. The balance of this account represents total tax class 2 principal assessments for the year.
 - (2) All principal assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity.
 - (3) Total tax class 2 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record.
- 3.17.64.6.3.10
(09-01-2011)
Account 6121
Individual Income Tax
Assessments - Penalty
(Nominal Account, CR
Normal Balance)
- (1) This account is used to summarize the total amounts of assessments of tax class 2 penalties. The balance of this account represents total tax class 2 penalty assessments for the year.
 - (2) All penalty assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity.
 - (3) Total tax class 2 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record.
- 3.17.64.6.3.11
(09-01-2011)
Account 6122
Individual Income Tax
Assessments - Interest
(Nominal Account, CR
Normal Balance)
- (1) This account is used to summarize the total amounts of assessments of tax class 2 interest. The balance of this account represents total tax class 2 interest assessments for the year.
 - (2) All interest assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity.
 - (3) Total tax class 2 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record.
- 3.17.64.6.3.12
(09-01-2011)
Account 6130
Corporation Tax
Assessments - Principal
(Nominal Account, CR
Normal Balance)
- (1) This account is used to summarize the total amounts of assessments of tax class 3 principal. The balance of this account represents total tax class 3 principal assessments for the year.
 - (2) All principal assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity.
 - (3) Total tax class 3 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record.

- | | |
|--|---|
| <p>3.17.64.6.3.13
(09-01-2011)
Account 6131
Corporation Tax
Assessments - Penalty
(Nominal Account, CR
Normal Balance)</p> | <ul style="list-style-type: none">(1) This account is used to summarize the total amounts of assessments of tax class 3 penalties. The balance of this account represents total tax class 3 penalty assessments for the year.(2) All penalty assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity.(3) Total tax class 3 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record. |
| <p>3.17.64.6.3.14
(09-01-2011)
Account 6132
Corporation Tax
Assessments - Interest
(Nominal Account, CR
Normal Balance)</p> | <ul style="list-style-type: none">(1) This account is used to summarize the total amounts of assessments of tax class 3 interest. The balance of this account represents total tax class 3 interest assessments for the year.(2) All interest assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity.(3) Total tax class 3 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record. |
| <p>3.17.64.6.3.15
(09-01-2011)
Account 6140
Excise Tax Assessments
- Principal
(Nominal Account, CR
Normal Balance)</p> | <ul style="list-style-type: none">(1) This account is used to summarize the total amounts of assessments of tax class 4 principal. The balance of this account represents total tax class 4 principal assessments for the year.(2) All principal assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity.(3) Total tax class 4 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record. |
| <p>3.17.64.6.3.16
(09-01-2011)
Account 6141
Excise Tax Assessments
- Penalty
(Nominal Account, CR
Normal Balance)</p> | <ul style="list-style-type: none">(1) This account is used to summarize the total amounts of assessments of tax class 4 penalties. The balance of this account represents total tax class 4 penalty assessments for the year.(2) All penalty assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity.(3) Total tax class 4 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record. |
| <p>3.17.64.6.3.17
(09-01-2011)
Account 6142
Excise Tax Assessments
- Interest
(Nominal Account, CR
Normal Balance)</p> | <ul style="list-style-type: none">(1) This account is used to summarize the total amounts of assessments of tax class 4 interest. The balance of this account represents total tax class 4 interest assessments for the year.(2) All interest assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity. |

- (3) Total tax class 4 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record.
- 3.17.64.6.3.18
(09-01-2011)
Account 6150
Estate and Gift Tax
Assessments - Principal
(Nominal Account, CR
Normal Balance)
- (1) This account is used to summarize the total amounts of assessments of tax class 5 principal. The balance of this account represents total tax class 5 principal assessments for the year.
- (2) All principal assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity.
- (3) Total tax class 5 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record.
- 3.17.64.6.3.19
(09-01-2011)
Account 6151
Estate and Gift Tax
Assessments - Penalty
(Nominal Account, CR
Normal Balance)
- (1) This account is used to summarize the total amounts of assessments of tax class 5 penalties. The balance of this account represents total tax class 5 penalty assessments for the year.
- (2) All penalty assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity.
- (3) Total tax class 5 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record.
- 3.17.64.6.3.20
(09-01-2011)
Account 6152
Estate and Gift Tax
Assessments - Interest
(Nominal Account, CR
Normal Balance)
- (1) This account is used to summarize the total amounts of assessments of tax class 5 interest. The balance of this account represents total tax class 5 interest assessments for the year.
- (2) All interest assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity.
- (3) Total tax class 5 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record.
- 3.17.64.6.3.21
(09-01-2011)
Account 6170
Carriers and
Transportation Act (CTA)
Tax Assessments -
Principal
(Nominal Account, CR
Normal Balance)
- (1) This account is used to summarize the total amounts of assessments of tax class 7 principal. The balance of this account represents total tax class 7 principal assessments for the year.
- (2) All principal assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity.
- (3) Total tax class 7 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record.

<p>3.17.64.6.3.22 (09-01-2011) Account 6171 Carriers and Transportation Act (CTA) Tax Assessments - Penalty (Nominal Account, CR Normal Balance)</p>	<p>(1) This account is used to summarize the total amounts of assessments of tax class 7 penalties. The balance of this account represents total tax class 7 penalty assessments for the year.</p> <p>(2) All penalty assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity.</p> <p>(3) Total tax class 7 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record.</p>
<p>3.17.64.6.3.23 (09-01-2011) Account 6172 Carriers and Transportation Act (CTA) Tax Assessments - Interest (Nominal Account, CR Normal Balance)</p>	<p>(1) This account is used to summarize the total amounts of assessments of tax class 7 interest. The balance of this account represents total tax class 7 interest assessments for the year.</p> <p>(2) All interest assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity.</p> <p>(3) Total tax class 7 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record.</p>
<p>3.17.64.6.3.24 (09-01-2011) Account 6180 FUTA Tax Assessments - Principal (Nominal Account, CR Normal Balance)</p>	<p>(1) This account is used to summarize the total amounts of assessments of tax class 8 principal. The balance of this account represents total tax class 8 principal assessments for the year.</p> <p>(2) All principal assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity.</p> <p>(3) Total tax class 8 assessments for the month will be summarized on Form 2162, Summary of Assessment Certificates Issued, and will be the external subsidiary record.</p>
<p>3.17.64.6.3.25 (09-01-2011) Account 6181 FUTA Tax Assessments - Penalty (Nominal Account, CR Normal Balance)</p>	<p>(1) This account is used to summarize the total amounts of assessments of tax class 8 penalties. The balance of this account represents total tax class 8 penalty assessments for the year.</p> <p>(2) All penalty assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity.</p> <p>(3) Total tax class 8 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record.</p>
<p>3.17.64.6.3.26 (09-01-2011) Account 6182 FUTA Tax Assessments - Interest (Nominal Account, CR Normal Balance)</p>	<p>(1) This account is used to summarize the total amounts of assessments of tax class 8 interest. The balance of this account represents total tax class 8 interest assessments for the year.</p> <p>(2) All interest assessments must be recorded on Summary Record of Assessments. The assessment certificate is the legal document that permits collection activity.</p>

- (3) Total tax class 8 assessments for the month will be summarized on Form 2162 and will be the external subsidiary record.

3.17.64.6.3.27
(09-01-2011)

Account 6190
Previously Assessed
Tax
(Nominal Account, CR
Normal Balance)

- (1) This is used for MFT 31 mirror assessments only and will appear on the IMF SC recaps. As a mirror assessment, this account will not be reflected on an assessment certificate.

3.17.64.6.3.28
(09-01-2011)

Account 6191
Previously Assessed
Penalty
(Nominal Account, CR
Normal Balance)

- (1) This account is used to summarize the total previously assessed tax (MFT 31) penalties and will appear on the IMF SC recaps. The balance of this account represents total previously assessed tax penalty assessments for the year. As a mirror assessment penalty, this account will not be reflected on an assessment certificate.

3.17.64.6.3.29
(09-01-2011)

Account 6192
Previously Assessed
Interest
(Nominal Account, CR
Normal Balance)

- (1) This account is used to summarize the total amounts of previously assessed interest. The balance of this account represents the previously assessed interest assessments for the year. As a mirror assessment interest, this account will not be reflected on an assessment certificate.

3.17.64.6.3.30
(09-01-2011)

Account 6510
Over-Assessments
Credited
(Nominal Account, DR
Normal Balance)

- (1) Amounts of overassessments (abatements) of previously assessed tax, penalty and interest certified and credited to taxpayer accounts are recorded in this account. The account represents the total over assessments of tax, penalty and interest credited to taxpayer accounts during the year. Entries to this account are obtained from the SC Recaps (abatement total). They are further supported by file copies of Form 2188, Voucher and Schedule of Overpayment and Over assessments.
- (2) This account is also used for reversals of erroneous abatements. These entries are obtained from the Form 2188 and Form 3465, Adjustment Request
- (3) This account is also used to journal reactivation of erroneous abatements when the original abatement has been written off in a prior fiscal year.
- (4) External subsidiary record is the file of Form 2188s.

3.17.64.6.4
(10-06-2020)

Summary Record of
Assessments and
List of Unprocessed
Assessment Certificates
(RRACS Report 006)

- (1) This list identifies all unprocessed assessment certificates and must be reviewed online daily to determine which assessment certificates must be processed.
- (2) To ascertain the correctness of the data entered into RRACS, utilize this online information to balance the assessments to the source documents before the Summary Record of Assessment is generated.
- (3) The assessment date and assessment type will be displayed for each current record that has not yet been generated. To review these assessments, select Assessment main menu and then select the Review option.

- (4) Review the information and take the necessary action to generate any summary records where the assessment date equals the current date.
 - (5) The summary record provides details of the assessment data by type of tax and if the assessment was current or deficiency. Assessments are broken down into five types: Regular (R), Jeopardy (J), Quick (Q), Prompt (P) and Termination (T). Jeopardy assessments record the principal amounts against individual taxpayers. The following data can be reviewed online for each assessment type and assessment date:
 - a. Tax class
 - b. Items related to the tax class
 - c. Tax amount
 - d. Penalty amount
 - e. Interest amount
 - f. Identification as current or deficiency
 - (6) The total items, tax, penalty and interest is summarized for total current assessments and total deficiency assessments.
 - (7) The current and deficiency item and amount fields related to each tax class are added together under tax class summary.
 - (8) If the assessment is a Jeopardy, the data related to the principal taxpayers and amounts are required. The number of principal taxpayers will be the sum of current and deficiency item counts.
 - (9) The audit trail is printed for each summary record. This includes the DOC-ID, DLN or Form 8166, RRACS Input Reconciliation, recap number in the DLN column and the account date.
 - a. To generate the report, select Review from the Assessment main menu, then select the Assessment option, desired assessment type and assessment date. Select Review again for the report to show.
 - b. The report must be signed by the assessment officer on the date the assessment is made. The certification statement is included in the printed report. At least one person at each campus must be assigned the responsibility of reviewing all certificates for timely entry of the assessment officer's signature and date. The responsible employee must initial the certificate after validation. This review must be completed daily.
- Note:** An electronic signature (reflecting authorizing official's SEID) or original signature will be permitted.
- Note:** Daily print the Form 2162 before end of day to verify all certificates have been signed for that day.
- Note:** The print name line, signature and date must be filled out.
- (10) Daily, ECC will electronically transmit the assessment data to ECC-MTB from the daily computer-generated SC Recap.
 - (11) Regular and Quick assessments may be requested through RRACS weekly. Quick assessments should be requested daily, if a specific and immediate assessment date is requested or required. Prompt assessments should be requested daily. Jeopardy and Termination assessments should be requested

immediately after input to the assessment windows. Jeopardy assessment certificates generally contain assessments for only one entity.

- (12) When RRACS is unavailable, all campuses must use Form 23C, Manual Summary Record of Assessment, under Forms and Publications on the Internal Revenue Intranet or the excel version provided by HQ.
 - a. Enter the detail data by type, tax class, the total amounts of **current** assessments of tax, penalty, and interest.
 - b. Enter detail data by tax class for **deficiency** tax, penalty, interest and item count.
 - c. Total the entries on each certificate horizontally and vertically.
 - d. The date of the certification and signature of the assessment officer are entered where indicated.
 - e. List all audit trail information in Section 6 of Form 23C. This can consist of DLN, Form 8166 numbers, recap information, etc.
 - f. The assessment data must be entered into RRACS as soon as possible.

3.17.64.6.5
(10-06-2020)
**Form 2162
Summary of
Assessment Certificates
Issued
(RRACS Report 025)**

- (1) This report represents a consolidation of all assessment certificates prepared each month. It provides a breakdown by tax classes for current and deficiency assessments. It also provides an audit trail of assessment certificates and principal taxpayers included in the report. All assessment certificates that were posted for the month will be listed.
- (2) The report will be produced during End of Month (EOM) processing but may be generated separately for research or statistical purposes. To generate the report, select the RRACS Report main menu and Form 2162 from the Month End sub-menu.

Note: The print name line, signature and date must be filled out.

3.17.64.6.6
(09-01-2011)
**Manual Procedures for a
Summary of
Assessment Certificate**

- (1) For each tax class under current assessments print the related items, tax amount, penalty amount and interest amount related to general ledger accounts 6110 through 6182, identified as current.
- (2) Compute total current assessments by adding current items from all tax classes combined, current tax from all tax classes combined, current penalty from all tax classes combined and current interest from all tax classes combined.
- (3) Use the same methodology for total deficiency assessments as above.
- (4) Print offshore oil data items and penalty related to General Ledger account 6320, Offshore Oil Account.
- (5) Assessment Summary - Current Month.
 - a. For each tax class compute the combined totals of current and deficiency items and amounts for tax, penalty and interest.
 - b. Compute total regular assessments by combining all the current item fields (for current and deficiency) for all tax classes, except offshore oil spills. Combine current amount fields for current and deficiency tax, penalty and interest for current and deficiency, for all tax classes except offshore oil spills.

- c. Print offshore oil spills data for current oil spill items and penalty amounts.
 - d. Compute total monthly assessments by adding oil spill items and penalty amounts to total items and amounts from (6)(b).
- (6) Assessment Summary - Year-to-date.
 - a. Withheld individual income and FICA reports the cumulative item count and total amount.
 - b. Individual income-other reports the cumulative item count and total amount.
 - c. Corporate and excess profits report the cumulative item count and total amount.
 - d. Excise reports the cumulative item count and total amount.
 - e. Estate and Gift reports the cumulative item count and total amount.
 - f. Tax on carriers reports the cumulative item count and total amount.
 - g. Federal unemployment tax reports the cumulative item count and total amount.
 - h. Total yearly assessments report the sum of cumulative item counts and amounts from all tax classes.
 - i. Offshore oil spills report the cumulative item count and penalty amount.
- (7) Audit Trail.
 - a. Assessment certificates list each certificate number issued for the current month. This list contains the date and sequence number and is listed in sequence number order.
 - b. Principal taxpayers list the item count, principal tax amount and assessment date for each Jeopardy assessment reported in the current month.
- (8) For each tax class under current assessments, print the related cumulative items, tax, penalty and interest amounts.
- (9) Compute total cum assessments as follows:
 - a. Items include the sum of all cumulative items from all tax classes, with exception of oil spills.
 - b. Tax includes the sum of all cumulative tax amounts from all tax classes.
 - c. Penalty includes the sum of all cumulative penalty amounts from all tax classes, with exception of oil spills.
 - d. Interest includes the sum of all cumulative interest amounts from all tax classes.
- (10) Use the same methodology for total deficiency assessments as above.
- (11) Print offshore oil data cumulative items and cumulative penalty amounts.
- (12) Assessment Summary - Fiscal year combines the cumulative deficiency and non-deficiency items and tax, penalty and interest amounts for and by each tax class.
 - a. The total of the assessment summary-fiscal year is summarized.
 - b. Offshore oil spills items and cum penalty amounts are summarized.
 - c. Total fiscal year assessments are calculated. Deficiency and non-deficiency cumulative item counts for all tax classes, including oil spills,

are added together. Deficiency and non-deficiency cumulative tax, penalty and interest cumulative amounts, including oil spills, are added together.

- (13) Principal tax included in this report combines the principal deficiency and non-deficiency cumulative items and tax amounts.

3.17.64.6.7
(09-01-2011)
Correcting Certificate Errors

- (1) Use the following procedures for correcting errors on the certificate:
- When a journal error is discovered prior to generating the certificate, the erroneous journal must be reversed by the DBA and re-input.
 - When a journal error is discovered after the generation of the certificate but on or prior to the 23C date (if signed or not), reverse the 23C journal, and then reverse the original journal. Repost the assessment correctly and generate a new certificate.
 - When a journal error is discovered after the 23C date, make sure the statute date has not expired. On the current or future 23C date, post the reverse of the original journal. Then post the assessment correctly. **The 23C certificate cannot be reversed after the 23C date.**

Note: In all instances, the original posting number should be annotated in the message text of the re-input journal, for audit trail purposes.

3.17.64.6.8
(06-26-2013)
Disclosure Requests for RRACS Report 006 - 23C Certificate

- (1) A disclosure specialist will email or fax a 23C request to the Accounting Planning and Analysis and the accounting contact.

Note: If the disclosure specialist faxes the 23C request, they will also send an email to the P&A and accounting contacts stating the fax request is coming.

- (2) Accounting will perform the research and request the documents from FRC (if applicable).
- (3) Accounting will email or fax the requested 23C certificates to the disclosure specialist no more than **10** business days from the receipt of the request.

Note: If accounting sends the documents to the disclosure specialist via email, the P&A Accounting analyst must be carbon copied on the email. If accounting faxes the documents to the disclosure specialist, the P&A Accounting analyst must be emailed that the request has been completed.

- (4) The P&A Accounting analyst will monitor this request to ensure the timely response to the disclosure specialist.

3.17.64.6.9
(09-20-2024)
Business Resumption/Disaster Recovery Plan for the Signing of 23C Assessment Certificates

- (1) In the event of a **furlough or shutdown**, the following procedures should be followed to ensure the 23C assessment certificates are signed in a timely manner.

Note: The designated assessment officer for each campus would have to be exempt from the furlough day if it were necessary to sign a 23C certificate and will be given different furlough day. Counsel has deemed that the director, Submission Processing, may sign the 23C certificates or may delegate this duty but no lower than an accounting operation manager.

- a. If the “normal” assessment officer (accounting operation manager) is signing the 23C certificates on a furlough/shutdown, the workday prior to the furlough/shutdown the RACS Team will balance, post and print the 23C certificates from RRACS. Prepare and give the package to the accounting operation manager the workday prior to the furlough (23C) day. The assessment officer will sign, date and record the clock time on the furlough day and return the signed 23C certificates to the RACS team on the next business day.
- b. If the director, SP or their appointee, will be the assessment officer and is signing the 23C certificates on a furlough/shutdown, the workday prior to the furlough/shutdown the RACS Team would balance, post and print the 23C certificates from RRACS. Prepare and give the package to the accounting operation manager for review. Once the accounting operation manager has reviewed the certificates for errors, they should initial only (do not sign) and return to the RACS manager. RACS manager will ensure **ALL** 23C certificates are scanned and emailed to the proper assessment officer for signature no later than 3:00 ET on the day prior to the furlough day. The email to the assessment officer will include the kind and number of certificates to be signed. Request a READ receipt on your email. The assessment officer will print the scanned copies of all 23C certificates and sign, date and record the clock time on each certificate. The assessment officer will scan and email the signed 23C certificates back to the originator. On the next business day, the RACS team will print the scanned signed 23C certificates and process as usual.

Note: In the event the director, SP or his designee is signing the assessments, the campus will be given the name of the assessment officer in advance who will be signing for the campus.

- (2) In the event of a **disaster impacting a specific campus**, the following procedures should be followed to ensure the 23C assessment certificates are signed in a timely manner.
 - a. The affected campus assessment officer will contact the CFO RACS analyst. CFO RACS analyst will contact the alternate site, the alternate site will log into the campus’s RRACS system to balance and post and print the 23C certificates for the day. Completed certificate will be forwarded to the signing officer or their designee. Once signed, and the campus is available, CFO RACS will scan and email the SIGNED 23C certificates to the campus.
 - b. For a manual assessment, sign into the AMA system and generate any Form 813’s for that day. Prepare 23C and have the 23C signed, dated and record the clock time. Form 813 is not a requirement for signing a 23C certificate. Once signed, and the campus is available, CFO RACS will scan and email the SIGNED 23C certificates to the campus.
 - c. The following backup will be used by CFO RACS to balance:
 - Service Center Recap (CFO RACS has access to obtain the report)
 - Form(s) 813, Document Register from AMA – will be printed by CFO RACS.
 - Kansas City SPC Only – Form(s) 813 for ANMF. Since there is no way to obtain the backup for the ANMF assessments prior to the signing of

the 23C certificate, the backup for any ANMF assessment on the 23C certificate must be provided to CFO RACS as soon as Kansas City SPC is able.

Note: Due to the inability to obtain the backup for any ANMF assessments prior to signing the 23C certificate, it should be signed without reviewing the ANMF backup. Once the ANMF backup is available, CFO RACS will review the supporting documentation. If any errors are found on the 23C certificate, CFO RACS will notify KCSC to make the necessary correction(s).

3.17.64.6.10
(10-14-2015)

**Signing of 23C
Certificates on Federal
Holidays**

- (1) RACS technician will make 2 copies of each holiday 23 certificate, one for the operation manager to take home and one for the department manager to take home.

Note: An operation manager may, by designation, appoint an assessment officer to sign the Summary Record of Assessment in the absence of the operation manager. The designation must be on file.

- (2) RACS technician will place a note on each 23C certificate reminding the assessment officer of the date for signature and give to department manager.
- (3) The accounting operation manager and/or department manager will review and verify that all 23C certificates carrying the holiday 23C date are present.
- (4) On the day of the 23C signature, (e.g., the holiday), the operation manager will sign and date the 23 certificates and call the department manager to record the time and date. If the department manager does not receive a call by 3:00 PM local time, the department manager will sign the 23C certificates. The department manager will call the operation manager to record the time and date.
- (5) Upon return to the office, the operation manager or department manager that did not sign the 23C certificates will notate the date and time of assessment officer signature and initial and date using current date for verification on the 23C certificate. Example. Signed 7/4/14 12:00 PM verified DM 7/5/14.

Note: Verification must be notated on the actual 23C certification.

- (6) Return signed 23C certificates to RACS technician for further normal processing.

3.17.64.6.11
(09-08-2025)

**Signing of 23C
Certificates during
Automated Manual
Assessment Program
Downtime**

- (1) RACS technician will prepare a paper 23C certificate compiling totals for all Form 2859 received for the 23C date.
- (2) RACS technician may overstate the 23C certificate to remediate any possible transcription errors during the computation of Form 2859 assessment totals. This action is conducted to ensure the prevention of barred assessments, ensuring all assessments are processed per government accounting guidelines and federal statutes. All assessments will be processed as requested on assessment forms submitted by personnel from across the Service, regardless of overstated certificate totals.
- (3) RACS technician will send the 23C certificate to the accounting operation manager.

- (4) Accounting operation manager will review the certificate and electronically sign the certificate.
- (5) Accounting operation manager may request to see copies of Form 2859's attached to the certificate.
- (6) The availability of Form 813 Document Register is not a requirement to sign the 23C certificate and it will not be available due to Automated Manual Assessment program downtime.
- (7) Accounting operation manager will return the signed 23C certificate to RACS technician to continue normal assessment processing.

3.17.64.7
(09-08-2025)
**General Ledger
Procedures for Manual
Accounting Activity**

- (1) The following are general ledger procedures for manual accounting activity.

3.17.64.7.1
(09-01-2011)
Account Transfers

- (1) Form 514-B, is prepared to transfer NMF accounts to the MF and for reinstatement of accounts previously removed from the MF and presently on the Retention file. See IRM 3.17.21, Credit and Account Transfers for processing information.

3.17.64.7.1.1
(09-01-2011)
**General Ledger
Accounts for Account
Transfers**

- (1) The following are the accounts associated with account transfers.

3.17.64.7.1.1.1
(10-17-2024)
**Account 1400
Tax Accounts
Transferred Out
(Real Account, DR
Normal Balance)**

- (1) This receivable account must be used to record and control amounts belonging to NMF accounts that are in the process of manual transfer to other campuses. NMF account balances will be opened to this account when the Form 514-B representing this amount is prepared. Amounts will be closed from the account upon receipt of the receiving campus' acknowledgement of account transfer on Form 514-B, part 2.
- (2) Although Form 514-B is primarily used for overflows, it may also be used for situations that meet criteria as described in IRM 3.17.21.5, Requests for Transfers to Other Campuses.
- (3) External subsidiary record is the Form 514-B as it is pending campus acknowledgement of account transfer from the receiving campus.

3.17.64.7.1.1.2
(09-01-2011)
**Account 6200
Taxpayer Accounts
Transferred
(Nominal Account,
DR/CR Normal Balance)**

- (1) This account is used to record the transfer of taxpayer accounts between campuses. The total in this account will be the net effect of transfers. Taxpayer accounts transferred out and in will be recorded as a debits and credits, respectively.
- (2) Account transfers of MF accounts are normally made automatically at ECC and reflected on the SC Recap. NMF transfers and an occasional MF transfer are made on Form 514-B and forwarded through the mail to the receiving campus. Both types of transfer must be recorded to this account.

- (3) No external subsidiary is used with this account. Copies of the SC Recap and Form 514-B should be maintained in the 6200 account file for proper audit control.
- 3.17.64.7.1.1.3
(09-01-2011)
**Account 6201
Mirror Assessments
(Nominal Account,
DR/CR Normal Balance)**
- (1) This account is used to record the transfer of mirror assessments, MFT 31. The total in this account will be the net effect of accounts transferred out and accounts transferred in again. Accounts transferred out and in will be recorded as a debits and credits, respectively.
- Note:** Background: Currently, when married taxpayers file a joint return and one spouse (identified here as the requesting spouse) later requests relief from a portion or all the tax, the Service freezes the joint module and forgoes collection activity on any unpaid balance until the request is investigated and resolved. This action is initiated by one of the following: Bankruptcy - when either spouse claims a bankruptcy; an OIC - when either spouse makes an offer on a liability; Tax Court - when either spouse petitions the tax court; or Innocent Spouse - when one spouse requests relief of liability in full or in part. When the issue takes years to resolve, as it does in some bankruptcy cases, the Service loses its ability to collect from the non-requesting spouse, if the Collection Statute Expiration Date has expired. In other cases, the non-requesting spouse will pay additional penalty and interest that accrued while the Service was considering the other spouse's request for relief.
- (2) These transfers of MF mirror assessments are normally made automatically at ECC and reflected on the SC Recap. Line code 156 are the transfers out, and line code 143 are the re-transfers in.
- (3) This account will not be reflected on an assessment certificate since it is a mirror assessment.
- (4) There is no external subsidiary record for this account.
- 3.17.64.7.1.1.2
(09-01-2011)
**Account Transfers Out
(Form 514-B)
(RRACS Window 458)**
- (1) RACS will receive Form 514-B, supporting documentation and Form 813.
- (2) Form 514-B must be processed in accordance with IRM 3.17.21, Credit and Account Transfers prior to input to RRACS. The Form 514-B or ANMF Transcript is the source document for RRACS input.
- (3) Form 514-B will be input individually using the Form 514-B number as the DOC-ID. Each transfer out must contain the NMF status or other file from which the account is being transferred.
- (4) Journal the Form 514-B.
- Input the amount using the RRACS 458 window.
 - The journal entry will be a debit to account 1400 (Tax Accounts Transferred Out) and a credit to either account 4420 (NMF) or one of the NMF status accounts.
 - The journal number must be labeled on Form 514-B and the supporting documentation.
- (5) Send Form 514-B and supporting documentation to receiving campus.

3.17.64.7.1.3
(09-01-2011)
**Account Transfers In
(Form 514-B)
(RRACS Window 460)**

- (1) RACS will receive Form 514-B and supporting documentation from initiating campus. Entries will be made from the file copy. All transfers-in are assigned a DLN.
- (2) Form 514-B will be input individually using the Form 514-B number as the DOC-ID.
- (3) Journal the Form 514-B.
 - a. Using the RRACS 460 window, which can be found under the Accounting Application Main Menu under Account Transfers, input the amount.
 - b. The journal entry will be a debit to account 4420 (NMF) and a credit to account 6200 (Taxpayer Account Transferred).
 - c. The journal number must be labeled on the Form 514-B and the supporting documentation.
 - d. Send Form 813 to the Data Control Function for input to SCCF.
- (4) Send confirmation copy of Form 514-B back to originating campus.
- (5) RACS will input the Form 813 information into ANMF using the Form 813 Block Control screen and route the NMF documents to the NMF function for input to ANMF. After successful input to ANMF, the journal automatically posts to the RRACS system as a 141 journal. This journal will automatically post to SCCF, closing the DLN.

3.17.64.7.1.4
(09-01-2011)
**Account Transfers Out
(Confirmed Form 514-B)
(RRACS Window 465)**

- (1) Originating campus will receive the confirmation copy of Form 514-B back from receiving campus for confirmation on RRACS.
- (2) Confirm Form 514-B using the RRACS 465 window, which can be found under the Accounting Application Main Menu under the confirmation drop down menu pick "transfer out - dr (514-B)", input the amount.
- (3) The journal entry will be a debit to account 6200 (Taxpayer Account Transferred) and a credit to account 1400 (Tax Account Transferred Out).
 - a. The journal number must be labeled on the Form 514-B.
- (4) File and distribute accordingly.

3.17.64.7.2
(08-31-2018)
**Automated Non-Master
File (ANMF)**

- (1) ANMF is an automated system for the accounting and data control of NMF accounts.
- (2) NMF accounts are a collection of revenue accounting transactions whose sole purpose is to provide a means for the assessment of taxes and collection of revenue when IMF and BMF are unable to do so..
- (3) NMF is a system of accounting which provides for not only outstanding liabilities but for all types of return and tax adjustment processing. (See IRM 3.17.46, Automated Non-Master File Accounting, for additional information on NMF processing.) Specific General Ledger Accounts are used to journal NMF documents.

- 3.17.64.7.2.1
(09-01-2011)
**NMF General Ledger
Accounts**
- (1) The following are the accounts associated with NMF.
- 3.17.64.7.2.1.1
(09-01-2011)
**Account 1321 NMF
Notice
(Real Account, DR
Normal Balance)**
- (1) This receivable account will record all those taxpayer accounts that are maintained on ANMF. These include assessments of tax, penalties or other additions to tax, and interest assessed. Payments and other credits to these taxpayer accounts will also be recorded in this account.
- 3.17.64.7.2.1.2
(09-01-2011)
**Account 1322 NMF
Taxpayer Delinquent
Accounts Deferral (TDA)
(Real Account, DR
Normal Balance)**
- (1) If the taxpayer fails to pay the previous notices, the accounts are then maintained in the TDA status. NMF accounts are the external subsidiary records to Account 1322.
- 3.17.64.7.2.1.3
(09-01-2011)
**Account 1324 NMF
Taxpayer Delinquent
Accounts
Deferral Under Tolerance
(Real Account, DR
Normal Balance)**
- (1) These TDA accounts meet the deferral criteria of \$24,999.99 as established by Collection. Collection activity is held in abeyance until determined otherwise. NMF accounts are the external subsidiary records to account 1324.
- 3.17.64.7.2.1.4
(09-01-2011)
**Account 1360 NMF
Installment Agreement
Accounts
(Real Account, DR
Normal Balance)**
- (1) Taxpayer accounts are maintained in installment agreement status until they have satisfied their tax liability. NMF accounts are the external subsidiary records to account 1360.
- 3.17.64.7.2.1.5
(09-01-2011)
**Account 1371 NMF
Offers In Compromise
(OIC)
(Real Account, DR
Normal Balance)**
- (1) Taxpayer NMF accounts are maintained in OIC when a proposal for settlement of a tax liability is less than previously assessed. NMF accounts are the external subsidiary records to account 1371.
- 3.17.64.7.2.1.6
(09-01-2011)
**Account 1389 NMF
Suspense
(Real Account, DR
Normal Balance)**
- (1) Taxpayer NMF accounts are maintained in IDRS TDA suspense when an adjustment claim is pending. NMF accounts are the external subsidiary records to account 1389.

- | | |
|---|---|
| <p>3.17.64.7.2.1.7
(09-01-2011)
Account 1830 NMF
Accounts Receivable,
Inactive
(Real Account, DR
Normal Balance)</p> | <ul style="list-style-type: none"> (1) This receivable account will be used to record NMF taxes receivable items determined to be uncollectible or on which collection activity has been suspended due to taxpayer's inability to pay. Items in this account may subsequently be reopened for collection activity. Overpayments from other periods or MFTs may be offset to satisfy outstanding items in this account. (2) Items in this account will be closed to the accounts cleared, statute account, upon expiration of the Collection Statute. (3) External subsidiary record is the file of currently not collectible NMF accounts. |
| <p>3.17.64.7.2.1.8
(09-01-2011)
Account 4420 SC
Suspense for NMF
(Real Account, DR/CR
Normal Balance)</p> | <ul style="list-style-type: none"> (1) This liability account is a suspense account for NMF and will be used to record and control items received by the campus for processing to the NMF accounts. The amounts of debits and credits will be cleared from this account upon application of the items to the NMF Account. (2) External subsidiary record is NMF SCCF file. |
| <p>3.17.64.7.2.1.9
(09-01-2011)
Account 4430
Unpostable Documents -
NMF
(Real Account, DR/CR
Normal Balance)</p> | <ul style="list-style-type: none"> (1) This is a liability suspense account for NMF unpostable documents. NMF documents are classified as unpostable when no NMF account is located on the ANMF database to post the document. (2) The external subsidiary records are the file of unposted NMF documents pending research. |
| <p>3.17.64.7.2.1.10
(09-01-2011)
Account 4440
Assessment and
Abatement Suspense -
NMF
(Real Account, DR/CR
Normal Balance)</p> | <ul style="list-style-type: none"> (1) This liability account is to control NMF assessments and abatements that are post-journalized to the NMF accounts. It is also used to control items established on the SCCF files. (2) NMF assessment and abatement documents are numbered with DLNs that carry a 47 or 54 doc code and cannot be established on SCCF. These documents are input to the ANMF system and post-journalized. (3) This account is supported by the related Form 813 pending the posting of the individual documents to the NMF account. This pending file is the external subsidiary record for account 4440. |
| <p>3.17.64.7.2.1.11
(09-01-2011)
Account 6520 Refund of
Tax and Interest - NMF
(Nominal Account, DR
Normal Balance)</p> | <ul style="list-style-type: none"> (1) This account summarizes the net amounts of NMF refunds certified during the year. The balance in account 6520 represents the overpayment of taxes, penalties or interest certified for refund, less check cancellations or repayments of such refunds. (2) Credit balances from NMF accounts will not be included in this account when refunded, however, interest computed on those refunds will be included. (3) There is no external subsidiary record for this account. |

- 3.17.64.7.2.1.12
(09-01-2011)
**Account 6600 Accounts
Cleared Statute/
Bankruptcy
(Nominal Account,
DR/CR Normal Balance)**
- (1) This account is used to record and summarize the clearance of outstanding tax liability balances when the Collection Statute has expired. It will also record the clearance of outstanding tax liability discharged by bankruptcy.
 - (2) MF accounts will be summarized and recorded in this account from the SC Recap. NMF accounts will be reviewed at least once yearly to determine the accounts on which the statute has expired. This review will include those accounts in inactive status.
 - (3) There is no external subsidiary record for this account.

- 3.17.64.7.2.2
(09-01-2011)
NMF Block Control
- (1) There are two screens on ANMF designed for RACS use only:
 - a. The Form 813 Block Control screen - the major control for all items entered in ANMF.
 - b. The update journalized RRACS Recap screen - used to record all journalized NMF recaps generated from ANMF and the RRACS journal number.
 - (2) All blocks of documents that are either pre-journalized or post-journalized will be input to the ANMF Form 813 Block Control screen. The only exceptions are entity changes, non-remit NMF extensions of time to file and transfers-in and old accounts (ULC's). See IRM 3.17.46, Automated Non-Master File Accounting for entry information. The listings generated through ANMF associated with input through the two screens above are:
 - a. NMF block listing
 - b. NMF unprocessed block list
 - c. Report of blocks-out-of-balance
 - d. NMF error register
 - e. Recap of journalized RRACS summaries

Note: For detail information of NMF listing refer to IRM 3.17.46, Automated Non-Master File Accounting.

- 3.17.64.7.2.3
(03-11-2016)
NMF Daily Assessments
- (1) Daily assessments are made to protect the assessment from being barred by the statute of limitations or to expedite the collection process. The RACS function will receive the Form 2859, in most cases via a fax from a revenue officer.
 - (2) For Jeopardy/Termination assessments only, a separate Form 813 and DLN is prepared. Multiple assessments against the same taxpayer can be included on the same Form 813. In some instances assessments may be telephoned to the site for immediate assessment. Phone requests must furnish the following minimum information:
 - a. Affirmative statement that the area director has approved Form 2644, Recommendation for Jeopardy/Termination Assessment
 - b. Name, address and TIN
 - c. Type of tax and taxable period
 - d. Amount of tax, interest and all applicable penalties to be assessed
 - e. Amounts of payment, if any, and balance due
 - f. Types of assessment - Quick, Prompt, Jeopardy or Termination
 - g. Appropriate abstract number
 - h. Transaction codes

- (3) The RACS function will assign a DLN, prepare Form 813, journal assessments through RRACS, enter the Form 813 information into ANMF system using the Form 813 Block Control screen and label Form 813 with the journal number and the 23C date. The account period in RRACS for the assessment should agree with the 23C date.

Example: July 1 assessment date should be journaled in July account period. ANMF processes assessments using current month while RRACS journals according to the 23C date. This causes reconciling items between the ANMF system and RRACS. RACS should provide a copy of Form 8166 or Form 813, showing the posting account period to NMF for balancing purposes.

- (4) The journal entry of NMF daily assessments can be completed on a variety of RRACS windows depending upon the type of assessment (quick, prompt, jeopardy or termination), whether it is current or a deficiency, the tax class and whether it is tax, penalty or interest. The windows that can be used range from 610 through 686. For further instructions on determining which window to use, see IRM 3.17.50.8.1, Submission Processing RRACS Procedures.
- (5) Summary Record of Assessment will be signed and dated by the assessment officer. The requesting office will be informed of the date of signature (23C date) and the DLN of the assessment.
- (6) RACS will forward the Form 813 and the related documents to the NMF function for input to ANMF through the original assessment - daily screen.

3.17.64.7.2.4 (09-01-2011) **NMF Weekly Assessments**

- (1) If the statute of limitations is not imminent or no specific immediate assessment date is requested or required, assessments will be made as a weekly assessment. Recaps with a 23C date, six days or fewer into the new month, will be input as prior month.
- (2) RACS will input the Form 813 information into ANMF using the Form 813 Block Control screen and include the 23C date on Form 813.
- (3) RACS will forward the Form 813 and the related assessment documents, to NMF using the NMF block list as the transmittal.
- (4) After the NMF batch has been journalized, journal number 142, RACS will label the Form 813 with the journal number. RACS will then input the journal number to ANMF using the UPDATE Journal screen. Use the transmittal recap of summary.

3.17.64.7.2.5 (03-11-2016) **NMF IRC 7804(C) Assessments (RRACS Assessment Window)**

- (1) IRC 7804(c) provides for assessments to be made against officers and employees of the IRS who either embezzle or fail to properly handle and account for money received in connection with the internal revenue laws. These assessments will be addressed under NMF procedures.
- (2) IRM 3.0.167, Losses and Shortages, contains more information regarding 7804(c) assessments.
- (3) Prior to NMF assessment, the embezzled amount will have been journaled to account 7610 and a letter of notice and demand sent.

- (4) If payment is not received within 30 days of the notice, a copy of the letter of notice and demand will be forwarded to RACS for prejournaling the assessment from the responsible accounting campus maintaining account 7610. The letters will be used as the source document.
- (5) Journal entry of assessments can be completed on a variety of RRACS windows depending upon the type of assessment (regular, quick, prompt or jeopardy), whether it is current or a deficiency, the tax class and whether it is tax, penalty or interest. The windows that can be used range from 610 through 686. For further instructions on determining which window to use, refer to IRM 3.17.50.8.1, Submission Processing RRACS Procedures.
- (6) RACS will input the Form 813 information into the ANMF Block Control screen and forward the Form 813 and assessment document(s) to NMF for further processing.
- (7) This journal will be part of the daily 23C certificate.

3.17.64.7.2.6
(10-01-2013)
**Debit and Credit
Transfers
(RRACS Window 400)**

- (1) Form 2424, Account Adjustment Voucher and Form 3809, Miscellaneous Adjustment Voucher, with related Form 813 are received for manual transfers. Transfers can be made between BMF Account 4120, IMF Account 4220 and NMF Account 4420. When transfers are made through IDRS, the recap from IDRS will be treated as a Form 2424 or Form 3809, as applicable. Separate transfers into like batches, such as IMF to NMF, BMF to NMF or NMF to IMF, etc.
 - a. Review each Form 2424/3809 for completeness. For the NMF side, ensure an ANMF transcript is attached and a Trace ID is present.
Note: All Forms 2424 prepared by accounting must have a manager's signature.
 - b. All forms in one DLN block should balance to the Form 813.
 - c. Prepare Form 8166 for journal entry. Form 8166 should include, at a minimum, DLN and money amount.
- (2) Journal the Form 2424 or Form 3809.
 - a. Using the RRACS 400 window, which can be found under the Accounting Application Main Menu under Miscellaneous Applications, input the total amount.
 - b. The journal entry will be a debit to either account 4120 (BMF), 4220 (IMF) or 4420 (NMF) and a credit to either account 4120 (BMF), 4220 (IMF) or 4420 (NMF) depending on the documents.
- (3) The journal number must be labeled on all supporting documentation.
 - a. Send Form 813 to the Data Control Function for input to SCCF.
 - b. Forward Form 813, Part 1 and documents for MF to Batching for processing.
 - c. RACS will input the Form 813 information of the NMF documents into ANMF using the Form 813 Block Control screen and route the NMF documents to the NMF function for input to ANMF. After successful input to ANMF, the journal will be automatic to the RRACS system with a 141 journal and automatic to SCCF, closing the DLN.
 - d. RACS will then input the journal number to ANMF using the UPDATE Journal screen. Use the transmittal recap of summary.

- (4) If a manual journal entry is needed, NMF will route the recap to RRACS for input.
 - a. Journal the NMF recap using the RRACS 400 window, which can be found under the Accounting Application Main Menu under Miscellaneous Applications.
 - b. The journal entry will be a debit to either account 4420 (NMF), Account 1321,1322, 1324, 1360, 1371, 1389 or 1830 and a credit to either account 4420 (NMF), account 1321,1322, 1324, 1360, 1371, 1389 or 1830 depending on the recap.
 - c. Reclassify, if necessary, using a 250 window.
- (5) RACS will input the journal number to ANMF using the UPDATE Journal screen. Use the transmittal recap of summary.

3.17.64.7.2.7
(09-01-2011)

**NMF Subsequent
Transactions Debits and
Credits
(RRACS Window 400)**

- (1) RACS will receive various posting documents with a Form 813. Ensure first a journal entry has been completed.
- (2) RACS will input the Form 813 information into ANMF using the Form 813 Block Control screen and route the NMF documents to the NMF function for input to ANMF system. After successful input to ANMF, the journal will be automatic to the RRACS system with a 141 journal and automatic to SCCF, closing the DLN.
- (3) RACS will then input the 141 journal number to ANMF using the UPDATE Journal screen. Use the transmittal recap of summary.
- (4) If manual journal entry is needed, NMF will route the recap to RACS for input.
- (5) Journal the NMF recap using the RRACS 400 window, which can be found under the Accounting Application Main Menu under Miscellaneous Applications.
- (6) Depending on the type of document, the journal entry will be as follows :
 - a. Debit document - debit either account 1321,1322, 1324, 1360, 1371, 1389 or 1830 and credit account 4420, NMF.
 - b. Credit document - credit either account 1321,1322, 1324, 1360, 1371, 1389 or 1830 and debit account 4420, NMF.
 - c. Label journal identification number on related documents.
 - d. RACS will then input the journal number to ANMF using the UPDATE Journal screen. Use the transmittal recap of summary.
 - e. Distribute documents accordingly.
- (7) Debits/Credits from NMF unpostables account 4430 will be processed using normal procedures.
 - a. RACS will receive various posting documents with a Form 813. Ensure first a journal entry has been completed and documents have been distributed accordingly.
 - b. RACS will input the Form 813 information into ANMF using the Form 813 Block Control screen and route the NMF documents to the NMF function for input to ANMF system. After successful input to ANMF, the journal will be automatic to the RRACS system with a 141 journal.
 - c. RACS will then input the journal number to ANMF using the UPDATE Journal screen. Use the transmittal recap of summary.

3.17.64.7.2.8
(09-01-2011)
**NMF Abatements/Form
2188
(RRACS Window 400)**

- (1) RACS will receive scheduled Form 1331 or Form 1331-B with Form 813 and Form 2188.
- (2) Input Form 813 data to ANMF Form 813 Block Control screen and route the NMF documents to the NMF function for input to ANMF system. After successful input to ANMF, the journal will be automatic to the RRACS system with a 141 journal as a debit to account 4440 (Assessment and Abatement Suspense) and a credit to an NMF Status.
- (3) If a manual journal entry is needed, use a 400 window under Accounting Applications.
- (4) Label journal identification number on related Form 1331, NMF recap or Form 8166 for audit trail.
- (5) RACS will then input the journal number to ANMF using the UPDATE Journal screen. Use the transmittal recap of summary.
- (6) Transfers from Manual Assessment, Transit account 1600 may be required. The unpaid balance of all manual assessments is initially established in account 1600.
 - a. Input Form 813 data to ANMF Form 813 Block Control screen and route the NMF documents to the NMF function for input to ANMF system. After successful input to ANMF, the journal will be automatic to the RRACS system with a 141 journal.
 - b. Label journal identification number on source document for audit trail.
 - c. RACS will then input the journal number to ANMF using the UPDATE Journal screen.

3.17.64.7.2.9
(09-01-2011)
**Transfers Of NMF
Abatement Credits to MF
(RRACS 400 Window)**

- (1) Journal transfer of NMF abatement credits to the MF suspense accounts. Form 2188 occasionally have Form 2424 or Form 3809 attached for transfer of the abatement credits to a MF account.

If	Then
Form 2424	Journal using a 400 window and set up on SCCF. Debit account 4420 and credit applicable MF suspense account.
	Work back of NMF Form 813, Part 2 and input to post on NMF TDCS. Journal as debit to account 4440 and credit to account 4420.
Form 3809	Journal as a debit to account 4440, credit to applicable MF suspense account. Set up MF DLN on SCCF and input document to post credit to taxpayer's MF account.

3.17.64.7.2.10
(09-01-2011)
**NMF Accounts
Written-Off
(RRACS Window 400)**

- (1) NMF accounts can be written off systemically or manually if the accounts meet certain criteria.
 - a. Small credits (less than \$1.00) - posts with TC 607.
 - b. Small debits (less than \$5.00) - posts with TC 606.
 - c. Expired Collection Statute accounts except account 1371 and account 1389 are systemically written off to account 6600.

- (2) Systemically written off accounts are completed weekly and the journal will be automatic to the RRACS system with a 141 journal.
 - a. RACS will then input the journal number to ANMF using the UPDATE Journal screen. Use the transmittal recap of summary.
- (3) For manually written off accounts, RACS will receive a posting document (e.g., Form 3177, Form 53, Form 5147)
 - a. RACS will input the Form 813 information into ANMF using the Form 813 Block Control screen and route the documents to the NMF function for input to ANMF. After successful input to ANMF, the journal will be automatic to the RRACS system with a 141 journal.
 - b. RACS will then input the journal number to ANMF using the UPDATE Journal screen. Use the transmittal recap of summary.
- (4) If a manual journal entry is needed NMF will route the recap to RACS for input.
- (5) Journal the NMF recap using the RRACS 400 window, which can be found under the Accounting Application Main Menu under Miscellaneous Applications.
- (6) Depending on the type of write-off, the journal entry will be as follows :
 - a. Small Debits Cleared - Debit account 6540 and credit not limited to any one NMF account.
 - b. Small Credits Cleared - Credit account 6540 and debit not limited to any one NMF account.
 - c. Status 53 - Debit account 1830 and credit account 13XX NMF Accounts Receivable.
 - d. Reversal of Status 53 -Debit account 13XX and credit account 1830.
 - e. NMF Account Statute cleared - Debit account 6600 and credit account 1830.
 - f. Reversal of NMF Account Statute Cleared - Debit account 1830 and credit account 6600.
- (7) RACS will then input the journal number to ANMF using the UPDATE Journal screen.

3.17.64.7.2.11
(09-01-2011)

**NMF Applications From
Dishonored Check File
(RRACS Window 400)**

- (1) RACS will receive the DCF 03 run, which may contain NMF documents.
- (2) NMF applications from the DCF will generate Form 4830.
- (3) RACS will receive Form 4830 with Form 813.
- (4) Balance Form 813 to DCF 03, Transaction Register of NMF applications.
- (5) Journal Form 4830.
 - a. Using the RRACS 400 window, which can be found under the Accounting Application Main Menu under Miscellaneous Applications, input the total amount.
 - b. The journal entry will be a debit to 4420 (NMF) and a credit to 1710 (Dishonored Check).

Note: All DLNs for current fiscal year must be reclassified as a debit 2110 and a credit to the revenue receipt tax class.

- c. The journal number must be labeled on the DCF 03 run and the supporting documentation.
- (6) RACS will input the Form 813 information into ANMF using the Block Control screen and route the documents to the NMF function for input to ANMF.
- (7) Route Form 813 to Data Control for input to the SCCF.
- (8) After successful input to ANMF, the journal will systemically post to the RRACS system with a 141 journal and automatically close the DLN on SCCF.
- (9) RACS will then input the journal number to ANMF using the UPDATE Journal screen. Use the transmittal recap of summary.

3.17.64.7.2.12
(09-01-2011)

Reversal of Erroneous Abatement

- (1) When it has been determined that an account has been erroneously abated and the period for correcting it on IDRS has expired, the case is routed to the Statute function for controlling and monitoring purposes. Accounting will receive a request for the reversal of an erroneous abatement from Statute. See IRM 25.6, Statute of Limitations and IRM 3.17.46, Automated Non-Master File Accounting for additional information on processing by Statute and NMF.

3.17.64.7.3
(09-06-2017)

Credit Transfers

- (1) Credit transfers between NMF and MF accounts and NMF to NMF, within the same campus, will be accomplished by using either a Form 2424 or Form 3809.
- (2) Credit transfers of NMF credits to NMF campus will be accomplished by using a Form 2158. Form 2158 has a maximum processing cycle of six workdays from the date received in accounting, per IRM 3.30.123, Processing Timeliness: Cycles, Criteria and Critical Dates.

3.17.64.7.3.1
(09-01-2011)

General Ledger Accounts for Credit Transfers

- (1) The following are the accounts associated with Credit Transfers.

3.17.64.7.3.1.1
(03-11-2016)

Account 4740 Deposit Funds in Transit (Real Account, CR Normal Balance)

- (1) This liability account will be used to control deposit fund items in the process of being transferred to other campuses. Deposit fund items determined proper for transfer will be recorded in this account upon preparation of Form 2158.
- (2) Credit transfers remain the accountability of the transfer campus until a receipted copy of the transfer is received and recorded. A maximum processing cycle of six workdays, per IRM 3.30.123, Processing Timeliness: Cycles, Criteria and Critical Dates, has been established, where confirmation should be received and posted. This required timeline will be especially beneficial for fiscal year-end closing. Credit transfer may not be rejected by transferee campus. If transfer is not acceptable, re-transfer on Form 2158.
- (3) This account is supported by individual records in the database file marked with the transfer indicator awaiting confirmation. These items in the database

make up the external subsidiary record for account 4740 within RRACS. Externally, this account will be supported by Form 2158.

Note: A special effort must be made to clear the items in account 4740 before fiscal year-end.

3.17.64.7.3.1.2
(03-11-2016)

Account 4900 Revenue Credits in Transit to Other Campuses (Real Account, CR Normal Balance)

- (1) This liability account must be used to record amounts of revenue receipt credits in process of transfer to other offices for application to taxpayer accounts. The balance in this account represents the total of revenue credits in transit on Form 2158, receipt of which has not been acknowledged by the transferee offices.
- (2) Credits transferred to other campuses remain the accountability of the transferer campus. Credit transfers may not be rejected by transferee campus. If transfer is not acceptable, re-transfer on Form 2158. Per IRM 3.30.123, Processing Timeliness: Cycles, Criteria and Critical Dates, a maximum processing cycle of six workdays (from the date received by Accounting) has been established, by which time confirmation should be received and posted. This required timeline will be especially critical for fiscal year-end closing.

Note: A special effort should be made to clear the items in account 4900 before fiscal year- end.

- (3) Externally this account will be supported by a suspense file consisting of copies of Form 2158 identifying each credit being transferred.

3.17.64.7.3.1.3
(09-01-2011)

Account 6580 Revenue Credits Transferred to and from (Nominal Account, DR/CR Normal Balance)

- (1) This account is used to record the transfer of revenue credits between two separate campuses. Credit may be transferred to MF either manually by use of Form 2158 or systemically.
- (2) Transfers on Form 2158 will be initially recorded in the In-Transit account 4900 in the transferrer campus. These transfers will be recorded in account 6580 of the transferrer campus upon acknowledgement of receipt by the transferee campus. Upon receipt, transferee campus will record the transfer in account 6580.
- (3) Automatic transfers between master file accounts will be reported on the SC Recap and recorded in account 6580, in both the transferrer and the transferee campus, upon receipt of the SC Recap.
- (4) Transfers are recorded as a credit to this account by the transferrer campus and a debit to this account by the transferee campus.

3.17.64.7.3.1.4
(09-01-2011)

Account 6590 Deposit Fund Credit Transferred to and from (Nominal Account, DR/CR Normal Balance)

- (1) This account is used to record accomplished transfers of deposit fund credits between two separate campuses on Form 2158. Transfers of deposit fund credits will be initially recorded in account 4740 by the transferrer campus and moved to this account upon acknowledgement by the transferee campus. Transferee campus will record the transfer in this account upon receipt.
- (2) Transfer will be recorded as a credit to this account by the transferrer campus and a debit to this account by the transferee campus.

3.17.64.7.3.2
(09-01-2011)
**Credit Transfer Out
Report
(RRACS Report 142)**

- (1) This report tracks revenue receipts in transit to campuses through account 4900, by Document-ID and by debits and credits. The Document-ID format is XXXX-XX-XX-XX. The first four digits are the sequence number, the fifth and sixth digits are the campus transferred to, the seventh and eighth digits is the year and the ninth and tenth digits are the campus it is transferred from. See IRM 3.17.21, Credit and Account Transfers, for further information.
- (2) This report is produced monthly. The current month activity equals the current balance on the Daily Trial Balance Report.

3.17.64.7.3.3
(09-01-2011)
**Credit Transfers Out
(Form 2158)
(RRACS Window
435/436/437/438)**

- (1) Credits and debits applicable to taxpayer accounts in other campuses are often received. Credits and debits on IMF or BMF are offset in the master file posting runs and journalized systemically from the SC Recap. Available credits and debits not on master file will be transferred on Form 2158, Credit Transfer Voucher.

Note: Due to fiscal year-end, the campuses **should not** initiate a credit transfer (Form 2158) after September 15th. For more information see IRM 3.17.21.4, Credit Transfers between Campuses.

- (2) Source documents for credit/debit transfers may include but is not limited to the following documents:
 - a. Form 3244, Payment Posting Voucher
 - b. Form 2424, Account Adjustment Voucher
 - c. Form 3809, Miscellaneous Adjustment Voucher
 - d. Form 1331, Notice of Adjustment
 - e. Form 4830, IDRS Multi-Purpose Posting Document
 - f. URF 03 run
 - g. DCF 03 run
 - h. Various subsequent transaction documents
- (3) RACS will receive a Form 2158, with supporting documentation. The Form 2158 must contain which account the debit or credit transfer is coming from and a Trace ID number.
- (4) The serial number of the Form 2158 will be used as the DOC-ID in RRACS.
- (5) The journal entry will vary depending upon whether the documents are credits or debits.
- (6) For a **credit** transfer out, using the RRACS 435 window, which can be found under the Accounting Application Main Menu, Credit Transfer Out, input the amount.
 - a. The journal entry will be a debit to either 1710 (Dishonored Checks), 1321, 1322, 1324, 1360, 1371, 1389 or 1830 (NMF Statuses), 4420 (NMF), 4430 (NMF Unpostables), 4620 (Unidentified), 6310 (Miscellaneous Fees), 6400 (Miscellaneous Revenue Collections) or 6800 (Excess Collections) and a credit to 4900 (Revenue Credits In Transit to Other Campuses).
- (7) For a **debit** transfer out, using the RRACS 436 window, which can be found under the Accounting Application Main Menu, credit Transfer Out, input the amount.

- a. The journal entry will be a debit to 4900 (Revenue Credits In Transit to Other Campuses) and a Credit to either 1710 (Dishonored Checks), 1321, 1322, 1324, 1360, 1371, 1389 or 1830 (NMF Statuses), 4420 (NMF), 4430 (NMF Unpostables), 4620 (Unidentified), 6310 (Miscellaneous Fees), 6400 (Miscellaneous Revenue Collections) or 6800 (Excess Collections).
- (8) Journal identification number will be labeled on the Form 2158 and any supporting documentation. Send documents to receiving campus.
- (9) If the transfer is from the deposit funds (Offer in Compromise, Seized Property and Miscellaneous Deposit Funds), the deposit fund document number must be input. This number must match the deposit fund record in the gaining campus.
- (10) For a **credit** deposit fund transfer out, using the RRACS 437 window, which can be found under the Accounting Application Main Menu under Credit Transfer Out, input the amount.
 - a. The journal entry will be a debit to either 4710 (Offer in Compromise), 4720 (Seized Property) or 4730 (Miscellaneous Deposit Funds) and a credit to 4740 (Deposit Funds In Transit).
- (11) For a **debit** deposit fund transfer out, using the RRACS 438 window, which can be found under the Accounting Application Main Menu under Credit Transfer Out, input the amount.
 - a. The journal entry will be a debit to 4740 (Deposit Funds In Transit) and a credit to either 4710 (Offer in Compromise), 4720 (Seized Property) or 4730 (Miscellaneous Deposit Funds).
- (12) Journal identification number will be labeled on the Form 2158 and any supporting documentation. Send documents to receiving campus.

3.17.64.7.3.4
(09-01-2011)
**Credit Transfers-In
(Form 2158)
(RRACS Windows
441/442/443/444)**

- (1) RACS will receive Form 2158, Part 3, from other campuses. Form 2158 must include a Trace ID. Form 2158 is normally used to transfer NMF credits between campuses. In some cases, abatements, debits and deposit funds are also transferred.
- (2) The serial number of the Form 2158 will be used as the DOC-ID on RRACS.
- (3) The journal entry will vary depending upon whether the document is credit or debit money.
- (4) For a **credit** transfer in, using the RRACS 441 window, which can be found under the Accounting Application Main Menu under Credit Transfer In, input the amount.
 - a. The journal entry will be a debit to account 6580 (Revenue Credit Transferred To and From) and a credit to either account 4420 (NMF), 6310 (Miscellaneous Fees) or 6400 (Miscellaneous Revenue Collections).
- (5) For a **debit** transfer in, using the RRACS 442 window, which can be found under the Accounting Application Main Menu under Credit Transfer In, input the amount.

- a. The journal entry will be a debit to either account 4420 (NMF), 6310 (Miscellaneous Fees) or 6400 (Miscellaneous Revenue Collections) and a credit to account 6580 (Revenue Credit Transferred to and from).
 - (6) Journal identification number will be labeled on the Form 2158 and any supporting documentation.
 - (7) If the transfer is to the deposit funds (Offer in Compromise, Seized Property and Miscellaneous Deposit Funds), the deposit fund document number must be input. This number must match the deposit fund record already established on RRACS.
 - (8) For a **credit** deposit fund transfer in, using the RRACS 443 window, which can be found under the Accounting Application Main Menu under Credit Transfer In, input the amount.
 - a. The journal entry will be a debit to account 6590 (Deposit Fund Credit Transferred to and from) and a credit to either account 4710 (Offer in Compromise), 4720 (Seized Property) or 4730 (Miscellaneous Deposit Funds).
 - (9) For a **debit** deposit fund transfer in, using the RRACS 444 window, which can be found under the Accounting Application Main Menu under Credit Transfer In, input the amount.
 - a. The journal entry will be a debit to either account 4710 (Offer in Compromise), 4720 (Seized Property) or 4730 (Miscellaneous Deposit Funds) and a credit to account 6590 (Deposit Fund Credit Transferred to and from).
 - (10) Journal identification number will be labeled on the Form 2158 and any supporting documentation.
-
- (1) Originating campus will receive the confirmation copy of Form 2158 back from receiving campus for confirmation on RRACS. The RACS function will receive confirmed Form 2158, both revenue receipt and deposit fund transfers. Form 2158 cannot be rejected. If credit cannot be processed in the receiving campus, re-transfer on a new Form 2158 per IRM 3.17.21, Credit and Account Transfers.
 - (2) The serial number of the Form 2158 will be used as the DOC-ID on RRACS.
 - (3) The journal entry will vary depending upon whether the document is credit or debit money.
 - (4) For a **credit** confirmation, using the RRACS 446 window, which can be found under the Accounting Application Main Menu under the confirmation drop down menu pick "Rev Rec CR 2158", input the amount.
 - a. The journal entry will be a debit to account 4900 (Revenue Credits in Transit to Other Campuses) and a credit to account 6580 (Revenue Credit Transferred to and from).
 - (5) For a **debit** confirmation, using the RRACS 447 window, which can be found under the Accounting Application Main Menu under the confirmation drop down menu pick "Rev Rec DR 2158", input the amount.

3.17.64.7.3.5
(09-01-2011)
**Credit Transfer-Out
(Confirmed Form 2158)
(RRACS Windows
446/447/448/449)**

- a. The journal entry will be a debit to account 6580 (Revenue Credit Transferred to and From) and a credit to account 4900 (Revenue Credits in Transit to Other Campuses).
- (6) For a **credit** deposit fund confirmation, using the RRACS 448 window, which can be found under the Accounting Application Main Menu under the confirmation drop down menu pick "Deposit Fund CR 2158", input the amount.
 - a. The journal entry will be a debit to account 4740 (Deposit Funds in Transit) and a credit to account 6590 (Deposit Fund Credit Transferred to and from).
- (7) For a **debit** deposit fund confirmation, using the RRACS 449 window, which can be found under the Accounting Application Main Menu under the confirmation drop down menu pick "Deposit Fund DR 2158", input the amount.
 - a. The journal entry will be a debit to account 6590 (Deposit Fund Credit Transferred To and From) and a credit to account 4740 (Deposit Funds in Transit).
- (8) Journal identification number will be labeled on the Form 2158 and any supporting documentation.

3.17.64.7.4
(09-01-2011)
**Department of Justice
(DOJ)**

- (1) The Kansas City SPC receives and processes monies collected through the Department of Justice (DOJ) because of court actions and IRS referrals to DOJ for collection.
- (2) Intra-Governmental Payment and Collection (IPAC) provides a standardized interagency fund transfer mechanism for federal program agencies. Monies received by DOJ because of civil litigation are transferred to the IRS via an IPAC 1081, Voucher and Schedule of Withdrawals and Credits. A detailed listing to support transfer of funds is mailed to IRS by DOJ along with the individual payments comprising the total amount transferred via IPAC 1081.

3.17.64.7.4.1
(09-01-2011)
**General Ledger
Accounts for DOJ**

- (1) The following accounts are used to process IPAC receipts and checks from the DOJ.

3.17.64.7.4.1.1
(09-01-2011)
**Account 2355 Federal
Court Ordered
Restitution
(Nominal Account, DR
Normal Balance)
(TAS 20-3220)**

- (1) This receipt account represents monies collected for court-ordered restitution of fines, penalties and court costs. This also includes court-ordered restitution more than the assessable amount. These payments should be received with information identifying into which category they fall.
- (2) All payments will be journaled and transferred with the support documentation to Kansas City SPC Accounting function.

3.17.64.7.4.1.2
(09-01-2011)

**Account 4975 Liability
DOJ Receipts
(Real Account, CR
Normal Balance)**

- (1) This liability account is used to control unapplied items from DOJ, until research can be accomplished to determine appropriate application or reversal to DOJ. These accounts will be maintained in an external subsidiary file consisting of a copy of the listings, cross-referenced with the applicable journal number. As each item is identified and applied, the supporting subsidiary document should be annotated, and the remaining balance corrected to assist in the monthly reconciliation.
- (2) Items placed in this account will be subject to expedited research to determine proper application and will be transferred to the proper taxpayer's account upon identification.
- (3) For large files, a quarterly balancing must be performed to ensure the accountability of the documents.
- (4) If any items cannot be resolved through research and follow-up with DOJ and have been in the account for over two years, administrative action may be requested. All cases should be fully documented regarding research performed, destruction of records, contacts, related correspondence, etc., to demonstrate that resolution is no longer possible. Once approval has been granted, these items will be transferred to account 6800, Excess Collections. Authority for approving such action may not be delegated below Operation Manager level..

3.17.64.7.4.1.3
(06-25-2015)

**Account 2915 DOJ
Receipts
(Real Account, DR
Normal Balance)
(TAS 20F3844)**

- (1) All DOJ IPAC receipts will be reflected in account 2915.
- (2) IPAC amount is reported directly to CARS under TAS 20F3844.
- (3) On the application window, reclassification is necessary from account 2915 to the account series 21XX, 23XX, 24XX and 7002.
- (4) Due to a two- year statute, BFS has determined that TAS 20F3855.11 is not the proper TAS to hold the DOJ transactions. The receipts will be reported under TAS 20F3844 to track these transactions separately.

3.17.64.7.4.1.4
(09-08-2025)

**Account 6400
Miscellaneous Revenue
Collections
(Nominal Account, CR
Normal Balance)
(Account Active in All
Sites)**

- (1) This account is used to record the amount of collection received as a result of judgments for fines, penalties or court costs asserted by federal courts incident to evasion of payment of taxes, offers accepted in lieu of such liabilities and other non-assessable specific penalty offers.
- (2) This account is also used to record miscellaneous collections that are not assessable on the taxpayer's account.
- (3) This account is used to record all monies/revenue collected for:
 - a. **2310** Treaty Country Receipts **(20-3220)**.
 - b. **2320** Miscellaneous receipts not attributable to fees or assessed tax, penalty and interest **(20-3220)**.
 - c. **2325** Misc. Forfeiture Receipt **(20-1099)**.
 - d. **2345** Presidential Election Campaign **(20X5081.1)**.
 - e. **2350** Public Debt **(20X5080.1)**.
 - f. **2355** Federal Court Ordered Restitution for Costs and Penalties **(203220)**.
 - g. **2360** Conscience fund **(20-1210)**.
 - h. **2365** LIFO Payments, Rev Proc 9744 Settlement Payments **(20-3220)**.
 - i. **2370** Mortgage Subsidy Bond Receipt **(20-3220)**.

- (4) The nine individual accounts mentioned above must be balanced and maintained separately within account 6400 by all campuses.
- (5) Maintain a listing of all miscellaneous receipts under 20-3220. This information will be used for disclosure in the IRS Consolidated Financial Statement.
- (6) Prepare a worksheet of the nine individual accounts including the journal number and amount. Initial and date when balanced monthly, forward to manager or lead quarterly for review. Manager or lead must initial and date their review quarterly on the worksheet.

3.17.64.7.4.1.5
(09-01-2011)

Account 6950 DOJ Civil Debt Collection Holdback (Nominal Account, DR Normal Balance)

- (1) Each year the appropriations act for DOJ authorizes it to retain 3% of all amounts collected, pursuant to DOJ's civil debt collection litigation activities.
- (2) Account 6950 is used to record and journal the 3% amount retained by DOJ.
- (3) Form 3809 are the external subsidiary record.

3.17.64.7.4.2
(09-01-2011)

Deposit of Collections From Civil Judgments (RRACS Window 541)

- (1) The Debt Management Section (DMS) of DOJ will transfer to Kansas City (ALC 2009-0900) any funds collected. All transfers will be made via IPAC.
- (2) This Intra-Governmental Payment and Collection System Receipt (IPACR) will be supported by a listing showing the debtor's name and SSN, interest computation date, cause of the action, collection office claim number, dollar amount, and a collection office referral number. Upon receipt of the IPACR, Accounting will enter TAS 20F3844 (if not already present) and ensure that the total of the amounts on the listing equals the amount shown on the IPACR.
- (3) After verification of the amount of IPACR and the support listings, the amount will be journaled into RRACS using a 541 window, which can be found under the Disbursement, IPAC Receipts, IPAC DOJ which will debit account 2915 (IPAC DOJ Receipts) and credit account 4975 (DOJ Liability Receipt). The support listing will be used to determine where the payments should be applied.
- (4) The payments will be reclassified from account 20F3844 to the appropriate receipt account.
- (5) Forward the source documents to the appropriate area for research and balancing. Necessary documents will be prepared and input to apply the payments to the proper taxpayer accounts.
- (6) If the funds were erroneously transferred, the specified DOJ collection officer should be contacted, and DOJ will execute an IPAC to transfer the incorrect item back to DMS.
- (7) If the funds are returned to DOJ, any actions taken in item (3) above must be reversed. The new Intra-Governmental Payment and Collection System Disbursement (IPACD) returning the funds to DOJ is input to RRACS.

3.17.64.7.4.3
(07-29-2021)

Applying DOJ Payments

- (1) Civil payments can be applied using four different methods:

- a. Apply to Taxpayer account: RACS will receive Form 2424 to debit account 4975, DOJ Liability account and credit taxpayers account 4220 (IMF), 4120 (BMF) or 4420 (NMF) as appropriate and Form 813 (2) copies.
 - b. Apply to account 6800, Excess Collection: RACS will receive Form 2424 to debit account 4975 DOJ Liability and credit account 6800 Excess Collection with Form 8758 to the Excess Collection File.
 - c. Leave credit in account 4975 DOJ Liability account.
 - d. FBAR, Form 2424 to debit 4975 and credit 4420 for transfer to Ogden. A Form 2158 is created to debit 4420 and facilitate the transfer.
- (2) Verify to ensure the posting documents balance to the Form 813 total.
 - (3) Verify to ensure all Form 813 and other forms prepared balance back to the IPAC document.
 - (4) RACS will journal the above documents using a 469 window, which can be found under Accounting Applications, TRACTS Application then IPACR Application. Follow the accounts listed on the posting documents for appropriate accounts.
- Note:** The Form 2424 must contain the manager's initials or their designee to show that it has been reviewed and approved.
- (5) RACS will also receive a Form 3809 to journal a 3% DOJ collection fee.
 - a. Journal Form 3809 using a 469 window, which can be found under Accounting Applications, TRACS Application, then IPACR Application. The journal entry will be a debit 6950 (DOJ Civil Debt Collection Hold-back) and credit account 4975 (DOJ Liability account).
 - (6) Label journal number on all documentation and file and distribute accordingly.

3.17.64.7.4.4
(07-29-2021)

Court Ordered Criminal Restitution Payments

- (1) Restitution is a legal remedy that can be ordered by the court, in a criminal case. A restitution order requires the criminal defendant to pay money or render services to victims to redress the loss the defendant has inflicted. Normally imposed during sentencing, it can be agreed to by the parties in a plea agreement or imposed as a condition of probation or supervised release.
- (2) In a criminal tax case, the offense generally results in the loss of government property, example; the money to which the government was entitled under the tax laws but which the defendant did not pay. Through a restitution order, a court can require a defendant to pay money to the IRS to redress the losses he or she inflicted on the federal treasury.
- (3) In most criminal tax cases involving restitution, the amount of the tax loss is calculated from evidence admitted at trial or from information contained in the plea agreement and presented to the District Court at sentencing.
- (4) The August 16, 2010, law change allows the IRS to assess and collect restitution ordered in a tax case in the same way as if it were a tax.
- (5) Restitution should not be confused with civil tax liability.

- The amount of the loss a defendant can be ordered to pay as restitution must result from the defendant's criminal activity and that amount generally does not include civil tax penalties.
- A restitution order does not bar the IRS from determining civil tax liability in an amount greater than the amount ordered payable to the IRS as restitution.
- A restitution order also does not prevent a taxpayer from challenging the IRS's determination that the civil liability exceeds the amount of the restitution order.

- (6) Judgment and Commitment Orders (J & Cs) normally specify that defendants are to submit restitution payments to the Office of the Clerk of Court in the district in which the defendant was sentenced. This will generally include restitution payments required to be paid to the IRS.
- (7) The Clerk of Court has the responsibility for receiving, processing and recording restitution payments made by defendants. The Clerk of Court will forward the money (Treasury checks, personal checks and/or money order) to the victim(s) listed in the restitution order. Restitution funds meant for the IRS, received through the court are dispersed via US Treasury check. Criminal restitution payments made to the IRS should be mailed to the address below.
- (8) The Clerk of Court offices will disburse criminal restitution payments to the IRS by issuing Treasury checks to the IRS. Effective October 1, 2009, all criminal restitution payments to the IRS are processed by Kansas City Submission Processing, only. The Clerk of Court offices has been requested to send all criminal restitution payments to the following address:
 IRS
 Attn: Mail Stop 6261, Restitution
 333 W Pershing Road
 Kansas City, MO 64108

Exception: If criminal restitution payments are routed to an IRS office or campus other than Kansas City, they must be transshipped via overnight traceable method per Manual Deposit IRM 3.8.45.7.26, Department of Justice/Criminal Restitution Program Payments.

- (9) Inquiries received at other campuses regarding court ordered restitution

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- (10) Personal checks and/or money orders received directly from the taxpayer and not through the 'Clerk of Court' are still considered restitution payments if the payments are being made pursuant to a court order in a criminal case.

3.17.64.7.4.4.1
(07-29-2021)
Restitution Payment Processing

- (1) Criminal restitution checks are received daily from the courts.
- (2) Some payments received are split payments with partial money going to master file and part to account 6400 (Miscellaneous Revenue Collection).
- (3) RACS will receive an accounting package with Form 3244 and Form 2221, is journaled using 210 window debit 2355 and credit 6400.

- (4) Incoming restitution checks that have been assessed and will be credited to taxpayer modules are pulled by DOJ team process thru RPS system and receive systemic journals. There is no manual journal process for these items.
- (5) Criminal restitution payments can be applied from 6400 account if tax assessment is found. To apply, DOJ team creates Form 2424 and Form 813 that RACS will journal using window 400 to debit 6400 and tax class, credit master file (4120, 4220 or 4420) and 2355 account.

3.17.64.7.5
(09-08-2025)

Deposit Fund Inventory Control

- (1) The inventory control windows record the acquisition and disposition of seized property, acquired property and collateral.

3.17.64.7.5.1
(03-06-2019)

Seized Property

- (1) Seized property is controlled through the inventory control main menu. This inventory is maintained in RRACS. The Form 2433, Notice of Seizure, Part 7A, creates a new district office inventory record. The Form 2433, Part 7B, closes an AOI (Area Office Inventory) record when the seized property is disposed.
- (2) Each form must be verified to ensure complete and proper information for input is present. Each form must contain doc ID, date, and dollar amount. The seizure date must be used when inputting to the inventory account. Monthly reports are produced from these AOI records for individual field offices under the SP report main menu. These reports identify the record by doc ID. Form 2433, Part 7B, must match the doc ID of the record to be updated.
- (3) Entries are made from individual forms as follows:
 - 1. Form 2433, Notice of Seizure, Part 7A, new record. Window 320 (Seized Property Open) journal is a debit to account 3300, Seized Property and credit to account 4980, Liability for Inventory account.
 - 2. Form 2433, Part 7B, Closing entry. Window 321 (Seized Property Close) journal is a debit to account 4980 (Liability for Inventory Accounts) and credit to account 3300 (Seized Property, Ogden only).
- (4) Transcribe or stamp journal identification number on all forms for audit trail. Form 2433 must be filed in the case files. These files are not considered the subsidiary.

3.17.64.7.5.2
(03-06-2019)

Acquired Property

- (1) Seized property is assigned a minimum price prior to any public sale. If no successful bid (equal to or greater than the assigned minimum bid price) is received, the property may be declared for the government. Under these procedures, the federal government acquires title to real or personal property. These transactions are recorded as an acquisition:
 - a. Credit the taxpayer account for the bid-in amount via Form 2424 (Account Adjustment voucher) (credit). Attach Form 2424 (debit side) to a copy of Form 2436 (Seized Property Sale Report).
 - b. Form 2424 (credit) is established on the applicable service center control file (SCCF) required to apply the credit to the taxpayer's account. Cross-reference Form 2424 (debit) with the credit Document Locator Number (DLN).
- (2) Entries are made subsequently from the debit/credit documents. The journal is a debit to account 7100, Acquired Property and a credit to either account 4420

(NMF SCCF), 4120 (BMF SCCF) or 4220 (IMF SCCF). The doc ID assigned by field office is the doc ID and DLN of the credit. The doc ID assigned by the field office becomes the doc ID of the AOI record in RRACS. The date is the date the property is acquired. Any subsequent action to update this record must identify the record by doc ID. File Form 2436 with debit Form 2424 attached in case file. The journal number must be cross-referenced.

- (3) Acquired property may be disposed of by sale, donation (as to a museum), after loss (such as theft, spoilage, or destruction), by transfer to another federal agency or by disposal with proper approval.
- (4) Sales amounts received by the government upon the sale of acquired property are recorded as revenue receipts for the tax class of the original tax liability. Credit is applied to the acquired property account in the amount outstanding for the item of property sold. Any difference between the sale amount and the amount outstanding in the acquired property account is the profit or loss on sale. The entries upon disposition are made from the payment document.
- (5) With the proper authorization, any acquired property may be disposed of other than by sale.

3.17.64.7.5.3 (03-06-2019) **Collateral**

- (1) Collateral inventory is controlled through the inventory control main menu. This inventory is maintained in RRACS. Form 2276, Collateral Deposit Record, Part 3, creates a new AOI record. Form 2276, Part 5, closes the AOI record when collateral is released or converted.
- (2) Verify each form to ensure complete and proper information needed for input is present. Each form should contain the doc ID. Monthly reports are produced from these AOI records for individual field offices. These reports identify the record by doc ID. Entries are made from individual forms as follows:
 - a. Form 2276, Part 3, new record. Window 323 (Collateral Open), journal is a debit to account 3200, Collateral Held and credit to account 4980, Liability for Inventory Accounts, Ogden Only. Use date collateral accepted when posting to RRACS.
 - b. Form 2276, Part 5, closing entry. Window 324 (Collateral Close), journal is a debit to account 4980 and credit to account 3200.
- (3) Transcribe or stamp journal identification number on forms for audit trail. Form 2276 must be filed as case files. These files are not considered the subsidiary record.

3.17.64.7.6 (09-01-2011) **Dishonored Check File**

- (1) The Dishonored Check File (DCF) is a separate file within the Integrated Data Retrieval System (IDRS) containing records of all remittances returned to IRS by the depositaries upon which payment has been refused.

3.17.64.7.6.1 (09-01-2011) **General Ledger Accounts for Dishonored Checks**

- (1) The following accounts are associated with the dishonored check file:

3.17.64.7.6.1.1
(08-30-2016)

**Account 1510 Other
Receivables
(Real Account, DR
Normal Balance)**

- (1) This receivable account will be used to record amounts of receivables other than taxes collectible. This account represents receivables which have not been collected, assessed or written off as uncollectible. Account 1510 will be supported by copies of bills, debit vouchers or other documents showing the name of each debtor, amounts receivable and details of the transaction creating the indebtedness.
- (2) This account will also be used to clear unresolved debit items from SCCF and unprocessable debits from the DCF. This account will be supported by case history files recording approval of the campus director to remove them from the SCCF. These items will be supported by Form 3809 for non-revenue receipt items and Form 2424 for revenue receipt items.
- (3) Items referenced in (1) and (2) above remaining in this account after the statutory period for assessment has expired will be transferred to account 1840. The statutory period for assessment on unresolved debits from SCCF will be considered to have expired when the general assessment statute period has expired.

Example: When supporting tax documents show the taxable period, then the general statute ruling applies. The general assessment statute period has expired three years from the due date of the return or three years from the time the return was filed, whichever is later. When supporting tax documents cannot be located, after exhausting every means possible to retrieve them, use the Julian date of the DLN, apply the general assessment statute period (three years) and add one year (for a total of four years) to determine the presumptive statute expiration.

- (4) External subsidiary record is the file of documents used as described below:
 - a. Memo signed by director
 - b. Form 2424 or Form 3809
 - c. History sheet

3.17.64.7.6.1.2
(09-01-2011)

**Account 1710
Dishonored Checks
(Real Account, DR
Normal Balance)**

- (1) This receivable account will be used to record and control dishonored checks or money orders, previously recorded as collections for the IRS.
- (2) Account 1710 serves as a suspense account for these items while research operations are being performed to determine proper application to the taxpayer account. Individual items within the account are controlled and maintained on a magnetic tape file within IDRS.
- (3) After research and proper identification, items are removed from the IDRS file and posted as debits to the taxpayer account. Items remaining on the file after 367 days will be transferred to account 1510.
- (4) After the DCF file is balanced to all related SF 5515, sub-batches are prepared and tapes are run. Entries to RRACS are made from the SF 5515 and tapes. Annotate all journal numbers and amounts on the DCF 03 run. Make sure total of journals balances with total added to DCF file, plus or minus any adjustments or errors, as noted.
- (5) This account will also be used to record deposit discrepancies (losses) related to SF 5515. These items will be entered immediately onto the DCF for control purposes. Necessary research will be performed to determine the proper application of the debit. If, after 90 days, the debit cannot be resolved, it will be

transferred to account 7650, Deposit Discrepancies (See IRM 3.0.167, Losses and Shortages, for more information). The case must be documented with all actions taken to resolve the discrepancy. This documentation is needed to request relief of the loss.

(6) External subsidiary is the DCF on IDRS.

3.17.64.7.6.1.3
(11-17-2022)
Account 1720
Dishonored Check
Adjustments
(Real Account, DR/CR
Normal Balance)

- (1) This receivable account will be used to record any discrepancies between the SF 5515 and the total of the related dishonored checks associated with the debit voucher.
 - a. When SF 5515 is overstated, debit documents in the amount of the overstatement will be prepared and controlled in this account.
 - b. When SF 5515 is understated, credit documents in the amount of the understatement will be prepared and controlled in this account.
 - c. Items in this account will be cleared upon receipt of a supplemental or adjusting DT or DV.
- (2) The DCF function is responsible for contacting the bank, research and resolution.
- (3) This account will also be used to record EFTPS Electronic Reject/Offset Report (credit) and Electronic Reject/Offset Report (debit). The credit amount will be a rejected transmission that is included on a OTCnet deposit ticket. The debit amount will offset a credit amount and will always have a SF 5515 with the Electronic Reject/Offset Report.
- (4) This account will also be used to record ECP & ISRP Electronic Reject or Failed items. The credit amount will be a rejected or failed item that is included on ECP or OTCnet deposit ticket.
- (5) This account will also be used by the RACS team to record Pay.Gov payments until the closing agreement is received.
- (6) This account will be used by the RACS team at the end of month processing to record any debits, or credits not received but are reported on the CIR listing. RACS is responsible for providing documentation for these items.
- (7) External subsidiary record Form 2424 is the file of documents prepared individually for each adjustment.

Note: Every effort should be made to work items in this account within 90 days.

3.17.64.7.6.1.4
(10-28-2016)
Account 1840 Other
Receivable, Inactive
(Real Account, DR
Normal Balance)

- (1) This receivable account will be used to record the amounts of unresolved items for which the statutory period of assessments has expired.
- (2) Items in this account will be transferred from account 1510. These case history files will be supported by approval of the campus director.
- (3) Items may also be transferred from account 4810. These case files will be supported by administrative approval delegated no lower than the accounting operation manager.

- (4) Case files will be reviewed at least once yearly to determine the accounts on which the Collection Statute has expired and the manager should sign and date history sheet.
- (5) Upon expiration of the Collection Statute, items should be written off to account 6600.
- (6) External subsidiary records are the case history files.

3.17.64.7.6.1.5
(11-14-2014)

**Account 6700 Foreign
Check Collection Cost
and Miscellaneous Bank
Charges
(Nominal Account, DR
Normal Balance)**

- (1) This account is used to record charges by the depository banks or by the cash division of the Treasurer's office, for processing foreign checks and other miscellaneous fees (foreign and domestic), including encoding error charges. These charges will normally be made on SF 5515 or returned refund schedule.
- (2) External subsidiary record is the case file.

3.17.64.7.6.1.6
(08-30-2016)

**Foreign Check
Conversion Rate
Overage/Shortage**

- (1) If a financial institution does not use the original conversion rate when processing a returned foreign check, the difference may result in an overage or shortage.
- (2) Receive SF 5515 from the financial institution.
- (3) Compare the SF 5515 against the original deposit ticket. Determine if the shortage/overage is due to a conversion rate difference or a bank fee.
- (4) Once the item is added to the Dishonored Check File (DCF):
 - a. DR 1710 account/CR 2110 account via the 220 Window.
- (5) If the shortage/overage is due to a conversion rate difference, prepare Form 2424, Account Adjustment Voucher, with the applicable TC reversal (example; 611, 671, etc.).
 - a. DR 6700 account/CR 4220 account for the shortage, via window 400.
 - b. DR 4220 account/CR 6700 account for the overage, via window 400.
 - c. Annotate the SF 5515 number in the comments field.
- (6) If the shortage was a bank fee, see IRM 3.17.10.2.13 Other Dishonored Check Processing Actions.
- (7) External subsidiary record is the case file.

3.17.64.7.6.1.7
(11-14-2014)

**Miscellaneous Bank
Charges (Foreign and
Domestic)**

- (1) If a refund is returned undeliverable, the amount is returned to the Fiscal Service Regional Finance Center (RFC).
- (2) When the RFC cancels the returned refund, the check or wire transfer is returned to IRS for credit to the appropriate taxpayer's account.
- (3) Occasionally, the financial institution may charge a fee for processing the returned refund.
- (4) Upon receipt of the refund cancellation schedule from BFS:
 - a. Compare the total of the returned refund schedule to the amount of the original refund to determine the difference.

- b. Verify the shortage is a bank fee or miscellaneous bank charge (via the Payment Detail Record) and note the reason for the returned refund.
- (5) Complete the appropriate journal actions:
 - a. DR 5100 account/CR 4970 account for the returned refund schedule (SF 1098, SF 1091, SF 1184, SF 1185), via window 532.
 - b. DR 6700 account/CR 4970 account for the bank fee or miscellaneous bank charge via Form 3809, Miscellaneous Adjustment Voucher, via window 400. Annotate the returned refund schedule number and bank fee amount in the comments field.
- (6) Prepare Form 3245, Posting Voucher – Refund Cancellation or Repayment (see Exhibit 3.17.80-11, for blocking series).
 - a. Input TC 740 for the original refund amount, with the original refund posting date, of the undeliverable returned refund.

Note: The TC 740 should equal the original refund amount (the returned refund schedule amount plus the miscellaneous bank charge/bank fee.
- (7) Complete the journal action for Form 3245 (400 window):
 - a. DR 4970 account CR 4220 account for amount of the original refund.
- (8) External subsidiary record is the case file.

3.17.64.7.6.1.8
(06-25-2015)
**Account 7002 Deposit
Fund Receipts/
Disbursements**

- (1) This receipt and disbursement account records the receipt of monies to be placed in the deposit fund pending some subsequent action and to record the disbursement of deposit fund monies. Included in the account are amounts received because of seizure and sale action, amounts received from taxpayers with offers in compromise and miscellaneous receipt items held in this account pending legal action or proper application authority.
- (2) Receipts for this account are recorded upon preparation of OTCnet deposit ticket. The campus director is personally accountable for funds until deposits to the Treasury account are confirmed.
- (3) Deposit fund monies are considered monies held in trust by the government. No interest is paid on deposit fund monies refunded. However, when a sale results in surplus proceeds, interest may be paid on the surplus.
- (4) Individual records are maintained in the database. No external subsidiary record for this account is maintained. Amounts from this account are reported directly to CARS monthly.

3.17.64.7.6.2
(09-01-2011)
**Dishonored Check
Applications
(RRACS Window
210/220/400/411)**

- (1) RACS will receive the following DCF computer listings and documents from the Dishonored Check Function:
 - a. EOD 16, Pages 9 and 10
 - b. Form 2424
 - c. Form 4028
 - d. Form 4830
 - e. OTCnet - deposit tickets on redeposits or discrepancy washouts

- f. SF 5515
 - g. DCF 03 and DCF 05
- (2) EOD 16 run and DCF 05 run amounts should balance. These include the DCF applications to the MF accounts, both current and prior fiscal year.
 - (3) Journaling should be made from Pages 9 and 10 of EOD 16. Journaling of Current FY applications, Page 6, requires reclassification. The net reclassification to each tax class should be computed before going to the RRACS system for input. IDRS tape processing includes the journal entries of prior and current year DCF applications and related reclassifications for current fiscal year.
 - (4) Using the RRACS 411 window, which can be found under the Accounting Application Main Menu under Dishonored Check Apply, DCF/SCCF, journal each entry.
 - a. The journal entry will be a debit to either account 4120 (BMF), 4220 (IMF) or 4420 (NMF) and a credit to account 1710 (Dishonored Checks).
 - b. Reclassification will be required. The reclass will be a debit to 2110 (Withholding Revenue Receipts) and a credit to any tax classes involved.
 - (5) Restricted applications from the DCF should include corrections to previous input errors or deletions from the DCF because of redeposits. For all redeposits, a deposit ticket will be received and journaled through the RRACS 210 window, which can be found under the Deposit Main Menu under Deposit.
 - a. The journal entry will be a debit to 2110 (Withholding Revenue Receipts) and a credit to 1710 (Dishonored Checks). If the money on the SF 215 is not under tax class 1, a reclass is needed. The reclass would be a debit to the tax class on the SF 215 and a credit to 2110 (Withholding Revenue Receipts).
 - (6) SF 5515 debit vouchers will be journaled as follows.
 - (7) Using the RRACS 220 window, which can be found under the Deposit Main Menu under Debit Voucher, journal each debit voucher.
 - a. The journal entry will be a debit to account 1710 (Dishonored Checks) and a credit to 2110 (Withholding Revenue Receipts).
 - (8) Any Form 2424 or 4028 should be journaled using the RRACS 400 window which can be found under the Accounting Application Main Menu under Accounting Applications.
 - a. Journal according to the accounts stated on the documents.
 - (9) Distribute runs and documents to the balancing function in the Accounting DCF Team.
 - (10) Corrections to previous input errors will be "V" applies or "Z" applies.

Note: A "V" apply deletes a record completely and "Z" apply changes the amount. These should require no journal entry but should balance the DCF with previously journaled amount.

3.17.64.7.6.3
(03-04-2020)

**Dishonored Checks on
Miscellaneous Deposits
(RRACS Windows
412/413)**

- (1) Dishonored checks may be received on the following:
 - a. Deposit Funds account 7002
 - b. General Funds account 23XX
- (2) Any record on the DCF for one of these accounts should be voided and entries made from DCF 03. Source documents are required for each of these.
- (3) RACS will receive a photocopy of check and DCF worksheet with account number annotated and the document ID number.
- (4) For a deposit fund use the following journal:
- (5) Using the RRACS 413 window, which can be found under the Accounting Application Main Menu under Dishonored Check Apply, DCF/Deposit Fund, input each DOC-ID and amount separately.
 - a. The journal entry will be a debit to either account 4710 (Offer in Compromise), 4720 (Sales of Seized Property) or 4730 (Miscellaneous Deposit Funds) and a credit to account 1710 (Dishonored Checks).
 - b. Reclassification will be required. The reclass will be a debit to account 2110 (Withholding Revenue Receipts) and a credit to account 7002 (Deposit Fund Receipts).
- (6) For miscellaneous fees use the following journal:
- (7) Using the RRACS 412 window, which can be found under the Accounting Application Main Menu under Dishonored Check Apply, DCF/MISC Fee, input each amount separately.
 - a. The journal entry will be a debit to account 6310 (Miscellaneous Fees) and a credit to account 1710 (Dishonored Checks).
 - b. Reclassification will be required. The reclass will be a debit to account 2110 (Withholding Revenue Receipts) and a credit to either account 2310 (Treaty Money), 2315 (Arbitrage), 2320 (Miscellaneous Receipts), 2325 (Forfeiture), 2330 (EP/EO User Fees - Ogden SPC Only), 2340 (Photocopy Fee), 2350 (Public Debt), 2360 (Conscience Fund), 2370 (Mortgage Subsidy Bonds), 2380 (Original Installment Agreement), 2385 (Reinstatement Installment Agreement) or 2395 (OIC User Fee).
- (8) Label journal identification number on listing and/or documents for audit trail.
- (9) Distribute run and documents accordingly.

3.17.64.7.6.4
(09-01-2011)

**Dishonored Checks on
Unidentified
Remittances
(RRACS Window 404)**

- (1) RACS will receive from the Dishonored Check Function the DCF 03 daily run.
- (2) RACS will journal from the DCF 03 using a RRACS 404 window, which can be found under Accounting Application, Unidentified Apply, URF/MISC.
- (3) The journal will be a debit to account 4620, Unidentified Remittance and a credit to account 1710, Dishonored Checks. Reclass if necessary, using the same window.
- (4) Label journal identification number on listing and/or documents for audit trail.

- 3.17.64.7.7
(09-01-2011)
Electronic Federal Tax Payment System (EFTPS)
- (1) The Electronic Federal Tax Payment System (EFTPS) allows individuals and businesses to make electronic deposits and payments for federal taxes such as Employment Taxes, Excise Taxes, Corporate Income Taxes and Form 1040 Estimated taxes.
- 3.17.64.7.7.1
(09-01-2011)
General Ledger Accounts for EFTPS
- 3.17.64.7.7.1.1
(09-01-2011)
Account 4125 EFTPS/FPLP Suspense for MF BMF (Real Account, DR/CR Normal Balance)
- (1) This liability account is used to record all BMF electronic debits and credits that are in process in the campus for posting to the BMF. Upon receipt in the campus, amounts will be entered in account 4125 and will remain while processing is being accomplished. When processing is complete and items are on magnetic tape for shipment to ECC, they will be removed from this account.
- (2) This account is supported by the EPCF. All items placed in this account must be recorded in detail on the EPCF.
- 3.17.64.7.7.1.2
(09-01-2011)
Account 4225 EFTPS/FPLP Suspense for MF IMF (Real Account, DR/CR Normal Balance)
- (1) This liability account is used to record all IMF electronic debits and credits that are in process in the campus for posting to the IMF. Upon receipt in the campus, amounts will be entered in account 4225 and will remain while processing is being accomplished. When processing is complete and items are on magnetic tape for shipment to ECC, they will be removed from this account.
- (2) This account is supported by the EPCF. All items placed in this account must be recorded in detail on the EPCF.
- 3.17.64.7.7.1.3
(09-01-2011)
Account 4425 EFTPS/FPLP Suspense for NMF (Real Account, DR/CR Normal Balance)
- (1) This liability account is a suspense account for NMF and will be used to record control items received electronically by the campus for processing to the NMF accounts. The amounts of debits and credits will be cleared from this account upon application of the items to the NMF account.
- 3.17.64.7.7.1.4
(09-01-2011)
Account 4765 EFTPS/FPLP Misc. Suspense (Real Account, DR/CR Normal Balance)
- (1) This liability account is used to hold and control special fund amounts that have been received electronically.
- (2) The following EFTPS items can be included in account 4765:
- Payments for non-revenue accounts, such as user fees, conscience fund and public debt.
 - Payments received with an invalid tax type. These are reclassified when the tax type is corrected.
 - Payments or reversals determined to be unidentified by the EFTPS financial agent. The financial agent must send an offsetting transaction.
 - Batches that are rejected by the EFTPS load and validate program. The amount will be reclassified when the financial agent submits a processable batch.

3.17.64.7.7.1.5
(09-01-2011)

**Account 7001
Unclassified
EFTPS/FPLP
(Nominal Account, DR
Normal Balance)
(TAS 20F3820)**

- (1) This receipt account records the total unclassified EFTPS money amounts received but not yet classified to tax class.

3.17.64.7.7.2
(10-17-2024)

**EFTPS Deposit Ticket
Journal
(RRACS Window 210)**

- (1) Each deposit ticket sent by EFTPS to RRACS is based on the classification provided by the financial agent.
- (2) Use the DT/DV Summary Report as an index to make sure that all deposit tickets have been received and journaled and to validate the journal totals.
- (3) The automated journal number is 110. If a manual journal is required, journal using window 210, which can be found under the RRACS Main Menu under Deposit. Use a printed copy of the EFTPS deposit ticket to support each journal. The printed deposit ticket lists all the batch numbers that have been included on the deposit.
 - a. Debit the appropriate tax class in the account 2100 series or tax class 9, revenue suspense.
 - b. Credit one or more of the EFTPS suspense accounts.

Account Number	Account Name
4125	EFTPS Suspense for Master File - BMF
4225	EFTPS Suspense for Master File - IMF
4425	EFTPS Suspense for NMF
4765	EFTPS Miscellaneous Suspense

- (4) Deposit tickets are sorted by settlement date in EFTPS.
- (5) The deposit ticket does not identify user fees and non-revenue items. Non-revenue deposit items are classified into account 4765, then reclassified.
- (6) Deposit tickets from the Federal Payment Levy Program (FPLP) are journalized to different accounts because the money is received through IPAC.
 - a. When the money is received on IPAC, a manual journal is prepared to debit account 2926 and credit account 4765.
 - b. The EFTPS journal 114 debits account 4765 and credits account 2926 and debits the account 21XX tax classes and credits the appropriate EFTPS suspense accounts.
 - c. RRACS is programmed to recognize the FPLP deposit ticket journal record by the record code 5. Normal EFTPS deposit tickets contain record code 1.

3.17.64.7.7.3

(10-17-2024)

**EFTPS Debit Voucher
Journal
(RRACS Window 221)**

- (1) Each EFTPS debit voucher contains tax classification information provided by the financial agent.
- (2) Use the DT/DV Summary Report as an index to make sure that all debit vouchers have been received and journalized and to validate the journal totals.
- (3) Use the printed debit voucher as the source for journal entry.
- (4) The automated journal number is 111. If a manual journal is required, journal using window 221 to debit the appropriate suspense account and credit the account 21XX tax class.
- (5) For EFTPS debit vouchers, a manual journal from the IPAC record debits account 4765 and credits account 2926. Then the EFTPS 114 journal debits account 2926 and credits account 4765 and debits the appropriate EFTPS suspense accounts and credits the account 21XX tax classes. The journal record from EFTPS is identified by record code 6.

3.17.64.7.7.4

(09-01-2011)

**EFTPS Deposit
Reclassification Journal
(RRACS Automated
Window 112)**

- (1) The source document for the automated reclassification journal number 112 is the EFTPS reclassification summary. Any debit or credit transactions that can be reclassified by the EFTPS system is included on the EFTPS Reclassification summary, including the following types of transactions:
 - a. Any payment or debit record that was mis-classified by the financial agent.
 - b. Any record that was changed to a different tax class or MF by error correction.
 - c. Any record that was changed to a different tax class or MF because of an auto correction during load and validate.
 - d. Batches that have been rejected during EFTPS load and validate. The payment is reclassified to tax class 9, MF 7, until a corrected batch is re-submitted. Because the reclassification program is unable to determine the original MF, the EFTPS reclassification summary will show rejected batches as coming from BMF.
 - e. Special fund payments that were classified as tax class 9, revenue suspense, by the financial agent but were assigned tax type codes that EFTPS can further classify. EFTPS assigns a pseudo tax class, which is printed on the reclassification list. These include:

Tax Type	Pseudo Tax Class	Description
68770	P	Photocopy Fees
01210	C	Conscience Fund
54321	O	Installment Fee New
54323	R	Installment Fee REI
54324	E	OIC User Fee

- (2) Any other reclassification must be completed with a manual journal when the items are deleted from EFTPS suspense.
- (3) The EFTPS Reclassification summary is divided into two parts:

- a. Part 1 is the tax class reclassification containing the net change in tax classes, as identified by a comparison between the tax type codes and the deposit ticket and by changes in tax types made by error correction or auto correction.
 - b. Part 2 is the MF reclassification based on a comparison between the tax type codes and the MF in the batch header, plus MF changes created by auto correction and error correction.
 - c. Both parts include a net change column that can easily be used to create a reclassification journal.
- (4) The EFTPS reclassification list includes detailed information of the items that are being reclassified.

3.17.64.7.7.5
(09-01-2011)
EFTPS TEP Journal

- (1) A TEP journal record is prepared for each MF as EFTPS records are sent to ECC.
- (2) The automated journal number is 113. If a manual journal is required, use the EFTPS daily trans release summary to prepare journal 417 for BMF and 418 for IMF.
- (3) For the normal credit balance, debit the ECC suspense account and credit the EFTPS suspense account.
- a. For BMF, debit account 4110 and credit account 4125
 - b. For IMF, debit account 4210 and credit account 4225
- (4) If the report has a debit balance, debit and credit accounts are reversed.

3.17.64.7.7.6
(09-19-2017)
Electronic Federal Tax Payments System (EFTPS) Accounting Package

- (1) The EFTPS accounting package contains the following documents:
- a. OTCnet deposit ticket
 - b. Tax class summary report
 - c. EFTPS electronic reject/offset report
- (2) EFTPS transmits a file to RRACS. RRACS generates batch journal windows 110, 111, 112, 114 and post to RRACS.
- (3) The accounting technician:
- a. Verifies the OTCnet deposit ticket and supporting documentation against the EFTPS batch journals
 - b. If all agree, label the batch journal number on the OTCnet deposit ticket and supporting documentation
 - c. If an error occurs while labeling the EFTPS batch journal number on the deposit ticket (OTCnet) or supporting documentation, you should: put a line through the incorrect journal number, insert your initials, date the document and label the correct EFTPS batch journal number on the deposit ticket and supporting documentation
 - d. For discrepancies, submit a KISAM ticket to: BU-CFO-RFM-RA-RS & A
 - e. For batch journals failing to post to RRACS, submit a KISAM ticket to: &IT ACIOAD-RRACS-Developers. The technician may manually journal a 210 entry

- (4) RRACS produces the EFTPS Error Report (0126) when a problem arises with the EFTPS batch journal.

3.17.64.7.8
(10-17-2024)

Erroneous Refunds

- (1) Erroneous refunds resulting from administrative errors such as, misapplied payments, issuing duplicate refunds, direct deposit errors and incorrect tax adjustments are classified as Category "D" Erroneous Refunds and are maintained in the Erroneous Refund function. For additional information on Category "D" refunds, see IRM 21.4.5.4.5, Overview of Category D Erroneous Refunds.
- (2) The erroneous refunds are controlled in six general ledger accounts; account 1530, Court Case Erroneous Refund; account 1535, CI Court Ordered Restitution Erroneous Refund; account 1540, Non-Court Case Erroneous Refund; account 1543, Payment Over Cancellation Erroneous Refunds; account 1545, Identity Theft Erroneous Refunds and account 1547, Return Preparer Misconduct Erroneous Refunds.
- (3) Each case is controlled with a unique document number on Form 3809, Miscellaneous Adjustment Voucher. This document number allows for the tracking of an individual case from its inception to completion. It is a requirement to use the following format for the DOC-ID (case control number), **XXXX-XX-XXXX**, (which consists of calendar year, current ECC-MEM cycle of the erroneous refund and sequence number), on all erroneous refunds in accounts 1530, 1535, 1540 and 1543.
- (4) Electronic Identity Theft Erroneous Refund cases input via IDRS, the Doc ID format will be 14 digits consisting of the DLN of the transaction on IDRS with an inflated Julian date, a sequence number of 00, year digit and a letter for the decade starting in 2024 with A. The Identity Theft systemic cases will carry a DLN blocking series of 940–999 for TC 700 and TC 841. For further RRACS instructions for processing Identity Theft Erroneous Refunds see IRM 3.17.64.16.5, Identity Theft Erroneous Refund New Case Processing and IRM 3.17.64.16.9, Identity Theft Erroneous Refund Cleared.

Note: Any campus receiving new erroneous refunds from a consolidated campus, must include the first letter from that site at the end of the sequence number to identify the initiating campus for 1530, 1535, 1540 and 1543 accounts.

- (5) The erroneous refund RRACS windows 480, 481, 485 and 490 provide for the individual control and journal entry of erroneous refund case files, after a determination is made as to the type of recovery necessary.

3.17.64.7.8.1
(09-08-2025)

RRACS Reports Supporting Erroneous Refunds

- (1) The following are RRACS reports generated to support the Erroneous Refund program.

3.17.64.7.8.1.1
(07-29-2021)

Erroneous Refund Report (RRACS Report 0131)

- (1) This is a monthly report produced by the RRACS system. The current month activity must equal the current balance on the Daily Trial Balance Report.

- (2) The Erroneous Refund report helps the Erroneous Refund function track erroneous refunds by DOC-ID. This report lists erroneous refunds by accounts 1530 (court cases), 1535 (CI Restitution court cases) and 1540 (non-court cases). Each transaction is listed by DOC-ID, date, beginning balance, adjustment amount and current balance.
 - (3) This report will be made available at EOM for balancing purposes. A quarterly review should be done by the Erroneous Refund team to ensure the DOC-ID and amount balances to the account.
- 3.17.64.7.8.1.2
(10-28-2016)
Identity Theft Erroneous Refunds Monthly Activity Report (RRACS Report 155A)

 - (1) This is a monthly report produced by the RRACS system. The current month activity must equal the current balance on the Daily Trial Balance Report.
 - (2) The Identity Theft Erroneous Refund Monthly Activity report helps the Erroneous Refund function track ID Theft erroneous refunds by DOC-ID. This report lists erroneous refunds in account 1545, ID Theft Erroneous Refunds. Each transaction is listed by DOC-ID, date, beginning balance and current balance.
 - (3) This report will be placed in the DBA icon with the option to save as electronic version.
 - (4) This report will default to not print and user can retrieve it electronically.
- 3.17.64.7.8.1.3
(09-06-2017)
Identity Theft Erroneous Refunds Summary Report (RRACS Report 155B)

 - (1) This is a monthly report produced by the RRACS system. The current month activity must equal the current balance on the Daily Trial Balance Report and the current balance will equal to the Monthly Trial Balance Report.
 - (2) This report will be placed in the SPC Reports Main Menu/Miscellaneous folder.
- 3.17.64.7.8.1.4
(10-28-2016)
Identity Theft Erroneous Refunds Open Cases Report (RRACS Report 155C)

 - (1) This is a monthly report produced by the RRACS system.
 - (2) The Identity Theft Erroneous Refund Open Case report helps the Erroneous Refund function track ID Theft erroneous refunds by DOC-ID. This report lists all open erroneous refunds in account 1545, ID Theft Erroneous Refunds. Each transaction is listed by DOC-ID, date, beginning balance and current balance.
 - (3) This report will be placed in the DBA icon with the option to save as electronic version.
 - (4) This report will default to not print, and user can retrieve it electronically.
- 3.17.64.7.8.1.5
(09-10-2019)
Matched IDT Erroneous Refund Write-Offs (RRACS Report 155D)

 - (1) This is a monthly report produced by the RRACS system.
 - (2) This report lists all IDT erroneous refund cases that have matched. Each transaction is listed by date, DOC-ID and amount.
 - (3) This report will be placed in the SPC Reports Main Menu/Miscellaneous folder.

- 3.17.64.7.8.1.6
(09-10-2019)
**Unmatched IDT
Erroneous Refund
Write-Offs (RRACS
Report 155E)**
- (1) This is a monthly report produced by the RRACS system.
 - (2) This report lists all unmatched IDT erroneous refund cases. Each transaction is listed by DOC-ID, amount and error code type. Further research must be conducted.
 - (3) This report will be placed in the SPC Reports Main Menu/Miscellaneous folder.
- 3.17.64.7.8.1.7
(09-06-2017)
**Payment Over
Cancellation Erroneous
Refund Inventory Report
(RRACS Report 0156)**
- (1) This is a monthly report produced by the RRACS system. The current month activity must equal the current balance on the Daily Trial Balance Report.
 - (2) The Payment Over Cancellation (POC) Erroneous Refund Report helps the Erroneous Refund function track POC cases by DOC-ID. This report lists erroneous refunds in account 1543, Payment Over Cancellation Erroneous Refunds. Each transaction is listed by DOC-ID, date, beginning balance, adjustment amount and current balance.
 - (3) This report will be made available at EOM for balancing purposes. A quarterly review should be done by the Erroneous Refund team to ensure the DOC-ID and amount balances to the account.
- 3.17.64.7.8.1.8
(08-31-2018)
**Return Preparer
Misconduct Erroneous
Refund Inventory Report
(RRACS Report 0157)**
- (1) This is a monthly report produced by the RRACS system. The current month activity must equal the current balance on the Daily Trial Balance report.
 - (2) The Return Preparer Misconduct (RPM Erroneous Refund report helps the Erroneous Refund function track cases by DOC-ID. This report lists erroneous refunds in account 1547, Return Preparer Misconduct Erroneous Refunds. Each transaction is listed by DOC-ID, date, beginning balance, adjustment amount and current balance.
 - (3) This report does not need to be printed unless needed or requested however a quarterly review should be done by the Erroneous Refund team.
- 3.17.64.7.8.2
(09-01-2011)
**General Ledger
Accounts for Erroneous
Refunds**
- 3.17.64.7.8.2.1
(02-16-2022)
**Account 1530 Court
Case Erroneous Refund
(Real Account, DR
Normal Balance)**
- (1) This receivable account will be used to record erroneous refund receivables that result in a court case. Account 1530 will be supported by copies of bills, IDRS Letter 510C, court documents and TIGTA reports, debit vouchers or other documents showing the name of each debtor, amounts receivable and details of the transaction creating the indebtedness. This supporting information will be kept in the case file in the Erroneous Refund function.
 - (2) Employee fraud cases are controlled in account 1530. Access should be limited.
 - (3) When setting up the case on RRACS, use the TC 700 transaction date on Form 3809. This transaction date is the date of the erroneous refund (TC 840/846). Form 3809 should be stapled to the left side of the folder with the most current one on top and with a journal number clearly printed on each form.

- (4) The external subsidiary record for this account is the file of documents described above. For maintaining cases in this account refer to IRM 3.17.80.1.14.1, accounts 1530, Employee Fraud and/or Civil Suit Erroneous Refund Court Cases and account 1540, Non-Court Case Erroneous Refunds.

Note: Beginning in February 2022, due to a new guideline, hold off journaling from the 25th calendar day to EOM.

3.17.64.7.8.2.2
(09-01-2011)

**Account 1535 CI Court
Ordered Restitution
Erroneous Refund
(Real Account, DR
Normal Balance)**

- (1) This receivable account will be used to record erroneous refund receivables that result in a criminal investigation court case. Account 1535 will be supported by copies of Form 3809 and a TXMOD print reflecting the erroneous refund or a copy of the payment voucher received from CI in Ogden. CI will maintain the original case file.
- (2) The external subsidiary record for this account is the Form 3809 described above.

3.17.64.7.8.2.3
(02-16-2022)

**Account 1540 Non-Court
Case Erroneous Refund
(Real Account, DR
Normal Balance)**

- (1) This receivable account will be used to record erroneous refund receivables that are not court cases. This account represents erroneous refund receivables that have not been collected, resulted in a court case, assessed or been determined uncollectible. Account 1540 will be supported by copies of bills, IDRS Letter 510C, debit vouchers or other documents showing the name of each debtor, amounts receivable and details of the transaction creating the indebtedness. This supporting information will be kept in the case file in the Erroneous Refund function.
- (2) Cases are transferred to account 1530 when it is determined that the case is going to court.
- (3) When setting up the case on RRACS, use the TC 700 transaction date on Form 3809. This transaction date is the date of the erroneous refund (TC 840/846). Form 3809 should be stapled to the left side of the folder with the most current one on top and with a journal number clearly printed on each form.
- (4) See IRM 3.17.80, Working and Monitoring Category D, Erroneous Refund Cases in Accounting Operations for write-off tolerances.
- (5) The external subsidiary record for this account is the file of documents described above. For maintaining cases in this account refer to IRM 3.17.80, Working and Monitoring Category D, Erroneous Refund Cases in Accounting Operations.

Note: Beginning in February 2022, due to a new guideline, hold off journaling from the 25th calendar day to EOM.

3.17.64.7.8.2.4
(02-16-2022)

**Account 1543 Payment
Over Cancellation
Erroneous Refund
(Real Account, DR
Normal Balance)**

- (1) This receivable account will be used to record erroneous refund receivables that are NOT court cases. This account represents erroneous refund receivables that have NOT resulted in court cases nor have been collected, assessed or determined uncollectible. This account is part of director's Accountability. Account 1543 is supported by copies of bills, Letter 510C, debit vouchers or other documents showing the name of each debtor, amount re-

ceivable and details of the transaction creating the indebtedness. This supporting information will be kept in the case file in the Erroneous Refund function.

- (2) RACS will receive Form 3809 with a DLN Doc Code of 58 and a Blocking Series of 850-899.
- (3) When setting up the case on RRACS, use the TC 700 transaction date on Form 3809. This transaction date is the date of the erroneous refund (TC 840/846). Form 3809 should be stapled to the left side of the folder with the most current one on top and with a journal number clearly printed on each form.
- (4) See IRM 3.17.80, Working and Monitoring Category D, Erroneous Refund Cases in Accounting Operations for additional information on processing POC accounts.
- (5) The external subsidiary record for this account is the file of documents described above. For maintaining cases in this account refer to IRM 3.17.80, Working and Monitoring Category D, Erroneous Refund Cases in Accounting Operations.

Note: Beginning in February 2022, due to a new guideline, hold off journaling from the 25th calendar day to EOM.

3.17.64.7.8.2.5
(10-17-2024)

Account 1545 Identity Theft Erroneous Refunds
(Real Account, DR Normal Balance)

- (1) Effective June 25, 2012, this receivable account will be used to record identity theft erroneous refunds. This account represents identity theft erroneous refund receivables which are uncollectible. Beginning January 15, 2014, cases that are opened via new IDRS command codes IDT48 or IDT58 will be supported by EOD1640, EOD1622 and batch posting 171 report. This account is not under director's accountability.
- (2) See IRM 3.17.80, Working and Monitoring Category D, Erroneous Refund Cases in Accounting Operations for write-off procedures.
- (3) The external subsidiary record for this account is the Form 3809 or EOD 1640, EOD 1622 and Batch posting 171 report.

3.17.64.7.8.2.6
(10-17-2024)

Account 1547 Return Preparer Misconduct Erroneous Refunds
(Real Account, DR Normal Balance)

- (1) This receivable account will be used to record return preparer misconduct erroneous refunds and was effective July 1, 2015. This account represents return preparer misconduct erroneous refund receivables which are uncollectible. Cases that are opened via new IDRS command codes RPM48 or RPM58 will be supported by EOD 1640, EOD 1624 and batch posting 172 journal. This account is not under director's accountability.

Note: The statute for Return Preparer Misconduct is 5 years.

- (2) The external subsidiary record for this account is the Form 3809, EOD 1640, EOD 1624 and batch posting 172 journal.

3.17.64.7.8.2.7
(10-01-2014)

Account 4910 Disbursement Loss
(Real Account, DR Normal Balance)

- (1) This liability account provides internal control for disbursement losses (unrecovered erroneous refunds) from accounts 1530, 1535, 1540 and 1543. Cases will be maintained in this account while relief for the accountable officer is requested. See IRM 3.0.167, Losses and Shortages, for additional information.

- (2) The case documentation will be used to support the relief request to the director of Customer Account Services, the director of Submission Processing or other Service or Treasury officer with authority to afford relief.

- 3.17.64.7.8.2.8
(08-18-2022)
Account 6905 ID Theft Erroneous Refund Write-Off
(Nominal Account, DR Normal Balance)

 - (1) This account provides internal control for identity theft disbursement losses and was effective on June 25, 2012.
 - (2) When write-off approval is granted this account will be debited to provide credit to account 1545, Identity Theft Erroneous Refunds. Cases will be maintained in this account after write-off approval until fiscal year- end. For additional information see IRM 3.17.80, Working and Monitoring Category D, Erroneous Refund Cases in Accounting Operations.
 - (3) Effective February 2019 write-offs will be done monthly systemically by the 12th workday. The 174 RRACS batch journal and the 155D Matched IDT Erroneous Refund report will be the supporting documentation for this account.

- 3.17.64.7.8.2.9
(08-31-2018)
Account 6907 Return Preparer Misconduct Erroneous Refund Write-Off
(Nominal Account, DR Normal Balance)

 - (1) This account provides internal control for Return Preparer Misconduct disbursement losses and was effective on July 1, 2015.
 - (2) Write-off for this account will be debited to provide credit to account 1547, Return Preparer Misconduct Erroneous Refunds. The monthly 173 RRACS batch journal will be the supporting documentation for this account.

- 3.17.64.7.8.2.10
(09-01-2011)
Account 6920 Disbursement Write-Off
(Nominal Account, DR Normal Balance)

 - (1) This account provides internal control and accountability for disbursement losses.
 - (2) When relief is granted this account will be debited to provide credit to account 4910, Disbursement Loss. Cases will be maintained in this account after relief for the accountable officer is granted until fiscal year- end. For additional information see IRM 3.0.167, Losses and Shortages.

- 3.17.64.7.8.3
(10-17-2024)
New Erroneous Refund Case Processing (RRACS Window 480/481)

 - (1) The RACS function will receive a Form 3809 for each new erroneous refund case to be opened on the RRACS system.
 - a. Review each Form 3809 for completeness including the DOC-ID RRACS account number, taxpayer identification and amount of the erroneous refund.
 - b. All Form 3809 in one DLN block should balance to the Form 813.
 - c. Prepare Form 8166 for journal entry. Form 8166 should include, at a minimum, DOC-ID, DLN, money amount and transaction date.

Note: Each DOC-ID must be listed separately on Form 8166. An alternate work listing (calculator tape) may be used.
 - (2) Journal Form 3809 to the RRACS system to open each case.
 - a. Using the RRACS 480/481 windows, which can be found under the Accounting Application Main Menu under Erroneous Refund, input each DOC-ID and erroneous refund amount separately.

- b. Use the TC 700 transaction date on Form 3809 when opening the case on RRACS. This transaction date is the date of the erroneous refund (TC 840/846).
- c. The journal entry will be a debit to account 1530, 1535, 1540 or 1543 and a credit to account 4120 (BMF) or 4220 (IMF).

Note: There will only be one journal number for each Form 813 received.

- d. The journal number must be labeled on all supporting documentation.
- e. Maintain original debit side of Form 3809 for account 1530/1540/1543 in Accounting. Maintain a copy of Form 3809 in Accounting for account 1535.
- f. Forward credit side of Form 3809 to MF for processing.

Note: Beginning in February 2022, due to a new guideline, hold off journaling from the 25th calendar day to EOM.

3.17.64.7.8.4
(10-17-2024)
**Identity Theft Erroneous
Refund New Case
Processing Using Form
3809**

- (1) Within 24 hours of receipt, the RACS function will assign a DOC-ID, and prepare a Form 8166 using the DOC-ID and item count, listing each money amount separately from the Form 3809. The total amount listed on the Form 8166 must equal the total on the Form 813. Form 3809 received for BMF IDT or BMF RPM or NMF for account 1545, the Doc Id format will be 15 digits consisting of the DLN of the Form 813 (without sequence number) plus two-digit year plus total volume on Form 813, e.g., 172482619301475.
- (2) Journal the total amount of each Form 813 listed on the Form 8166, using a 480 window to debit account 1545 and credit either account 4120 (BMF) or 4420 (NMF).

Note: For the prepare date on RRACS, use the date of the journal.

- a. Label the 480 journal number on Forms 3809 and/or Forms 813.
- b. Forward the debit side of Form 3809 and a copy of Form 813 to the Erroneous Refund technician. The Form 3809 should be maintained in account 1545 file and use in balancing.
- c. If 3809 is for RPM, these 3809s should be kept separately from the IDT cases.
- d. Hand carry one copy of Form 813 to Data Conversion for DLN set up on SCCF.

Note: At campus discretion, the DLN may be established in the Data Control Unit.

- e. Hand carry, the next morning, the credit side of Form 3809 and one copy of Form 813 to Batching for processing under cover Form 3210.
- f. For NMF input the Form 813 information for the credit side into ANMF using the Form 813 Block Control screen and route to the NMF function for input to the ANMF system.

3.17.64.7.8.4.1
(12-05-2024)
**Identity Theft Erroneous
Refund Systemic New
Case Processing**

- (1) Beginning January 15, 2014, ID Theft Erroneous Refunds cases (TC 841 and TC 700) are input via IDRS by the originating function using two new command codes IDT48 (TC 841) and IDT58 (TC 700), using CMODE if necessary, to post to General Ledger account 1545.

- (2) Beginning January 20, 2016, Child Support Identity Theft Offsets will be input via IDRS by the originating function using two new command codes CSO48 (TC841) and CSO58 (TC700), using CMODE if necessary, to post to General Ledger account 1545.
- (3) Beginning January 3, 2019, BMF Identity Theft Erroneous Refunds cases will be input via IDRS.
 - a. Normal Identity Theft Erroneous Refunds will become blocking series 940-989 and Identity Theft Child Support Offsets blocking series will now be 990-999.
- (4) The systemic processing will produce a daily automated Batch Journal 171 to RRACS which will debit account 1545 and credit account 4220/4120. The EOD 1640 will produce the summary (total amount and volume) of the transactions and a new report EOD 1622, which lists the detailed information (DLN, TIN, MFT, tax period, transaction code and money amount) of each transaction, will also be available on Control D, under *EOD 1622*. Beginning 2024, new cases will append an alphabet letter to the end of each DLN to distinguish new cases from cases created between 2014 and 2023.

Note: Beginning May 20, 2014 the EOD 1622 will include the additional taxpayer information listed above.

- (5) To balance daily, follow these instructions:
 - a. Print EOD 1640 (summary) from Control D— There is not a separate page for Identity Theft.
 - b. Print EOD 1622 (detail) from Control D.
 - c. Balance the total on the RRACS Batch journal 171 to the dollar amount of the EOD 1640 and EOD 1622. They should agree.
 - d. If a discrepancy is found in c above, contact *CFO:FM:CFM RACS Analyst* immediately.
 - e. If totals agree, label 171 journal on both EOD runs.
 - f. Forward both EOD runs to the appropriate accounting function that maintains the 1545 account. File the EOD 1640 and EOD 1622 by date for further use.
- (6) The Accounting area that maintains the 1545 account should scan the EOD 1622 and flag those items that have expired daily. The expired items (if posted on IDRS) can be added to the monthly extract listing to be written-off before end of month.

Note: If a campus chooses to maintain two separate files at their own discretion, then both files **MUST** be updated.

Note: If there were no systemic records that EOD processed, The EOD 1622 will produce a header record stating there were no records processed. This should be printed and kept for records. Also, the RRACS system will produce a 171 transaction failure stating: there were NO DETAIL RECORDS to process for Cycle: YYYYDD

3.17.64.7.8.4.2
(12-05-2024)
**Return Preparer
Misconduct Erroneous
Refund Systemic New
Case**

- (1) Beginning July 1, 2015, Return Preparer Misconduct Erroneous Refund cases (TC 841 and TC 700) are input via IDRS by the originating function using two new command codes RPM48 (TC 841) and RPM 58 (TC 700), using CMODE if necessary, to post to general ledger account 1547.
- (2) The systemic processing will produce a daily automated batch journal 172 to RRACS, which will debit account 1547 and credit account 4220. The EOD 1640 will produce the summary (total amount and volume) of the transactions. A new report EOD 1624, which lists the detailed information (DLN, TIN, MFT, tax period, TC and money amount) of each transaction, will also be available on Control D, under *EOD 1624*. Beginning 2025, new cases will append an alphabet letter to the end of each DLN to distinguish new cases from cases created between 2014 and 2023.
- (3) To balance daily, follow these instructions:
 - a. Print EOD 1640 summary from Control D (There is not a separate page for Return Preparer Misconduct Erroneous Refund).
 - b. Print EOD 1624 detail from Control D.
 - c. Balance the total on the RRACS batch journal 172 to the dollar amount of the EOD 1640 and EOD 1624. (They should agree)
 - d. If a discrepancy is found in (c) above, contact *CFO:FM:CFM RACS Analyst* immediately.
 - e. If totals agree, label 172 journal on both EOD runs.
 - f. Forward both EOD runs to the appropriate accounting function that maintains the 1547 account. File the EOD 1640 and EOD 1624 by date for further use.

Note: If a campus chooses to maintain two separate files at their own discretion, then both files **MUST** be updated.

Note: If there were no systemic records that EOD processed, the EOD 1624 will produce a header record stating there were no records processed. This should be printed and kept for records. If there were no records done systemically, the RRACS system will also produce a 172 transaction failure stating: No Detail Records to process for Cycle: YYYYDD

3.17.64.7.8.4.3
(12-05-2024)
**Monthly Balancing
Procedures - ID Theft
and Return Preparer
Misconduct**

- (1) To balance ID Theft:
 - a. Sum all submitted Form 3809s journaled to this account using the DOC-ID and money amount.
 - b. Sum all EOD 1622 totals for each day for systemically journaled cases.
 - c. Subtract all write-offs and manual repayments.
 - d. This total should equal the 1545 monthly trial balance and RRACS 155B report.
- (2) To balance Return Preparer Misconduct:
 - a. Sum all submitted Form 3809s journaled to this account using the DOC-ID and money amount.
 - b. Sum all EOD 1624 totals for each day for systemically journaled cases.
 - c. Subtract all write-offs and manual repayments.
 - d. This total should equal the 1547 monthly trial balance and RRACS report 0157.

3.17.64.7.8.5
(09-06-2017)

**Repayment or Partial
Repayment of Erroneous
Refund
(RRACS Window
480/481)**

- (1) A repayment or partial repayment of erroneous refund will close the case in accounts 1530/1535/1540/1543 or reduce the debt owed to IRS.
- (2) RACS will receive a Form 3809 for each repayment or partial repayment of an erroneous refund case open on the RRACS system.
 - a. Review each Form 3809 for completeness including the DOC-ID, RRACS account number, taxpayer identification and amount of the erroneous refund.
 - b. All Form 3809s in one DLN block should balance to the Form 813.
 - c. Prepare Form 8166 for journal entry.

Note: Each DOC-ID must be listed separately on Form 8166. An alternate work listing (calculator tape) may be used.

- (3) Journal Form 3809s to the RRACS system to close or reduce the balance of each case.
 - a. Using the RRACS 480/481 window, which can be found under the Accounting Application Main Menu under Erroneous Refund, input each DOC-ID and payment amount separately. For prepare date use the current date.
 - b. The journal entry will be a debit to account 4120 (BMF) or 4220 (IMF) and a credit to account 1530,1535, 1540 or 1543.
- Note:** If you receive an error code, see IRM 3.17.64.4.4, Error Conditions, for the explanation.
- c. The journal number must be labeled on all supporting documentation.
 - d. Maintain original credit side of Form 3809 in Accounting Erroneous Refund Team for the 1530/1540/1543 accounts and associate with original debit Form 3809 that opened the case. For account 1535, maintain a copy of Form 3809 in Accounting Erroneous Refund Team and associate with Form 3809 that opened the case. Send original Form 3809 with journal number back to originator.

3.17.64.7.8.6
(09-06-2017)

**Erroneous Refund
Non-Payment
(RRACS Window 485)**

- (1) When an erroneous refund is determined to be uncollectible, the ERSED date has expired or the case is below the tolerance of \$50, the case will be transferred from account 1530/1535/1540/1543 to account 4910, Disbursement Loss. Documentation kept in the case file will explain why the case is determined uncollectible. A relief request will be prepared by the Erroneous Refund function requesting relief for the accountable officer.
- (2) RACS will receive a Form 3809 for each erroneous refund case being sent for relief.
 - a. Review each Form 3809 for completeness; including the DOC-ID, RRACS account number and amount of the erroneous refund.
 - b. Prepare Form 8166 for journal entry.

Note: Each DOC-ID must be listed separately on Form 8166.

- (3) Journal Form 3809s to the RRACS system to transfer each case sent for relief to account 4910, Disbursement Loss.

- a. Using the RRACS 485 window, which can be found under the Accounting Application Main Menu under Non-Payment of Erroneous Refund, input each DOC-ID and amount separately. For prepare date use the current date.
- b. The journal entry will be a debit to account 4910, Disbursement Loss and a credit to account 1530, 1535, 1540 or 1543.

Note: If you receive an error code, see IRM 3.17.64.4.4, Error Conditions, for the explanation.

- c. The journal number must be labeled on all supporting documentation.
 - d. Maintain debit side (account 4910) of Form 3809 in the RACS function and associate with original Form 3809 that opened the case. Send credit side of Form 3809 back to originator.
- (4) If the taxpayer makes a payment while the case is journaled to account 4910, awaiting relief, RACS will receive a Form 3809 for each payment made.
- a. Review each Form 3809 for completeness; including the RRACS account number, taxpayer identification and amount of the payment.
 - b. Prepare Form 8166 for journal entry.
 - c. The end result will be a journal to debit account 4120 (BMF) or 4220 (IMF) and to credit account 4910, Disbursement Loss. This will require using both the 480 and 485 windows, which can be found under the Accounting Application Main Menu.
 - d. The journal number must be labeled on all supporting documentation.
 - e. Debit document will be sent for processing and Credit document will be maintained in Accounting Erroneous Refund Team and will be associated with original Form 3809 that opened case.

3.17.64.7.8.7
(01-13-2014)
**Erroneous Refund
Cleared
(RRACS Window 490)**

- (1) An erroneous refund is considered "cleared" once relief is granted to the accountable officer.
- (2) RACS will receive a copy of the erroneous refund relief request signed by either the Director of Customer Account Services, the Director of Submission Processing or other Service or Treasury officer with authority to afford relief.
 - a. Review listing for valid signature and date.
 - b. Prepare Form 8166 for journal entry.
- (3) Journal the signed relief request to the RRACS system to clear the cases from account 4910.
 - a. Using the RRACS 490 window, which can be found under the Accounting Application Main Menu under Clear Erroneous Refund, input the total amount of the write-off listing.
 - b. The journal entry will be a debit to account 6920, Disbursement Write-off and a credit to account 4910, Disbursement Loss.
 - c. The journal number must be labeled on all supporting documentation.
 - d. RACS function will keep a copy of relief request and the original will be sent back to originator.
- (4) If the erroneous refund is repaid after relief has been granted, RACS will receive a Form 3809 for each payment made.
 - a. Review each Form 3809 for completeness; including the RRACS account number, taxpayer identification and amount of the payment.

- b. Prepare Form 8166 for journal entry.
- c. Using the RRACS 400 window, which can be found under the Accounting Application Main Menu under Miscellaneous Applications, input the total amount.
- d. The journal entry will be a debit to account 4120 (BMF) or 4220 (IMF) and a credit to account 6920, Disbursement Write-Off.

Note: Credit account 9998 for prior fiscal year reversals. 6920 is a nominal account and at the end of fiscal year will roll to 9998. For example, if the case was granted relief in FY 2020 and a payment was received in FY 2021, account 9998 would be credited.

- e. The journal number must be labeled on all supporting documentation.
- f. Debit document will be sent for processing and Credit document will be maintained in Accounting Erroneous Refund Team and will be associated with original Form 3809 that opened case.

3.17.64.7.8.8
(10-17-2024)

Identity Theft Erroneous Refund Cleared (RRACS Window 490)

- (1) Since there is no accountable officer for identity theft erroneous refunds, authority for "clearing" this type of erroneous refund may not be delegated below the accounting operation level.
- (2) Due to the systemic process an extract listing is no longer received monthly.
- (3) If a case has expired and was not included in the systemic process it must be done thru the manual process.
 - a. Prepare an excel listing of all expired cases. Prepare and submit the memorandum (s) along with the excel listing for IDT theft cases for approval and signature from the accounting operation manager.
 - b. The ERRF team will forward the signed memorandum (s) and excel listing to the RACS Team for journaling.
 - c. RACS will receive from the ERRF team the memorandum (s) signed by the accounting operation manager and the excel listing.
 - d. If a revise memo is needed for any reason, annotate revised on top of new memo and staple revised memo to front of original memo.

Note: This information must be kept in the GAO audit file along with the information in 4(f) above.

Note: Identity Theft Erroneous Refunds have a 5- year erroneous refund statute expiration date (ERSED) and cannot be written off to the GL 6905 until the five years have passed.

- (4) Journal the extract to clear the cases from account 1545 using the DOC-ID from the original journal.

Note: If more than 75 DOC-IDs are included on the extract, more than one journal number will be needed.

- a. Using the RRACS 490 window, which can be found under the Accounting Application Main Menu under Clear Erroneous Refund, input each individual DOC-ID and money amount from the extract.

Note: OFP 710-01047 should be used to report the hours spent on journaling, however the volumes of journals are reported to 410-37900.

- b. The journal entry will be a debit to account 6905, ID Theft Erroneous Refund Write-Off and a credit to account 1545, ID Theft Erroneous Refunds.

Note: In the event an incorrect doc id was entered in a completed journal, it is not necessary to reverse the entire journal. Window 480 should be utilized to make the correction journal of the ONE doc id. Two 480 journals will be necessary for the correction (set-up and closure).

- c. The prepare date will be the date the memorandum(s) was signed by the accounting operation manager.
- d. Label the 490 journal numbers on the excel listing and memorandum (s).
- e. Forward a copy of the memorandum(s) and excel listing to the function maintaining the documents, if not RACS, for balancing and GAO audit file as a closed case.

Note: The journal entry for each month must be completed by end of month processing.

Note: Campuses should retain the excel listing with original signed memo for one year after the account has been written off to 6905, then retire to FRC.

3.17.64.7.8.9
(10-02-2019)

**Identify Theft Erroneous
Refund Systemic
Write-Offs**

- (1) IDT write-offs is systemic and will be done through a RACS batch journal by the 10th workday of the month. The batch journal number will be 174 and will include the DOC-ID. This will credit the account 1545 and debit account 6905.
- (2) Two new reports were created and will be placed under the Miscellaneous option on RRACS.
 - a. 155D Matched Identity Theft Erroneous Refund Write-offs will record the date, DOC-ID and money amount and a grand total of monthly amount and item count. Copy of report should be kept in a separate folder by month and fiscal year.
 - b. 155E Unmatched Identity Theft Erroneous Refund Write-offs will record DOC-ID, money amount and error code.
 - c. The following error codes exists in the RRACS system. AG update amount is greater than the outstanding amount and NF document was not found.
 - d. Research must be done on items placed on the 155E report.
 - e. A copy with notations must be kept in a separate file by month and fiscal year.
- (3) A copy of the journal print #174 and the 155D and 155E should be released to the area that maintains the account.
- (4) Any cases that have expired and were not included in the systemic process can be written off manually. Prepare an excel listing with the information and a memorandum following IRM 3.17.64.16.10 procedures.

Note: Identity Theft Erroneous Refunds have a 5 year erroneous refund statute expiration date (ERSED) and cannot be written off to the GL 6905 until five years has passed.

3.17.64.7.8.10
(08-19-2020)

Return Preparer Misconduct Systemic Write-Offs

- (1) RPM write-offs is systemic and will be done through a RACS batch journal on the 15th of the month. The batch journal number will be 173 and will include the DOC-ID. This will credit the account 1547 and debit account 6907.

Note: Return Preparer Misconduct Erroneous Refunds have a 5 year erroneous refund statute expiration date (ERSED) and cannot be written off to the GL 6907 until five years has passed.

- (2) If a case included on the batch tape was opened by processing, adjust the copy of the transfer memo and annotate "write-off" and journal number next to the money amount and adjust total volume. For the new systemic process on the EOD 1624 for the corresponding day of TC 841/700, locate the DLN, annotate the EOD 1624 "write-off" and journal number, subtract the amount of the write-off from the listing total and the volume count. An alternative work listing (spreadsheet) may be used but must include adjustments, journal numbers, volume and monies and must be attached to original EOD 1624.
- (3) Any cases that have expired and were not included in the systemic process can be written off manually use window 490. Prepare Form 3809 or a copy of the EOD 1622 to debit the 6907 and credit the 1547 account.
- (4) To balance the 6907 accounts, use the 173 journal and Form 3809s, if applicable.

Note: Use OFP 710–01048 for time spent on RPM.

3.17.64.7.8.11
(08-18-2022)

Reversals of TC 841/700

- (1) Forms 3809/3245 will be prepared for any account requiring a reversal of TC 841/700 on an account opened by either a Form 3809 or the systemic process.

Note: Every effort should be made to process the forms within 10 working days.

- (2) Accounting procedures for reversals where the original case was opened from a Form 3809 will not change.
 - The Form 813 will be modified to show the case(s) that were pulled. The item count and the money amounts must be adjusted on the Form 813. The campus has the option of using an alternative method, such as a spreadsheet, to document the adjustments that are made to the money and item count for each block. If an alternative method is used in lieu of documenting the Form 813, you must ensure that all pertinent information is maintained, and it must be attached to the Form 813.
 - Annotate on the Form 813 or alternative method "Reversal" and the journal number.
- (3) When a Form 3809/3245 is received for a reversal of a TC 841/700 which was opened by the systemic process or manual process, research the DLN (Doc ID) on the RRACS database to ensure the case is still open.
 - a. If open and the money agrees, complete the closing journal action to debit 4220 and credit 1545/1547.
 - b. If not found or money does not agree, reject back to originator.

Note: If the item has been written off for current fiscal year, credit account 6905/6907 and 9998 for prior fiscal year.

- (4) On the EOD 1622 for the corresponding day of TC 841/700, locate the DLN, TIN, MFT and Tax Period and annotate on EOD 1622 "reversal" and journal number and subtract the amount of the reversal from the listing total and the volume count.

Note: For IDT when a reversal must be done and the original case was opened systemically from January 14 through May 19, 2014, the EOD 1821 (Form 5147) from the date of the original TC 841/700 should be printed from Control-D. (This can be done by searching the DLN. It is not necessary to print ALL Form 5147's for the entire day.) A copy of the Form 5147 should be stapled to the EOD 1622 to prove the correct account is being reversed. An alternative work listing (spreadsheet) may be used but must include adjustments, journal numbers, volume and monies and must be attached to original EOD 1622.

- (5) For RPM on the EOD 1624 for the corresponding day of TC 841/700, locate the DLN, TIN, MFT and Tax Period and annotate on the EOD 1624 "reversal" and journal number and subtract the amount of the reversal from the listing total and the volume count. For manual processing use transfer memo to annotate reversal. An alternative work listing (spreadsheet) may be used but must include adjustments, journal numbers, volume and monies and must be attached to original EOD 1624.
- (6) Label the journal number on Form 3809/3245 and Form 813(s).
- (7) Debit side of Form 3809/3245 with Form 813 will be sent to Batching and a Form 813 to SCCF.
- (8) Credit side of Form 3809 will be stapled to EOD 1622/1624.

Note: Due to the validity checks that have been instituted in the command codes IDT48/RPM48 and IDT58/RPM58, most unpostable issues should be eliminated. However, if a TC 841 or TC 700 input via IDRS should go unpostable, it will be identified with a UPC 138-4 for IDT and 138-0 for RPM.

Note: Use OFP 710-01047 on time spent on IDT and OFP 710-01048 for time spent on RPM.

3.17.64.7.8.12
(06-17-2016)

**Duplicate or Invalid TC
841 (UPC138-4) or
(UPC138-0)**

- (1) Accounting will receive Form 3809 and Form 4028 for a TC 841 (UPC 138-4) and (UPC 138-0) which will not post due to being duplicate or invalid.
- (2) When Form 3809 is received for a reversal of a TC 841 which was opened by the systemic IDT/RPM process, research the DLN (Doc ID) on the RRACS database to ensure the case is still open.
 - a. If open and the money agrees, complete the closing journal action to debit 4220 and credit 1545/1547.
 - b. If not open or money does not agree, contact the Unpostable team for further research.
- (3) On the EOD 1622 for the corresponding day of TC 841/700, locate the DLN, TIN, MFT and Tax Period and annotate on EOD 1622 "reversal" and journal number and subtract the amount of the reversal from the listing total and the volume count. An alternative work listing (spreadsheet) may be used but must include adjustments, journal numbers, volume and monies and must be attached to original EOD 1622.

Note: For IDT when a reversal must be done and the original case was opened systemically on May 20, 2014 and prior, the EOD 1821 (Form 5147) from the date of the original TC 841/700 should be printed from Control-D. (This can be done by searching the DLN. It is not necessary to print ALL Form 5147's for the entire day.) A copy of the Form 5147 should be stapled to the EOD 1622 to prove the correct account is being reversed.

- (4) For RPM on the EOD 1624 for the corresponding day of the TC 841/700, locate the DLN, TIN, MFT and Tax period and annotate on EOD 1624 "reversal" and journal number and subtract the amount of the reversal from the listing EOD 1624 total and the volume count. An alternative work listing (spreadsheet) may be used but must include adjustments, journal numbers, volume and monies and must be attached to original EOD 1624.

Note: These will show as UPC 138-0.

- (5) Label journal number on Form 3809 and Form 4028.
- (6) Credit side of Form 3809 will be stapled to EOD 1622/1624.

Note: Use OFP 710-01047 for time spent on IDT and OFP 710-01048 for time spent on RPM.

3.17.64.7.9 (12-05-2024) External Leads Processing (ELP)

- (1) Return Integrity and Verification Operation (RIVO) - external leads receives leads from financial institutions as well as internal leads from business units throughout the IRS. External leads involve questionable federal tax refunds from financial institutions and various other sources. External leads may involve Treasury checks, direct deposit/ACH, refund anticipation loans or checks and pre-paid debit cards.
- (2) There are two ways the IRS receives refund repayments for external leads.
 - a. Manual Check Deposit Processing
 - b. Electronic Processing via the Collections Information Repository (CIR) Credit Gateway
- (3) The external leads program processes returned refunds identified as potentially fraudulent. RIVO-external leads complete the research to identify affected taxpayers using command code ELP45 for application to the appropriate taxpayer account. Manual applications are conducted through the submission of F3809 for IMF and F3245 for BMF.
- (4) All deposits tickets must be logged into Submission Processing Accounting *SharePoint for External Bank Leads*.

3.17.64.7.9.1 (12-05-2024) General Ledger Accounts for External Leads

- (1) The following accounts are associated with External Leads.

- | | |
|---|---|
| 3.17.64.7.9.1.1
(12-05-2024)
Account 4971, Unapplied
 External Leads
 Real Account, Credit
 Normal Balance | <ol style="list-style-type: none"> (1) This account is used to control unapplied external leads for proper application through research. (2) The items included in this account also include unapplied external leads which cannot be applied directly to MF. (3) Journal incoming external lead funds using a 210 window using the original deposit ticket number. (4) The external subsidiary documents are Form 3809 , Form 3245 and EOD 1721. |
| 3.17.64.7.9.1.2
(12-05-2024)
Account 6801, Expired
 External Leads
 Real Account, Credit
 Normal Balance | <ol style="list-style-type: none"> (1) This account is used to control expired external leads after research is exhausted for proper application. The items included in this account are only those expired external leads which cannot be applied directly to MF. (2) If any items over two years from the deposit date cannot be resolved through research and follow-up with RIVO, prepare Form 3809 to debit 4971 account and credit 6801 account for the remaining amount for each individual deposit ticket in account 4971. (3) In the remarks field of the Form 3809, include the original deposit ticket number and date of deposit. (4) Attach a copy of the commingled memo from RIVO showing the amount remaining in the 4971 account to be credited to the 6801 account. (5) Journal using a 400 window using the original deposit ticket number. (6) Distribute journaled copies of items moved to 6801 account to personnel maintaining and balancing the 4971 and the 6801 account. (7) Each 10th day of each month, the 156 systemic journal will transfer expired external leads from the 4971 account to the 6801 account. (8) The external subsidiary file documents are Form 3809 and 156 journal print showing transferred funds from the 4971 account to the 6801 account. |
| 3.17.64.7.9.2
(09-08-2025)
RRACS Reports
 Supporting External
 Leads | <ol style="list-style-type: none"> (1) The following are RRACS reports generated to support the External Leads program. |
| 3.17.64.7.9.2.1
(12-05-2024)
Unapplied External
 Leads Report
 (RRACS Report 132) | <ol style="list-style-type: none"> (1) This is a monthly report produced by the RRACS system. The current month activity on the 132 Report must equal the current net total balance on the 004 Monthly Trial Balance Report. (2) The Unapplied External Leads Report helps the Accounting functions track the status of the external leads deposits and applications. External leads are listed on the report by Deposit Ticket number. This report lists external leads in account 4971, Unapplied External Leads. Each transaction is listed by DOC-ID, date, beginning balance, adjustment amount and current balance. (3) This report should be reviewed quarterly by the site Reports Analyst. |

3.17.64.7.9.2.2
(12-05-2024)

**External Leads Systemic
Write-offs Report
(RRACS Report 132B)**

- (1) This is a monthly report produced by the RRACS system. The current month systemic write-offs must equal the current balance on the 003 Daily Trial Balance Report and the current month ending balance must equal to the 004 Monthly Trial Balance Report.
- (2) The External Leads Systemic Write-offs Report will contain the items that expired after the 25th month moved to the 6801 account on the 10th day. This report will list external leads in account 4971 that have expired and systemically transferred to the 6801 account. It will include each transaction by deposit ticket number, deposit date and current balance and the bottom of report will list prior month ending balance, total current month systemic write-offs and current month ending balance.

3.17.64.7.9.3
(12-05-2024)

**Manual Deposit
Processing**

- (1) RACS will receive a deposit ticket and the accompanying F3809 to balance and journal to the appropriate General Ledger accounts, via the RRACS system using a 210 window:
 - a. Debit account 2410 (TAS 20x0903) and credit account 4971, unapplied external leads.
 - b. On the debit side, Treasury number will be the deposit ticket number.
 - c. On the Main Transaction window, scroll down and highlight unapplied external leads.
 - d. On the credit side, (Main Source Journal) the Document # input must be the deposit ticket number.
 - e. On the Summary Screen, verify the accounts, money and both document numbers are the same as the deposit ticket number.
 - f. Label the journal number on the Form 3809 and DT.
- (2) RACS will send the Form 3809 and a copy of the deposit ticket to the appropriate Accounting function to:
 - a. Account for received ELP deposits on the account balance sheet.
 - b. Maintain the Form 3809 for subsidiary case file for the 4971 account.

3.17.64.7.9.4
(12-05-2024)

**Electronic Payment
Processing**

- (1) Log into Collections Information Repository (CIR) to retrieve and print External Lead Processing (ELP) deposit ticket(s) and Automated Clearing House (ACH) detail report.
- (2) Send a copy of the deposit ticket and the ACH detailed report via email to your Return Integrity and Verification Operation (RIVO)-external leads contacts.
- (3) RIVO-external leads will research and email the spreadsheet(s) from the bank that equals the deposit within 24 hours.
- (4) If RIVO-external leads verify there is no spreadsheet, RIVO-external leads will prepare and send a supporting documentation letter to Accounting within 24 hours, stating the originating deposit entity, deposit ticket number and deposit total. This documentation will have a brief statement that no external leads were available for this deposit. These items will remain in account 4971. Accounting will file the RIVO-external leads letter with the Form 3809 to substantiate the account 4971 account balance, proceed to next step.
- (5) Verify that the deposit ticket total and the spreadsheet total match.

- (6) Assign a TRACE ID number to the deposit ticket (DT) using the Batch Block Tracking System (BBTS). The Trace ID number must have a "12" as the System ID.
- (7) Forward a copy of the deposit ticket with Trace ID and journal number assigned to RIVO-external leads.
- (8) Forward the original deposit ticket and corresponding spreadsheet (if available) to RIVO personnel to:
 - a. Log the deposit ticket into the external leads processing (ELP) log found on the Submission Processing, Accounting and Tax Branch SharePoint, see IRM 3.17.64.17 for link to SharePoint.
 - b. Prepare a one-sided Form 3809 (credit to GL account 4971) for the same amount of the deposit ticket.
 - c. In the explanation field of the Form 3809 include **ELP, DT #XXXXXX, the date of DT and the source (i.e., Bank Name(s), Original deposit entity).**
 - d. If RIVO-external leads letter is received, log in SharePoint and maintain in account 4971.
- (9) Forward the deposit ticket, Form 3809 and a copy of the spreadsheet (if available) to RACS within 24 hours of receipt.
- (10) RACS will balance and journal to the appropriate General Ledger accounts, via the RRACS system using a 210 window:
 - a. Debit account 2410 (TAS 20x0903) and credit account 4971, unapplied external leads.

Note: The TAS for any external lead deposit will always be 20X0903, even if the CIR deposit ticket does not show it.
 - b. On the debit side, Treasury number will be the deposit ticket number.
 - c. On the Main Transaction window, scroll down and highlight unapplied external leads.
 - d. On the credit side, (Main Source Journal) the Document # input must be the deposit ticket number.
 - e. On the Summary Screen, verify the accounts, money and both document numbers are the same as the deposit ticket number.
 - f. Label the journal number on the Form 3809 and DT.
- (11) RACS will send the Form 3809 and a copy of the spreadsheet (if available) to the appropriate Accounting function to maintain F3809 for the 4971 account.

Note: Some deposits may not receive a Form 3245 to be applied to an account. The deposit amount will stay in account 4971. As supporting documentation, RIVO-external leads will provide a letter with deposit information, a list and total amount of leads where no Form 3245 was prepared. This will be maintained in account 4971 account file with the Form 3809 and the research checklist that RIVO-external leads provide per deposit lead.

3.17.64.7.9.5
(12-05-2024)

**Processing of Form
3245, Posting Voucher
(BMF) - Refund
Cancellation or
Repayment for ELP**

- (1) RACS team will receive Form(s) 3245 after RIVO has completed needed research of the taxpayer information. RACS will obtain DLN from Off-Line BBTS DLN Generation with Doc Code 45 and Blocking Series 200-299, using the Julian Date of the Deposit Ticket in the DLN. Add the DLN on the Form 3245 and prepare Form 813. Ensure the Trace-ID number is from the original OTCnet/CIR deposit ticket. RACS should contact RIVO for any questions.

Note: Form(s) 3245 should be balanced, journaled and released to Batching within six working days of receipt.

- a. Ensure each Form 3245 includes the DT number and TRACE ID.

- (2) Ensure the Form 813 balances to the Form(s) 3245.

Note: Some deposit tickets will not be completely resolved and the deposit will remain in GL 4971. Supporting documentation for these monies remaining in GL 4971 will be supplied by RIVO-external leads and maintained in the account 4971 account file with the Form 3809.

- (3) In explanation field of Form 3809, validate that the field information is correct. There should be notation showing that it's an external lead (ELP), the 1st journal number (210xxxxxxxxxxx) and deposit ticket number (DT#XXXXXX).

- (4) The RACS tech will receive the Form 813, Form(s) 3245 and Form 3809 for journaling.

- (5) RACS technician will validate that Form(s) 813 balance to Form(s) 3809, then journal to the appropriate General Ledger accounts via the RRACS system.

- a. Debit 4971 and credit 4120 (SCCF) via RRACS 400 window. Make sure the ORIGINAL deposit ticket number is used in the RS# field on the screen.
- b. In message on RRACS cross reference the 1st journal 210xxxxxxxxxxx and the DT#.

- (6) RACS will forward:

- a. Form(s) 3245 with Form 813 to Batching in a brown folder
- b. The duplicate Form 813 and Form 3809 to appropriate Accounting function

- (7) Establish the Form 813 DLN on SCCF.

- (8) The following day Data Control will verify the DLN, count and money to SCF1142 against Form 813.

- (9) Maintain the Form 3809 in case file.

3.17.64.7.9.6
(12-05-2024)

**External Leads
Systemically Journaled
Payments**

- (1) Beginning January 2, 2018, external leads cases (TC720) are input via IDRS by the originating function using command code ELP45, using CMODE if necessary, to post to General Ledger account 4971. If after 19 working days and Accounting has not received vouchers or a memo, Accounting should contact RIVO in their campus.

- a. External lead transaction will be assigned DLN with a, Tax Class 2, Doc Code 45, Inflated Julian, Block Series 700-799.

(2) The daily systemic processing will produce the following:

- a. A daily automated batch journal 155 to RRACS which will debit account 4971 and credit account 4220.
- b. The EOD 1740, which is a summary (total amount and volume) of the transactions.
- c. The EOD 1721 detail report, which lists the detailed information (DT, DLN, TID, TIN, MFT, tax period, transaction code and money amount) of each transaction.

Note: Both runs will be available on Control D, under *EOD 1721* and *EOD 1740*. Transaction failures must be researched daily and resolved within 3 business days.

Note: If CMODE is not used by the originator when inputting to CC ELP45, the site will receive a transaction failure on RRACS. A credit Form 2158 will be prepared by the site that has the DOC-ID of record and sent to the site where the transaction error occurred. Once journaled scan or email the Form 2158 and follow normal procedures for the Form 2158 in IRM 3.17.21.

Note: Losing site can only be Kansas City. Contact *CFO:FM:CFM RACS Analyst* if you need assistance.

(3) Daily balancing instructions are as follows:

- a. Print 155 journal number.
- b. Print EOD 1740 from Control D.
- c. Print EOD 1721 from Control D.
- d. Balance the total on the RRACS Batch journal 155 to the total dollar amount of the EOD 1721. They should agree.
- e. If totals agree, show the math on the 155 journal print.
- f. Use the 155 journal number as the folder name and save all related reports to external shared drive to be accessed by the appropriate accounting personnel that maintains the 4971 account.

(4) The accounting personnel that maintains the 4971 account will:

- a. File the original EOD 1721 and 1740 along with the 155 journal print by date.

Note: Some deposit tickets will not be completely resolved and the deposit will remain in GL 4971 with supporting documentation for these monies. A memo will be supplied by RIVO-external leads and maintained in the 4971 account file with the EOD 1721.

(5) If an out of balance condition is identified, the balancing personnel will research the EOD 1721 to identify the problematic posting(s) and inform RIVO External Leads personnel of the issue. Out of balance conditions resulting from RIVO External Leads operations are to be corrected by RIVO personnel within 3 business days.

Note: If there were no systemic records that EOD processed, the EOD 1740 will produce a header recorded stating there were no records processed. This should be printed and kept for records. Also, if there were no records done

systemically, the RRACS system will also produce a 155 transaction failure stating: there were NO DETAIL RECORDS to process for cycle: YYYYDD.

3.17.64.7.9.7
(12-05-2024)
**Monthly Balancing of
ELP**

- (1) Monthly balancing for External Leads Processing on the 4971 account will be conducted using the following directions:
 - a. Start with the previous month's trial balance total.
 - b. List all new deposit tickets added in the accounting period to represent all new receipts for the account.
 - c. List daily balanced totals using EOD1740 and date for each production day in the accounting period.
 - d. List any out of balance amounts due to transaction failures that have not been processed.
 - e. List monthly 156 journal print total for the accounting period.
- (2) Monthly balancing for Expired External Leads on the 6801 account will be conducted using the following directions:
 - a. List each deposit ticket total systemically transferred to the 6801 account by the systemic 156 journal.
 - b. List each individual deposit ticket number manually transferred to the 6801 account using F3809.
 - c. 6801 balance sheet will be restarted at the beginning of each fiscal year.

3.17.64.7.9.8
(12-05-2024)
**Reversal of External
Leads Funds**

- (1) When it is determined by RIVO-external Leads that external leads funds were given to IRS in error, Accounting will receive a Form 3809, with a TC 722 to reverse the TC 720 posted to the taxpayer's account. Form 3809 must include the original deposit ticket number and the general ledger account (4971) to be credited. Ensure there is a TC 720 posted to the taxpayer account to be reversed.
- (2) RIVO will forward Form(s) 3809 to the Accounting function for numbering and journaling.
- (3) Accounting will number Form 3809 (debit side) using a 48 doc code and a 509 blocking series, prepare Form 813.
- (4) Journal using a 400 window as a debit to account 4120/4220 and a credit to account 4971.

Note: If crediting account 4971, ensure the ORIGINAL deposit ticket number is used in the RS# field on the screen if the original deposit is still open. If the original deposit is closed out of account 4971, ensure the ORIGINAL deposit ticket number and date example;111111 01012012 is used in the RS# field on the screen.

Note: If the bank lead has expired, credit 6801 for current fiscal year and 9998 for prior fiscal year credits.

- a. Label journal number on all Form(s) 3809 and Form 813.
- b. Hand carry the debit side of Form(s) 3809 and Form 813 to Batching under cover Form 3210.

- c. Forward second copy of Form 813 to Data Control for input to SCCF.
- d. Forward credit side of Form(s) 3809 to the Accounting function maintaining account 4971 for filing.

- (5) Once the Form 3753 is prepared by RIVO External Leads and processed, the Accounting function maintaining the account 4971 will receive a copy of Form 3753 to associate with the Form 3809, closing the item.

Note: If the original external lead has not been applied to a taxpayer account, Accounting will not receive a Form 3809 for a TC 722, they will only receive a Form 3753 for the manual refund with the backup documentation (see IRM 3.17.79.3.1, General Ledger Account - Types of Refunds) and a new memo from RIVO-external leads.

Note: If this refund is returned from the bank via Form 1098 Refund Cancellation schedule, a Form 3245 will be routed to the maintainer of the 4971 account. The maintainer of the 4971 account will alert RIVO via email of the refund check cancellation. If the bank issues a debit voucher and it has not been added to the DCF file, alert RIVO via email to determine if the funds are still available. If RIVO determines that the funds are still available, prepare one side Form 3809 to debit the 4971 account. The Debit voucher can be journaled to wash the original deposit. If the funds have been applied, RIVO must prepare Form 3809 to debit the taxpayer.

3.17.64.7.9.8.1
(12-05-2024)

**Reversal of Credit
Gateway External Leads
(Within 48 Hours of
Receipt)**

- (1) When it is determined by a bank that a CIR deposit was made to the IRS in error, an email will be sent to the Accounting Point of Contact (POC) in Kansas City from the bank, requesting that the funds be returned.
- (2) If the request is made within 48- hours of receipt, the Accounting POC will initiate a reversal for the whole or partial amount of the original deposit using the Credit Gateway ACH Return Form which can be found on the BFS website.

Note: If the request was made after the 48- hour timeframe, follow the instructions above in 3.17.64.17.11 Reversal of external leads.

- (3) Follow instructions on the Credit Gateway ACH Return Form and email the request to Customer.Care@usbank.com.
- (4) Once the request is processed, Accounting will see a debit voucher in CIR and if applicable, a new deposit ticket for the new amount.
- (5) Accounting will journal the original deposit ticket, debit voucher and new deposit ticket (if applicable).

3.17.64.7.9.9
(12-05-2024)

**Posted External Leads
Causing Unpostable TC
740 or TC 841 (Not
Related to Identity Theft)**

- (1) When it is determined that a posted TC 720 is causing a TC 740 or TC 841 (not related to Identity Theft) to be unpostable, Accounting will receive a Form 3809 with a TC 722 to reverse the TC 720 posted to the taxpayers account. Form 3809 must include the original deposit ticket number, date and the general ledger account (4971 or 6800) to be credited. Ensure there is a TC 720 posted to the taxpayer account to be reversed.
- (2) Accounting will number Form 3809 (debit side) using a 48 doc code and a 509 blocking series, prepare Form 813.

- (3) Journal using a 400 window as a debit to account 4120/4220 and a credit to account 4971 or 6800.
 - a. Label journal number on all Form(s) 3809 and Form 813.
 - b. Hand carry the debit side of Form(s) 3809 and Form 813 to Batching under cover Form 3210.
 - c. Forward second copy of Form 813 to Data Control for input to SCCF.
 - d. Forward credit side of Form(s) 3809 to the Accounting function that maintains the account.

3.17.64.7.9.10
(12-05-2024)
**Resolving an
Unpostable TC 720 With
a TC 841 Posted**

- (1) The Erroneous Refund team will verify TC 841 on taxpayer's account.
- (2) The Erroneous Refund team will prepare a Form 3245 for a TC 843 to debit the TP account. A DLN needs to be assigned using a 45 Doc Code and a 540-549 blocking series to the debit portion. Prepare Form 813.
- (3) A Form 3809 will be prepared for the credit side to the RRACS GL Account, include the TP TIN, money and transaction date and in explanation field include DOC-ID. Prepare Form 813 and forward to RACS.

Note: Research will need to be done to determine which GL account the TC 841 money is journaled to (account 1545, 6905, 9998).

- a. Debit the taxpayer (account 4120/4220) account using from Form 3245.
 - b. Credit either account 9998, 6905 or 1545 accounts using the Form 3809.
 - c. RACS will journal using a 400 window for account 9998 or account 6905 and a 480 window for account 1545.
- (4) Label the 400/480 journal number on Form 3425 and Form 3809 and Form 813.
- (5) RACS will hand carry Form 3245 and Form 813 to Batching under cover of Form 3210 so that the Form 3245 can be batched and sent to ISRP for transcription.
- (6) RACS will give the Form 3809 credit side to Accounting personnel maintaining the account shown on the credit side of the document.
- (7) The Erroneous Refund team will monitor daily for TC 843 posting to TP account and ensure TC 470 or STAUP actions are taken to stop an incorrect notice.
- (8) Once the TC 843 has posted then re-input the document for processing.

3.17.64.7.9.11
(12-05-2024)
**External Leads Systemic
Write-Offs**

- (1) Effective January 2018, any remaining funds in the 4971 account that are 2 years old or older from the original deposit date (the 10th day of the 25th month) will be moved systemically to the 6801 account, (expired external leads) (DR 4971 CR 6801) via batch tape journal number 156. This report will be placed at the SPC report main menu.

Note: External leads have a two- year expiration date and cannot be written off to the GL 6801 until two years has passed.

- (2) RACS will forward copy of the 156 journaled print and RRACS 132B to the area that maintains the 4971 account.

- (3) The accounting area maintaining the 4971 account will keep a copy of the 156 journaled print and RRACS 132B with file cases.
- (4) On the External Leads SharePoint, add the money moved to account 6801 and the journal number.
- (5) The external subsidiary file documents are the 156 journal prints showing the transferring funds from 4971 to 6801.
- (6) Any cases that have expired and were not included in the systemic process can be written off manually. Prepare Form 3809 to debit the 4971 and credit the 6801 account.
- (7) To balance the 6801 account, use the 156 journal prints and Form 3809s, as necessary.

3.17.64.7.10
(09-01-2011)
Insolvency

- (1) Bankruptcy law is the prevailing authority when a taxpayer files bankruptcy. Bankruptcy laws are separate from tax laws and coordination is necessary to comply with both. Insolvency, a part of the Collection function for the SB/SE Operating Division of the IRS, is responsible for administering that coordination.

3.17.64.7.10.1
(09-01-2011)
**General Ledger
Accounts for Insolvency**

- (1) The following accounts will be used to process insolvency deposits and payments.

3.17.64.7.10.1.1
(10-01-2013)
**Account 4625
Insolvency Suspense
(Real Account, CR
Normal Balance)
(TAS 20F3820)**

- (1) This liability account is used to hold, and control amounts received from court trustees for making payments before classification. These payments will be recorded and controlled by document number as unclassified receipts (account 7009).
- (2) Once the Insolvency Unit has entered the data to AIS, which creates a posting document, Receipt and Control will post the credit to the taxpayer's account via IDRS.
- (3) RACS will use the Area Office Remittance Register (AORR) journal sheet to remove the money from account 4625 and classify to the correct tax class.
- (4) When a payment is not processable, the Insolvency Unit will send documentation to move this money to the unidentified account to be refunded.
- (5) This account is supported by individual records in RRACS. Application must not exceed the credit available in the individual record. The external subsidiary file is a listing of the checks with the case number.

3.17.64.7.10.1.2
(09-01-2011)
**Account 7009
Insolvency
(Real Account, DR
Normal Balance)
(TAS 20F3820)**

- (1) This account will represent those amounts that have been received from trustees on a deposit ticket but not yet reported as classified by IRS.
- (2) The AORR will be used to classify these receipts to the appropriate tax classes.

3.17.64.7.10.2
(09-01-2011)
**Insolvency Suspense
Report
(RRACS Report 139)**

- (1) This report tracks insolvency receipts by document number that are unclassified and waiting to be applied to the correct tax classes. This report lists the receipts in the Suspense account 4625. Each transaction is listed by DOC-ID, beginning balance, adjusted amounts and current balance.
- (2) This report is produced monthly. The current month activity equals the current balance on the Daily Trial Balance Report.

3.17.64.7.10.3
(08-31-2018)
**Insolvency Processing
(RRACS Window
210/498)**

- (1) Insolvency checks are received in the Philadelphia Campus Support function. The checks are scanned into OTCnet, and electronically transmitted to the FRB for deposit. The deposit ticket will be retrieved via OTCnet the following morning by the Ogden Accounting function.
- (2) Each deposit will have a unique DOC-ID. The DOC-ID is created by using the Trace ID.
- (3) Philadelphia (Campus Support) will:
 - a. Daily, scan received checks into the PCC computer (information will be transmitted to FRB at the end of the day). These payments will be run on Ogden's ALN and included in their deposit.
 - b. The following day, fax Form 784 with the DOC-ID noted to Ogden's Accounting Function at (801) 620-6198/6856.
- (4) Ogden (Accounting) will:
 - a. Daily, Insolvency technician will access OTCnet and retrieve all electronic deposit tickets and debit vouchers associated with payments input by Philadelphia.
 - b. The technician will print 2 copies of the deposit ticket and create spreadsheet for that deposit.
 - c. Accounting Technician will journal the deposit ticket to RRACS using window 210, found under Deposit, debit account 7009 and credit account 4625.
- (5) Debit side - Deposit (Apply) (Add):
 - a. Input deposit ticket number in Treasury field.
 - b. Input deposit date (settlement date from the ticket).
 - c. Source code must be IDRS (add).
 - d. Debit account 7009.
- (6) Credit side - (scroll down to Insolvency (Add)):
 - a. Input DOC-ID number in document number field.
 - b. Input deposit ticket date.
 - c. Input "4625 INSOL" in deposit ticket number field.
 - d. Credit account 4625.
 - e. Check summary.
 - f. Post to generate 210 journal number.
 - g. Label journal number on deposit ticket and its copy.
 - h. Place the original deposit ticket in bin for CIR technician.
- (7) Processing debit vouchers:

- a. Print two copies of the debit voucher.
 - b. Retrieve a copy of the dishonored check (using CIRA feature on OTCnet, query the unique ID from the debit voucher).
 - c. Hand carry copy of debit voucher to DCF to be added to the DCF file.
 - d. Journal the debit voucher to RRACS.
 - e. Fax a copy of the debit voucher, detail report and dishonored check to the CIO at Philadelphia.
- (8) The AORR generated daily reflects the Form 3244 and/or listing information input via command code PAYMT. Perform the normal balancing routine by comparing the amounts on the Form 3210, DOC-ID order and spreadsheet, against the AORR to ensure the amounts match.

Note: The amount of the AORR should equal the deposit ticket(s), as there should not be any additional types of area office deposits/payments input at the Philadelphia campus.

- (9) AORR EOD 1640 NOTE: If the AORR has more than one DOC-ID, note each DOC-ID and the amount to be journaled from each number.
- a. PSC will fax Form 3210 for all Form(s) 3244/listing input through CC PAYMT. The DOC-ID will be listed on both forms for Insolvency technicians to balance.
 - b. Debit account 4625 - use amount from AORR associated with each DOC-ID.
 - c. Credit MF accounts 4120 and/or 4220 found on EOD 1640, Page 6 and tax class tape totals from EOD 1640 (NMF items will need to be transferred to Kansas City).
 - d. Reclass using same 498 journal - Input money amount to 7009 then use EOD 1640 to debit the tax class.
- (10) Use 498 Recover Insolvency window (accounting application; recover insolvency)
- a. Use insolvency number as input into the DOC-ID number field.
 - b. Prepare date is the date of AORR (add).
 - c. Debit account 4625 (if more than one DOC-ID, click okay and input next DOC-ID, date of AORR and money amount for that id).
 - d. Credit in RS field- the insolvency number input on the debit side should systemically generate (add) Credit 4120 and/or 4220, as appropriate.
 - e. Reclass account 7009 and tax class (use Form 813-A for appropriate tax class). NMF items should be transferred to Kansas City.
 - f. Label journal number on AORR.
 - g. Insolvency unit will pull AORR from Control D.
 - h. Send original AORR to Data Control.
 - i. Send copy of AORR to insolvency technician.
 - j. Maintain AORR folder in Accounting.
- (11) Maintaining suspense account:
- a. Using the supporting backup, input the deposit ticket and check information onto the Excel Insolvency Suspense spreadsheet. Input the Julian date, DT number and DT date. List each check separately under the deposit column on the spreadsheet. The spreadsheet currently allows for a maximum of seven checks. Input the journal number of the DT (210 journal number).

- b. File tickets in date order in folder.
 - c. The Insolvency function will prepare the substitute Form 3244 used to apply the payments to the taxpayer's account via CC PAYMT. The Campus Support Team will be responsible for inputting the information via CMODE/PAYMT, using the Form 3244s. This information will be reflected in the AORR. The information will be balanced back to the documents and checks and journaled by the RACS unit. This will be journaled as a debit to account 4625.
 - d. When all checks have been applied using an AORR run, note 'Closed' on the spreadsheet.
 - e. Initiate follow-up with Campus Support for any case that is not closed within 15 days.
- (12) Each Monday morning, email the Insolvency Suspense spreadsheet, which includes all journals up to and including the prior Friday, to the Campus Support Team manager.
- Note:** Each Friday the Insolvency Report (RRACS 0139) should be balanced back to the Insolvency Suspense spreadsheet, prior to emailing the report. The RRACS DBA will provide this report.
- (13) Each month, a trial balance must be completed for the Insolvency Suspense account 4625. This will ensure that all cases are closed out timely. Only open case files are reflected on trial balance. The net figure for account 4625 will always be a credit or zero balance since all cases are opened as a credit to the account.
- (14) Backup reports to support the trial balance will include:
- a. RRACS Report 004 - Monthly General Ledger Trial Balance showing the cum debit and credit figures for account 4625, as well as the net amount remaining on the account.
 - b. RRACS Report 0139 - Insolvency Suspense Report listing all cases for the current month ending shown on the report. This list includes all cases from the prior month that did not close until current month ending.
 - c. Print of the Insolvency Suspense Report that corresponds to the month being balanced.
- (15) Complete the trial balance spreadsheet (showing debits without brackets and credits with brackets):
- a. Input the debit from RRACS Report 004 as a positive amount for RRACS 051 DR-AMT-CUM figure.
 - b. Input the credit from the RRACS Report 004 as a negative amount for the RRACS 051 CR-AMT-CUM figure.
 - c. Under the source document column, list the DOC-ID for all open case files. Use the actual case files to determine which cases remain open. The spreadsheet can be used to confirm open cases. The actual case file (document) must be used to run the trial.
 - d. In the column, next to each DOC-ID, list the remaining balance for each case file as a negative figure.
- (16) When all open case files have been listed, the remaining balance should be zero. If there is an imbalance:

- a. Check the RRACS Report 0139 for 210 journals under the beginning balance column that may not have a case file or check the adjusted amount column for a 498 journaled that may not have been used to close out a check on a particular case file.
 - b. As a secondary check, mark each remaining balance on the insolvency suspense spreadsheet against the current balance on the RRACS Report 0139 to ensure they match.
- (17) Forward the balanced trial to management for approval and initialization. The original trial and all backup should be forwarded to the Form 3997 Technician in the RACS function. A copy of the trial with all backup should also be provided to the Data Control Team 103. Maintain another copy of the trial and backup documents in the front of the closed case file folders for that month.

3.17.64.7.11
(01-20-2012)

Losses and Shortages

- (1) The following are the four types of Losses and Shortages accounts:
 - a. Account 7610 Embezzlement, Thefts and Negligence
 - b. Account 7620 Unexplained Losses
 - c. Account 7649 ECP Deposit Discrepancies
 - d. Account 7650 Deposit Discrepancies
- (2) These accounts are supported by individual records in the Losses and Shortages file within RRACS. Each individual record requires its own DOC-ID.
- (3) Unless known to be otherwise, tax class will always be 2.
- (4) Source documents related to losses and shortages are:
 - a. Form 3244
 - b. Memoranda granting relief for losses or shortages other than by payment.
 - c. Memoranda or letters stating losses or shortages.
 - d. Form 2424
- (5) Journal entries are made from individual documents and Form 813. If entry is a debit, a new DOC-ID is required. If entry is a credit, the DOC-ID must be the same as the individual loss or shortage case already established on RRACS. If there are any discrepancies with the DOC-ID, request journal research.

3.17.64.7.11.1
(10-25-2012)

**Loss and Shortage
Recovery Support
Report (RRACS 0577)**

- (1) This is a monthly report produced by the RRACS system. It shows all open embezzlement, deposit discrepancies, undeposited collections (only used for transfer of director's accountability) and unexplained losses. The total money amount must equal the open case files.

3.17.64.7.11.2
(06-16-2015)

**Electronic Check
Processing (ECP)
Deposit Discrepancy
Support List (RRACS
0576 Report)**

- (1) This is a monthly report produced by the RRACS system. It shows all open ECP (Lockbox) Deposit Discrepancies. The total money amount must equal the open case files.

3.17.64.7.11.3
(09-01-2011)
**General Ledger
Accounts for Losses
and Shortages**

- (1) The following accounts are used for processing and closing loss and shortage cases.

3.17.64.7.11.3.1
(09-01-2011)
**Account 6900
Adjustment or
Correction of Revenue
Receipts
(Nominal Account, DR
Normal Balance)**

- (1) This account is for adjustments or corrections of revenue receipts and for reclassification of revenue receipts to and from other general ledger accounts.
- (2) This account records relief granted by the Service or Treasury for losses and shortages of collections without reimbursement (See 31 USC. Secs. 3527 and 3528).
- (3) This account also addresses special cases for adjustments or corrections in revenue receipts. These would include shortages that have been assessed against an employee or former employee, under Section 7804(c) of the Code and payment was reported as tax instead of relief from shortages.
- (4) This account may also be used for other items authorized by Treasury or CFO RACS, such as reclassification of funds between the revenue receipt accounts, Anti-Drug Special Fund and the Informant Reward Special Fund.
- (5) No external subsidiary record is maintained, however, documentation supporting each entry must be on file.

3.17.64.7.11.3.2
(01-20-2012)
**Account 6901, ECP
Adjustment of Revenue
(Nominal Account, DR
Normal Balance)**

- (1) This account represents adjustments to revenue for ECP deposit discrepancies. The Submission Processing (SP) campus director(s) will not be accountable for these adjustments.
- (2) When approval is granted by the Accounting Operation Manager, Submission Processing, this account will be debited to provide credit to account 7649, ECP Deposit Discrepancies.
- (3) This account will be credited when an ECP deposit discrepancy is repaid after approval has been granted. Credit account 9998 for prior fiscal-year reversal.

3.17.64.7.11.3.3
(09-01-2011)
**Account 7610
Embezzlement and
Thefts
(Real Account, DR
Normal Balance)**

- (1) This asset account is used to record cash shortages of collections, losses from robbery or theft, embezzlement of collections and counterfeit bills. The balance in this account represents the total amount of such losses or shortages for which restitution or reimbursement may be obtained or for which relief may be granted.
- (2) This account is supported by reports and case history files covering the details of each recorded collection loss or shortage. Case history files will include complete documentation as detailed in IRM 3.0.167, Losses and Shortages. This account is included in the accountability of the accountable officer.
- (3) When opening a new case in account 7610, the case file number and the DOC-ID input to RRACS should be the same number. Both numbers should be the case number provided by TIGTA on the initial memo received from TIGTA.

Note: No TIGTA memo will be received for counterfeit bill cases. When opening the case on the RRACS system into account 7610, use the Trace ID number

(located on the debit voucher) plus the letter (C). If no debit voucher is received, use the Trace ID on the original deposit ticket plus the (C).
Example: 89252009292001C

- (4) All monies applied to this account will no longer be reflected on the SF 224 under TAS 200110. However, if it is re-classified it will show on the SF 224 under the re-classification TAS.

3.17.64.7.11.3.4
(09-01-2011)

**Account 7620
Unexplained Losses
(Real Account, DR
Normal Balance)**

- (1) This asset account is used to record unexplained losses. An unexplained loss includes deposit discrepancies that cannot be collected under the Federal Claims Collection Act. When the Service cannot establish the bank's liability for a deposit discrepancy, the loss is considered unexplained. Unexplained losses of \$10,000 or more require Treasury's approval. For additional information on unexplained losses refer to IRM 3.0.167, Losses and Shortages.
- (2) This account is supported by reports and case history files covering the details of each recorded collection loss or shortage. Case history files will include complete documentation, as detailed in IRM 3.0.167, Losses and Shortages. This account is included in the accountability of the accountable officer.
- (3) All monies applied to this account will no longer be reflected on the SF 224 under TAS 200110. However, if it is re-classified it will show on the SF 224 under the re-classification TAS.

3.17.64.7.11.3.5
(01-20-2012)

**Account 7649 ECP
Deposit Discrepancies
(Real Account, DR
Normal Balance)**

- (1) This asset account is used to record amounts of ECP deposit discrepancies which are discovered by the lockbox depositories only. These items are considered true deposit shortages for accountability purposes. The balance in this account represents the total amount of such losses or shortages for which reimbursement may be obtained or for which approval may be granted.
- (2) Account 7649 is supported by reports and/or case history files covering the details of each recorded collection loss or shortage. Case history files will include complete documentation, as detailed in IRM 3.0.167. This account is NOT included in the accountability of the accountable officer.

Note: Treasury will now become the accountable officer for any unresolved lockbox deposit discrepancy, instead of the lockbox financial institution. The Submission Processing (SP) campus director(s) will not be accountable for these discrepancies.

- (3) All monies applied to this account will not be reflected on the SF 224 under TAS 200110. However, if it is re-classified it will show on the SF 224 under the re-classification TAS.

3.17.64.7.11.3.6
(09-01-2011)

**Account 7650 Deposit
Discrepancies
(Real Account, DR
Normal Balance)**

- (1) This asset account is used to record amounts of deposit discrepancies which are discovered by the depositories. This account may also be used when the Payment Tracer function has unresolved encoding errors, where extensive research has been completed and the credit cannot be located. These items are considered true deposit shortages for accountability purposes. The balance in this account represents the total amount of such losses or shortages for which restitution or reimbursement may be obtained or for which relief may be granted.
- (2) Account 7650 is supported by reports and case history files covering the details of each recorded collection loss or shortage. Case history files will

include complete documentation, as detailed in IRM 3.0.167, Losses and Shortages. This account is included in the accountability of the accountable officer.

- (3) All monies applied to this account will no longer be reflected on the SF 224 under TAS 200110. However, if it is re-classified it will show on the SF 224 under the re-classification TAS.

3.17.64.7.11.4
(09-01-2011)

New Embezzlement or Loss Case Processing (RRACS Window 306)

- (1) The receipt loss coordinator in Accounting will receive a memorandum from TIGTA identifying the injured taxpayer.
- (2) Receive Form 2424 or Form 3809 and Form 813 with the injured taxpayer's information and amount of loss. Include on the Form 2424 or Form 3809 the TIGTA case number. All information can be found on the memorandum received from TIGTA.
- (3) Prepare Form 8166 for journal entry. Form 8166 should include, at a minimum, DOC-ID, DLN, money amount and date of loss.
- (4) Journal Form 2424 or Form 3809 to the RRACS system to open the case.
 - a. Using the RRACS 306 window, which can be found under the Loss Main Menu under Loss, Embezzlement and Theft, input each DOC-ID and loss amount separately.
 - b. Use the date of loss as the action date when opening the case on RRACS. Use the TIGTA Case number as the DOC-ID on RRACS.
 - c. The journal entry will be a debit to account 7610 and a credit to account 4120 (BMF) or 4220 (IMF).
 - d. The journal number must be labeled on all supporting documentation.
 - e. Maintain original debit Form 2424 or Form 3809 in the case file maintained by the receipt loss coordinator.
 - f. File and distribute Credit documents and Form 813 accordingly.

3.17.64.7.11.5
(09-01-2011)

Repayment or Relief Granted of Embezzlement or Loss (RRACS Window 309)

- (1) Receive payment posting document (either Form 3244, Form 2424, Form 3809 or IPAC from Beckley Finance Center via RRACS) with repayment amount of loss or the amount of relief granted.
- (2) Prepare Form 8166 for journal entry. Form 8166 should include, at a minimum original DOC-ID, money amount and date of payment or relief.
- (3) Journal to the RRACS system.

Note: The original DOC-ID used to open the case originally must be used when posting a partial repayment or when relief is granted.

- a. Using the RRACS 309 window, which can be found under the Loss Main Menu under Recover, Embezzlement and Theft, input each DOC-ID and loss amount separately.
- b. The journal entry will be a debit to either account 4120 (BMF), 4220 (IMF) or Account 6900 (Adjustment or Correction of Revenue Receipts) and a credit to account 7610.
- c. The journal number must be labeled on all supporting documentation.
- d. File and distribute documents accordingly.

3.17.64.7.11.6
(09-01-2011)

**New Unexplained Case
Processing
(RRACS Window 307)**

- (1) Receive Form 2424 or Form 3809 for processing.
- (2) Prepare Form 8166 for journal entry. Form 8166 should include, at a minimum, DOC-ID, DLN, money amount, date of original deposit and the accountable officer at the time of the loss.
- (3) Journal Form 2424 or Form 3809 to the RRACS system to open the case.
 - a. Using the RRACS 307 window, which can be found under the Loss Main Menu under Loss, Unexplained Loss, input DOC-ID and amount separately.
 - b. Use the date of original deposit as the action date when opening the case on RRACS. Use the original deposit ticket number as the DOC-ID on RRACS.
 - c. The journal entry will be a debit to account 7620 and a credit to account 4120 (BMF), 4220 (IMF).
 - d. The journal number must be labeled on all supporting documentation.
 - e. Maintain original debit Form 2424 or Form 3809 in the case file maintained by the receipt loss coordinator.
 - f. File and distribute Credit documents and Form 813.

3.17.64.7.11.7
(11-01-2016)

**Repayment or Relief
Granted of Unexplained
Loss
(RRACS Window 310)**

- (1) Receive payment posting document with repayment amount of unexplained loss or the amount of relief granted.
- (2) Prepare Form 8166 for journal entry (optional). Form 8166 should include, at a minimum original DOC-ID, money amount and date of payment or relief.
- (3) Journal to the RRACS system.

Note: The original DOC-ID used to open the case originally must be used when posting a partial repayment or when relief is granted.

- a. Using the RRACS 310 window, which can be found under the Loss Main Menu under Recover, Unexplained Loss, input each DOC-ID and loss amount separately.
- b. The journal entry will be a debit to either account 4120 (BMF), 4220 (IMF) or account 6900 (Adjustment or Correction of Revenue Receipts) and a credit to account 7620.
- c. The journal number must be labeled on all supporting documentation.
- d. File and distribute documents accordingly.

3.17.64.7.11.8
(01-20-2012)

**New Deposit
Discrepancy Case
Processing
(RRACS Window 308)**

- (1) Receive Form 2424 or Form 3809 for processing.
- (2) Prepare Form 8166 for journal entry. Form 8166 should include, at a minimum, DOC-ID (debit voucher number), DLN and money amount.
- (3) Journal Form 2424 or Form 3809 to the RRACS system to open the case.
 - a. Using the RRACS 308 window, which can be found under the Loss Main Menu under Loss, Deposit Discrepancy, input DOC-ID and amount separately.
 - b. The journal entry will be a debit to account 7650 or Account 7649 (if ECP deposit discrepancy) and a credit to account 4120 (BMF), 4220 (IMF), 1710 (Dishonored Checks) or 1720 (Dishonored Check, Adjustment).
 - c. The journal number must be ed or written on all supporting documentation.

- d. Maintain original debit Form 2424 or Form 3809 in the case file maintained by the receipt loss coordinator.
- e. File and distribute credit documents and Form 813.

3.17.64.7.11.9
(01-20-2012)

Repayment, Approval to Write-Off or Relief Granted of Deposit Discrepancy Case (RRACS Window 311)

- (1) Receive payment posting document with repayment amount of unexplained loss, the amount of relief granted, or the amount approved by the field director, Submission Processing for write-off to the 6901.
- (2) Prepare Form 8166 for journal entry. Form 8166 should include, at a minimum original DOC-ID, money amount and date of payment or relief.
- (3) Journal to the RRACS system.

Note: The original DOC-ID used to open the case must be used when posting a partial repayment or when relief is granted.

- a. Using the RRACS 311 window, which can be found under the Loss Main Menu under Recover, Deposit Discrepancy, input each DOC-ID and loss amount separately.
- b. The journal entry will be a debit to either account 4120 (BMF), 4220 (IMF), 1710 (Dishonored Check), 1720 (Dishonored Check Adjustment) Account 6900 (Adjustment or Correction of Revenue Receipts) or Account 6901 (ECP Adjustment of Revenue) and a credit to account 7650 (Deposit Discrepancy) or account 7649 (ECP Deposit Discrepancies).
- c. The journal number must be labeled on all supporting documentation.
- d. File and distribute documents and Form 813.

3.17.64.7.12
(09-01-2011)

Refund Reversals

- (1) The following documents can be received for refund reversals:
 - a. SF 1098 Schedule of Canceled or Undelivered Checks
 - b. SF 1184 Unavailable Check Cancellation
 - c. SF 1185 Schedule of Unavailable Check Cancellation Credits
 - d. SF 1081 Voucher and Schedule of Withdrawals and Credits
- (2) SF 1081 will also be received from Regional Resources Management division for relief of losses. A reclassification is necessary to increase receipts (account 21XX) and decrease or credit refund appropriations (account 2410).

3.17.64.7.12.1
(10-17-2024)

Account 4970 Unapplied Refund Reversal (Real Account, DR/CR Normal balance)

- (1) This account is used to record, and control canceled refund checks prior to research for proper application. The items included in this account are only those checks generated manually or through IDRS, which cannot be input by the disbursing office directly to Master File.
- (2) This account is used to control Doc Code 45 refund items that are received due to mismatch of money amounts. Resolution of these items may require contact with the Regional Finance Center (RFC) and the Fiscal Service. Discrepancies under \$5.00 will be resolved by preparing Form 3809 and using account 6540, Small Debit and Credits Cleared, requesting a journal action.
- (3) For any items aged over two years that cannot be resolved through research and follow-up contact with RFC and BFS, administrative action may be requested. Administrative approval to charge unapplied refund reversal credit

amounts to the 6800 account and charge debit items to the 1840 account may be granted. Authority for approving such action may not be delegated below the accounting operation manager level. All cases should be fully documented on a case history sheet regarding research performed, destruction of records, contacts made, or any related correspondence to ascertain that resolution is no longer possible.

- (4) This account is used to control IPAC-D and IPAC-R receipts until the tapes are processed at ECC or manual documents are prepared. Individual records will be maintained for each IPAC document.
- (5) Individual records from refund cancellations that result in unpostable transactions can be resolved by researching the UPC code on IDRS. All Unpostable conditions should be resolved by Data Control personnel within 4 weeks after it is initially posted on the GUF5547 report and should be worked off the suspense inventory in SCCF per IRM 3.17.30.13.3(4a), Resolution of Nullified Unpostable Items.
- (6) All items placed into this account are refunds or refund cancellations that must be conducted to issue a refund to a taxpayer. Items placed in this account will be subject to expedite research to determine proper application and will be transferred to the proper taxpayer's account upon identification to prevent refund delays and paying additional interest.
- (7) Refunds and cancellations transferred from this account to a miscellaneous fund must be reclassified.
- (8) The external subsidiary file documents are IPAC case files, any Form 3809 associated with SF1098 and TRACS listings from Control-D.

3.17.64.7.12.2
(09-01-2011)
**Standard Form 1098
Schedule of Cancelled
or Undelivered Checks**

- (1) SF 1098 may have an input document, Form 3245, or the form may indicate a tape was forwarded to ECC and the journal entry will be made to IMF or BMF. If Form 3245 is received, Form 813 (2-part) should be associated.
- (2) Entry will be made from SF 1098 for appropriation amount and from Form 813 (2-part) or tape for SCCF suspense account.
- (3) If SF 1098 indicates tape was posted directly to MF, entries will be made from SF 1098 only. A cycle number is required and it must agree with the cycle number on the RACR received from ECC.

3.17.64.7.12.3
(09-01-2011)
Standard Form 1184

- (1) SF 1184 will be received with input documents, Form 3245 and Form 813 (2-part). Form 813, Part 1 and Form 3245 will be forwarded to Batching for processing. Part 2 will balance with SF 1184 amount. Input will be made from SF 1184 and duplicate Form 813.

3.17.64.7.12.4
(09-01-2011)
**Miscellaneous Refund
Check Cancellation**

- (1) Deposit fund refund checks which are canceled will be posted from the SF 1098 or SF 1184.
- (2) General Fund, Off-Shore Oil Fund and Anti-Drug Special Fund refund checks which are canceled will be posted from the SF 1098 or SF 1184 and reclassified.

3.17.64.7.12.4.1
(01-13-2014)

**Account 6565 Refund
Cancellation Credits
Allowed
(Nominal Account, DR
Normal Balance)**

- (1) The monies posted to this account are indicative of the processing which allows a refund cancellation credit (TC 841) to post to a taxpayer's account when a refund was issued but never negotiated by the taxpayer.
- (2) IRS is legally obligated to re-credit the taxpayer's account for amount of the check if BFS either cannot return a credit to IRS under the terms of the competitive equality Banking Act of 1987 (Limited Payability) or has returned a credit but IRS cannot locate the credit.
- (3) The case file accompanying Form 3809 must contain adequate documentation to clearly demonstrate that one of the specified criteria for use of account 6565 has been met. This includes records of all contacts made with BFS, both written and oral that have been made in effort to resolve the case. It must also include an account transcript or TXMOD print showing all control base activity and history items. These case files will be maintained by category 1, 2, 3 or 4. See IRM 21.4, Refund Inquiries, for explanations of these codes. Refunds issued based on category 3 require the operation manager's signature.
- (4) External subsidiary record is the file of documents used as described above.

3.17.64.7.12.4.2
(09-01-2011)

**Account 6910 Correction
of Misc. Revenue
(Nominal Account, DR
Normal Balance)**

- (1) This account represents the total amount of reimbursement for miscellaneous revenue.
- (2) This account also represents the total amount of reimbursement to lockbox banks for losses that were not their responsibility.
- (3) The external subsidiary is the case file supporting this transaction.

3.17.64.7.12.5
(05-10-2013)

Reporting of SF 1081

- (1) As part of Treasury's Central Accounting Reporting System (CARS), formerly GWA, SF 1081 are reported as receipts and disbursements in CARS.

3.17.64.7.13
(10-17-2024)

Remittances

- (1) Remittances received by the field office or foreign operation district (FOD) for application to taxpayer accounts are deposited to the credit of the campus director via OTCnet. Remittances are also received at the site. The related returns or documents are controlled by:
 - a. OTCnet deposit ticket
 - b. Form 813 (2-part)
 - c. Form 813A
 - d. Remittance processing system transaction registers
- (2) Taxpayer Assistance Centers must upload the accounting package documents to the *Field Office Over the Counter Deposit (FOOD) Sharepoint*.
 - a. For daily balancing of cash deposits in Taxpayer Assistance Centers (TAC), compare the total of dollars deposited by the TAC reflected on the OTCnet System to the dollar total credited to taxpayer accounts on the AORR also known as the EOD 2421 Report for the same TAC. If the TAC is out of balance, then immediately contact the TAC manager, for a digitally signed Form 2424-A, Account Adjustment Voucher. The TAC manager ensures the correction is provided within 24 hours via secure email. If the signed Form 2424-A, Account Adjustment Voucher, requires

processing by another area, then Accounting will complete the required posting voucher to ensure the correction is done. Copy the Area Office analyst for remittances for the servicing Field Assistance (FA) Area.

- b. TACs with couriers each have a unique 3- digit number that display on the AORR. If there is an out of balance, identify the TAC by this 3 digit number.

- (3) The campus prepares separate deposit tickets for its own deposits. These documents are used as the basis for journal entry and subsequent posting to the general ledger controls. Remittances received by area offices and FODs are processed and deposited to the credit of the campus director, as prescribed. Dishonored checks on above remittances are received at the site with SF 5515. For detailed information, see IRM 3.17.10, Dishonored Check File (DCF) and Unidentified Remittance File (URF).
- (4) All DT/DVs must be dated once they are received in Accounting.

3.17.64.7.13.1

(11-22-2019)

Taxpayer Assistance Center (TAC) Courier Deposits

- (1) Taxpayer Assistance Centers (TACs) may have approved couriers pick up and deposit cash payments collected over the counter into OTCnet. These courier deposits are applied to tax accounts through IDRS and deposited to the credit of the accountable campus director using OTCnet. HQ Field Assistance (CARE organization) manages TAC couriers and the courier deposit process in partnership with the Fiscal Service (BFS).
- (2) The related returns or documents for TAC courier deposits are:
 - a. OTCnet deposit ticket
 - b. EOD 1640
 - c. Remittance Processing System Transaction Registers (EOD 2421, Area Office Remittance Register)
 - d. Form 809 Receipt for Payment of Taxes

Note: Effective October 1, 2019, the TACs stop using a Smart Safe to collect cash payments of whole dollars and coins. Austin or Kansas City RACS might experience late confirmation. During the last week of the month deposit tickets are held from journaling until they are confirmed.

3.17.64.7.13.1.1

(10-17-2024)

Daily Balancing of TAC Cash Deposits

- (1) Each TAC must reconcile and balance cash collections daily to the penny. Accounting will print the TAC office cash deposit tickets from OTCnet.
- (2) Effective October 1, 2018, all TAC's will submit the accounting package via the *Field Office Over the Counter Deposit (FOOD) Sharepoint* to Campus Accounting for review, balancing and journaling. These documents will be retained and available for audit for seven years. Campus Accounting users gain access to the site with approval of their department manager. Department manager may send an approved request for access with the employee name and SEID to HQ Accounting Services at 855-225-1552.
- (3) Using the information on the OTCnet deposit ticket, retrieve the cash accounting package documents from the SharePoint site for the date of deposit. SharePoint categories are:
 - Submission Processing Center
 - Field Assistance Area
 - TAC Name (alphabetically by city)

- Fiscal Year of Deposit
- Month of Deposit
- Date of Deposit

(4) There will be two files listed for each date of deposit.

- Form 809 receipts for the deposit date (The Form 809 receipts are for Receipt and Control daily use. Accounting can access these on an as needed basis.) The file will be named by the OTCnet deposit Ticket date (mm.dd.yyyy) 809. Example: 10.29.2018 809
- PYBAL sheet, Form 2424-A (if applicable) and Memorandum of explanation regarding any out of balance condition (if applicable). The file will be named by the OTCnet deposit ticket date (mm.dd.yyyy) PYBAL. Example: 10.29.2018 PYBAL

Note: If Accounting contacts a TAC for a new or revised Form 2424-A Account Adjustment Voucher, then the Form 2424-A digitally signed by the TAC manager will also be uploaded to the FOOD SharePoint by the TAC. This file for the subsequent Form 2424-A will be named by the OTCnet deposit ticket date (mm.dd.yyyy) Form 2424-A. Example: 10.24.2018 Form 2424-A. The TAC will Inform Accounting when the Form 2424-A has been posted to the SharePoint.

Note: If the Accounting FOOD SharePoint experiences an outage, generally the TAC will upload the documents when it becomes available. If it is two days before the end of month or sooner, the TAC will email the scanned documents to the RACS email box at the servicing site. The subject line of the email will include "SharePoint down, TAC Location and OTCnet deposit date."

- (5) Campus Accounting must review each cash deposit daily to confirm that the TAC is in balance before journaling.
- a. If the exact dollar amount of the OTCnet deposit ticket matches the exact dollar amount of payments credited to tax accounts on the EOD 2421 to the penny, then the TAC is in balance. If the breakdown of the tax class totals results in an out of balance condition from the EOD 1640 and the deposit ticket, RACS should reclass the money.
 - b. If the exact dollar amount of the OTCnet deposit ticket does not match the exact dollar amount of payments credited to tax accounts on the EOD 2421 to the penny, then the TAC is out of balance. Occasionally, the TAC offices will cmode to the incorrect FLC and this will cause the payment and deposit ticket to be separated causing SCCF to be out of balance. The site that receives the deposit will have to transfer the money following Form 2158 procedures to the gaining site. Every effort should be made to complete the necessary actions before end of month. The accounting technician will take the following steps:

Step	Action
1	Compare the exact total of dollars deposited to the OTCnet System for the TAC to the exact total of dollars credited to tax accounts on EOD2421, for that TAC. Payments will be posted by unique TAC ID number.
2	If the exact dollar amount of the OTCnet deposit ticket matches the exact dollar amount of payments credited to tax accounts on the EOD 2421 to the penny, then the TAC is in balance. If the TAC is in balance, then journal the deposit. If the TAC is not in balance, then see step 3.
3	Determine if there is an overage or a shortage by the money amount of the deposit. A shortage occurs if the dollar amount of the deposit is less than the amount credited to the tax accounts on the EOD 2421 report.
4	<p>Notify the TAC manager via secure email. In the subject of the email state the deposit ticket number out of balance, mm/dd/yyyy, requesting F2424-A for the out of balance with response due within 24 hours. Copy the Area Office analyst for remittances for the servicing Field Assistance (FA) Area.</p> <ul style="list-style-type: none"> • FA 1 – Kenneth Bosley@irs.gov • FA 2 – Kenneth Bosley@irs.gov • FA 3 – Angel R Patton@irs.gov • FA 4 – Angel R Patton@irs.gov <p>If sending an out of balance issue to a TAC, then also copy the HQ Field Assistance analysts Helen Snoddy, Marian Loomis, Michelle R. Jones and HQ Accounting and Deposit Section analysts Lana Fouty and Cindy Webster. Record all out of balance condition on the SP Deposit Monitoring Spreadsheet.</p>
5	If the out of balance condition is not resolved by the following business day, then follow up with the Area Office analyst for remittances.
6	Record all responses to out of balance conditions on the SP Deposit Monitoring Spreadsheet. If there are any unresolved out of balance conditions, unconfirmed bank deposits or any unresolved issue by the 4th Wednesday of the month, then provide a copy of the SP Deposit Monitoring Spreadsheet or email with the unresolved issue to the HQ Submission Processing analyst for Field Office Payment Processing for assistance to ensure resolution by the end of the month.
7	Refer to IRM 3.0.167 Losses and Shortages for reporting requirements if cash losses, not just balancing issues are identified. If reporting a loss or shortage, inform the campus remittance security coordinator (RSC). A list of remittance security coordinators is at the <i>Remittance Coordinator Listing</i> .

3.17.64.7.13.1.2
(03-14-2014)

Rejected TAC Cash Deposits

- (1) The following procedures list different scenarios that are to be followed if a TAC deposit ticket is journaled and then rejected by the bank.
- (2) If a new deposit ticket is prepared and submitted for the same amount in the same month:
 - a. Print new deposit ticket and rejected deposit ticket from OTCnet.
 - b. Modify both Treasury Number and date.
 - c. Attach the original deposit ticket copy and rejected copy behind the new deposit ticket.
 - d. Label the original journal number and modification journal number (window 902) on the new deposit ticket.
- (3) If a new deposit ticket is prepared and submitted for the same amount for a different month:
 - a. Print new deposit ticket and rejected deposit ticket from OTCnet
 - b. Manually confirm rejected deposit ticket on window 211 and on message block on window input rejected ticket and new ticket number issued.
 - c. Prepare in-house debit voucher. Journal using window 221, debit 1720 and credit 2110. Reclass journal will be debit 2110 and credit 2120. Cross Reference the original 210 journal number.
 - d. On new deposit ticket, cross reference the rejected deposit ticket number and journal new deposit ticket on window 210 as a debit 2120 and credit 1720.
- (4) If a new deposit ticket is prepared and submitted for a different amount and Form 2424-A is provided for the difference:
 - a. Print new deposit ticket and rejected deposit ticket from OTCnet.
 - b. Manually confirm original deposit ticket on window 211 and message block on window input rejected ticket and new ticket number issued.
 - c. Prepare in-house debit voucher. Journal using window 221, debit 1720 and credit 2110. Reclass journal will be debit 2110 and credit 2120. Cross Reference the original 210 journal number.
 - d. On new deposit ticket, cross reference the rejected deposit ticket number. Journal using window 210 as debit 2120 and credit 1720/ 4120/4220 or 4620.
 - e. Assign DLN to Form 2424-A and prepare Form 813. Journal using window 400.
 - f. Label journal number on Form 2424-A and Form 813 and distribute documents accordingly.
- (5) If the deposit ticket is rejected by the bank due to counterfeit bill and taxpayer can be identified:
 - a. Print rejected deposit ticket from OTCnet.
 - b. Manually confirm the original deposit ticket on window 211 and in message, input rejected ticket due to counterfeit bill.
 - c. Retrieve information from EOD 1621 to prepare Form 2424-A to debit taxpayer. (Taxpayer must be positively identified).
 - d. Assign DLN to Form 2424-A and prepare Form 813. Journal using window 400.

Note: If taxpayer cannot be positively identified, follow counterfeit bill procedures in IRM 3.0.167, Losses and Shortages.

- e. Prepare in-house debit voucher. Journal using window 221, debit 4120/4220 and Credit 2110. Reclass journal will be debit 2110 and Credit 2120. Cross Reference the original 210 journal number.
- f. Label journal number on Form 2424-A and Form 813 and distribute documents accordingly.

3.17.64.7.13.2
(09-01-2011)
**Collections Revenue
Receipts IDRS
Accounting Package
(RRACS Window 210)**

- (1) The IDRS accounting package contains OTCnet deposit ticket, IDRS Remittance Register and IDRS Recap (AORR, EOD 16).
- (2) Each OTCnet deposit ticket will be journaled individually using window 210, under Deposit. The RRACS window validity checks will verify total amount to the sum of all tax class amounts. It is essential that the correct amount be placed in the proper tax class fields because these amounts are posted to the database as revenue receipts.
- (3) All accounting packages received in RACS must be journaled within two business days.

Note: You must NOT wait for the confirmed deposit ticket before journalizing.

- (4) Any losses or shortages associated with the deposit tickets being input will have proper documentation.
- (5) Entries to the SCCF suspense accounts will be made from the IDRS Recap (AORR, EOD 16).
- (6) Deposit tickets and the IDRS Recap must be cross-referenced with the journal number for audit trail purposes.
- (7) All DT/DVs must be dated when they are received in Accounting.

3.17.64.7.13.3
(08-18-2022)
**Regular Accounting
Package and Cash
Conversion
(RRACS Window 210)**

- (1) The regular accounting package is received with the following documents (all DTs must be dated when they are received in Accounting):
 - a. OTCnet deposit ticket
 - b. Form 813 (duplicate for MF and original or third copy for NMF)
 - c. Form 813-A
 - d. Form 3460
 - e. NMF subsequent payments with duplicate Form 813
- (2) Each Form 215-A will be journaled individually using window 210, under deposit. The RRACS window validity checks will verify total amount to the sum of all tax class amounts. It is essential that the correct amounts be journaled in the proper tax class fields because these amounts are posted to the database as revenue receipts.
- (3) If it is found that the detail of amount by tax class has been omitted or is more or less than the total thereof on the original deposit tickets released to the depository, the depositing office is authorized to change the office copies in pen and ink to include the error amount on line two as individual income tax-other. The reclassification window will be used to reclassify the discrepancy amount to the correct tax class. The total amount and the date on the DT must never be changed. **EXCEPTION:** On the ISRP deposit ticket, certain conditions may

necessitate a date change. With ISRP processing, the deposit ticket is generated with the current date. During peak, processing is also done on weekends, but deposits are not made until the following regular business day (Monday). The bank will not accept a deposit with a previous day's date. Whenever this occurs, the date must be changed on all copies of the deposit ticket before the deposit is released to any area.

- (4) Losses and shortages related to deposits will be documented and input with the related deposit ticket.
- (5) The deposit tickets and Form 813 must be cross-referenced with the journal number, as applicable.
- (6) The campus must not wait for the confirmation of the deposit ticket before journalizing the accounting packages in RRACS and all DT must be dated once they are received in Accounting.

3.17.64.7.13.4
(08-18-2022)
Deposit Tickets and Debit Vouchers

- (1) DT/DV must be dated once they are received in Accounting.
- (2) The total amount and the date on the DT/DV must never be changed.

3.17.64.7.13.5
(09-01-2011)
Accounting Package From Electronic Fund Transfer (EFT) System Deposit (RRACS Window 210)

- (1) The EFT accounting package is received with the SF 215-C and the appropriate backup, according to the EFT payment type.
- (2) Each SF 215-C will be journaled individually using a 210 window under deposit. Amounts will be input as total amount and tax class amount. Tax class amounts will be determined by the EFT message reflected on the Treasury Financial Communication System support listing.

3.17.64.7.13.6
(02-03-2021)
ISRP via Electronic Check Process

- (1) ISRP check processing system now process checks electronically through Treasury OTCnet System.
- (2) Processing sites began the ISRP electronic check process in November 2020 and December 2020. The Receipt & Control operations will send electronic check images and corresponding data through the OTCnet system to the Federal Reserve Bank of Cleveland.

Note: Fresno SPC continues to process hard copy remittances through US Bank

- (3) Accounting package contains the following documents:
 - a. OTCnet deposit ticket
 - b. IMF and BMF SCCF listings
 - c. ISRP remittance register
 - d. ISRP general ledger account number list for each deposit ticket
- (4) ISRP:
 - a. Transmits a file to RRACS
 - b. Generates a batch journal window 170.
 - c. Post transaction to RRACS.
- (5) The accounting technician:

- a. Verifies the batch journal 170 to the OTCnet deposit ticket and supporting documentation.
 - b. If all agree, label the batch journal number on the OTCnet deposit ticket and supporting documentation.
 - c. If an error occurs while writing or stamping the 170 batch journal number on the deposit ticket (OTCnet) or supporting documentation, you should: put a line through the incorrect journal number, insert your initials, date the document and label the correct 170 batch journal number on the deposit ticket and supporting documentation.
 - d. For discrepancies, submits a Knowledge Incident/Problem Service Asset Management (KISAM) ticket to: BU-CFO-RFM-RA-RS & A.
 - e. For batch journals failing to post to RRACS, submits a KISAM ticket to: &IT ACIOAD-RRACS-Developers. The technician may manually journal a 210 entry.
- (6) RRACS produces the ISRP Error Report (0150) when a problem arises with ISRP batch journal.

3.17.64.7.13.6.1
(02-03-2021)

ISRP Rejected Items

- (1) If Accounting receives a rejected item then:
- a. Manually confirm the original batch deposit ticket
 - b. Create a dummy debit voucher with the same Trace ID for the ISRP rejected portion. Journal action: window 221 debit 1720 and credit 2110. Reclass if needed, debit 2110 and credit 21XX.
 - c. The appropriate accounting function must research the account and if the account is in credit status input a TC 570 to hold any refunds.

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- d. The appropriate accounting function will prepare the Form 2424 to debit the taxpayer; obtain DLN and prepare Form 813.
- e. RACS journal action: window 400 debit SCCF and credit 1720.
- f. Process the Form 2424 as a walkthrough to prevent an erroneous refund.
- g. If there is a separate deposit ticket for the rejected portion, manually journal the second deposit ticket from OTCnet using window 210 and the new Trace ID number.

Note: The Dummy debit will not be processed through DCF file.

Note: See IRM 3.17.10.2.2.3 Integrated Submission and Remittance Processing for the Electronic Check Process

3.17.64.7.13.7
(09-19-2017)

Lockbox Deposits via Electronic Check Processing (ECP)

- (1) Electronic Check Processing (ECP) is used for lockbox processing as of July 2011. The lockbox sites will send electronic check images and corresponding data through the ECP system to the Federal Reserve Bank of Cleveland (FRB-C). The FRB-C is the bank of first deposit for all lockbox payments. FRB-C will handle the CIR deposit, return and adjustment reporting.

- (2) Lockbox electronically transmits files to the MCC or TCC computing center. The file generates the batch journal 180 and the batch journal posts to RRACS.
- (3) The accounting technician:
 - a. Verifies the batch journal 180 to the OTCnet deposit ticket and supporting documentation.
 - b. If all agree, label the batch journal number on the OTCnet deposit ticket and supporting documentation.
 - c. If an error occurs while writing or stamping the 180 batch journal number on the deposit ticket (OTCnet) or supporting documentation, you should: put a line through the incorrect journal number, insert your initials, date the document and write or date stamp the correct 180 batch journal number on the deposit ticket and supporting documentation.
 - d. For discrepancies, submits a Knowledge Incident/Problem Service Asset Management (KISAM) ticket to: BU-CFO-RFM-RA-RS & A.
 - e. For batch journals failing to post to RRACS, submits a KISAM ticket to: &IT ACIOAD-RRACS-Developers. The technician may manually journal a 210 entry.
- (4) If there is a problem with lockbox batch journal RRACS will produce the Lockbox Error Report (0151).

3.17.64.7.13.7.1
(09-10-2019)
ECP Rejected Items

- (1) If Accounting receives a rejected item then:
 - a. Manually confirm the original batch deposit ticket
 - b. Create a dummy debit voucher with the same Trace ID for the ECP rejected portion. Journal action: window 221 debit 1720 and credit 2110. Reclass if needed, debit 2110 and credit 21XX.
 - c. The appropriate accounting function must research the account and if the account is in credit status input a TC 570 to hold any refunds.
 - d. The appropriate accounting function will prepare the Form 2424 to debit the taxpayer; obtain DLN and prepare Form 813.
 - e. RACS journal action: window 400 debit SCCF and credit 1720.
 - f. Process the Form 2424 as a walkthrough to prevent an erroneous refund.
 - g. If there is a separate deposit ticket for the rejected portion, manually journal the second deposit ticket from OTCnet using window 210 and the new Trace ID number.

Note: The Dummy debit will not be processed through DCF file.

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3.17.64.7.13.8
(03-04-2020)

**Advance Payments and
IRC 6603 Deposits**

- (1) Processing payments or IRC 6603 deposits prior to the processing of the related returns or exam documents will result in advance credits in the MF accounts. Such credits will be held in the accounts, appropriately coded as to the purpose, until the related debit assessment posting is made. These payments post to taxpayer accounts as TC 640. IRC 6603 deposits are further identified with blocking series 990-999 or with Designated Payment Code (DPC) 12. In some cases, an assessment is made in the amount of the advanced payment before the related return or document is processed.
- (2) IRC 6603 deposit which were erroneously numbered and posted as advance payments require manual correction. See IRM 3.8.45.8.6, IRC 6603 Deposits.

3.17.64.7.13.8.1
(09-01-2011)

**Account 4610 Unapplied
Advance Payments
(Real Account, CR
Normal Balance)**

- (1) This liability account will be used to record advance payments voluntarily made by taxpayers in anticipation of deficiency or additional assessments of all tax classes and advance payments (including cash bonds) in pre-refund audit cases. The balance in this account represents all such payments which have not been assessed, applied to taxpayer accounts, refunded or transferred to other offices.
- (2) Account 4610 will be supported by subsidiary records established to identify the taxpayer, amount of advanced payment and subsequent assessment application, refund or transfer of the collection.

3.17.64.7.13.8.2
(09-10-2019)

**Account 4615 IRC 847,
Special Estimated Tax
Payments
(Real Account, CR
Normal Balance)**

- (1) This liability account will be used to record IRC 847 payments resulting from the Technical and Miscellaneous Revenue Act of 1988. Effective for tax periods beginning after December 31, 1987, IRC 847(2) requires certain insurance companies to make Special Estimated Tax Payments (SETPs) in the amount equal to the tax benefit derived from the additional deduction permitted under the statute. Returns with Special Estimated Tax Payments require special handling. The payments will be received on Form 1120, Form 1120-L, Form 1120-PC or as estimated payments. Credits may also be transferred from the BMF. The credits will be applied as directed by the designated area.
- (2) After a Section 847 return has been reviewed, LB&I Exam will email the Form 3809 debit and credit copies and copy of front page of return to Ogden RACS Team for module input and to be included in the taxpayer's account 4615 file.
 - a. In some cases, LB&I Exam will not want funds moved based on certain criteria. In these cases, Exam will notate in the explanation section of the Form 3809 the reasoning why funds should not be moved. Additionally, Exam will place .00 in the 1st TC on both the debit and credit copy.

Note: If copies of returns are provided by Submission Processing functions, then the sender's contact information (e.g., name, phone number and email). If

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- (3) Subsidiary records established to identify the taxpayer and amount of payment will support account 4615. The subsidiary file will be maintained by individual, company and accident year. Transfers of payments should also be recorded.

Note: IRC 847 to taxable years beginning before January 1, 2018. Section 13516 of the Tax Cuts and Jobs Act (Pub. L. No. 115-97) repealed section 847 for taxable years beginning after December 31, 2017. Thus, the election to

apply section 847, the additional deduction, special loss discount account, special estimated tax payment and refundable amount rules of the prior law are eliminated.

3.17.64.7.13.9
(09-08-2015)
Deposit Discrepancies

- (1) OTCnet deposit ticket are received from depository banks because of errors made in original deposit tickets. These deposit tickets can be processed by off-setting SF 5515. The deposit ticket can also be applied to the taxpayer's account or, if the date of the amount is less than one year old, it can be journaled to URF. The journal entry of credit amounts equal to or more than one year old, and/or amounts less than one year old with doc codes 48 and 58, are journaled to XSF. Documentation is required.
 - a. If you receive an error code for a duplicate deposit ticket or debit voucher when journaling, research must be completed to ensure the item is a true adjustment and not a duplicate. Any uncertainties should be directed to the RACS DBA or manager.
 - b. If the deposit ticket or debit voucher is found to be a true duplicate, research and resolve within five days of discovering the duplicate, to minimize the effect on the Statement of Difference.
 - c. Any deposit ticket or debit voucher received with an aged confirmed date must be journaled immediately upon receipt in the RACS function to minimize the impact on the Statement of Difference.
- (2) Offsetting debit vouchers:
 - a. Receive DT and DV.
 - b. Input OTCnet deposit ticket, using total amount and tax class amount. Entry should be made to DCF.
 - c. Input SF 5515, using debit voucher total amount.
- (3) Journal entry of a credit to taxpayer's account:
 - a. Receive deposit ticket and Form 3244 with Form 813.
 - b. Entries will be made from OTCnet deposit ticket, total amount and tax class amount.
 - c. Entry to SCCF suspense account will be made from duplicate Form 813.
 - d. Reclassify, if necessary.
- (4) Journal entry of a credit to URF:
 - a. Receive OTCnet deposit ticket and Form 3244, numbered to URF, with one copy of Form 813.
 - b. Entries will be made from OTCnet deposit ticket.
 - c. Amount and item entries to URF will be made from Form 813.
 - d. Document and Form 813 will be labeled with journal number and forwarded to Unidentified for input to URF.
- (5) Journal entry of a credit to XSF:
 - a. Receive OTCnet deposit ticket and Form 3809.
 - b. Entries will be made from the OTCnet deposit ticket.
 - c. Amount and item entries to XSF will be made from Form 8758.
 - d. Form 8758 will be labeled with journal number and forwarded to the appropriate area that maintains XSF.

- (6) All journal entries to URF and XSF must be researched until the deposit discrepancy has been resolved. If a deposit ticket appears to have the wrong year date, the bank can be contacted to determine the correct date and asked to correct the date, if necessary.
- (7) It is the responsibility of the Bank Discrepancy function to see that all journal entries to URF and XSF are researched until the deposit discrepancy has been resolved. This function is generally within the Dishonored Check, Unidentified or Excess Collection units.

Note: When requesting a Lockbox Electronic Check Presentation (ECP) debit/credit adjustment or re-presentment, from the bank a form must be filled out and emailed. See IRM 3.17.10, Dishonored Check File (DCF) and Unidentified Remittance File (URF) for the form and further instructions.

- (8) If an AORR package is received with an out-of-balance condition, see IRM 3.17.64.27.1.1 Daily Balancing of TAC Cash Deposits for procedures.
- (9) See IRM 3.0.167, Losses and Shortages and IRM 3.17.10, Dishonored Check File (DCF) and Unidentified Remittance File (URF), for unresolved deposit discrepancies between IRS federal depositories and lockbox banks.

Note: Every case moved to account 7650 must be 100% reviewed initially to ensure the items meet the guidelines for application to account 7650, as stated in IRM 3.17.10, Dishonored Check File (DCF) and Unidentified Remittance File (URF) and IRM 3.0.167, Losses and Shortages. If a deposit discrepancy case results from an ECP deposit, the case should be moved to the 7649 ECP deposit discrepancy account. Follow instructions in IRM 3.0.167 for write-off procedures.

3.17.64.7.14
(09-01-2011)
**Service Center
Suspense Files**

- (1) These accounts record the Service's liability for the various suspense files. Credits in these accounts are normally in process for application to a tax liability. This includes pre-payments such as estimated tax, for which no tax assessment has yet been made but a tax liability is anticipated.

3.17.64.7.14.1
(09-01-2011)
**General Ledger IMF and
BMF Accounts for SC
Suspense**

- (1) The following are the IMF and BMF SC Suspense Files.

3.17.64.7.14.1.1
(09-01-2011)
**Account 4120 SC
Suspense for the MF
BMF
(Real Account, DR/CR
Normal Balance)**

- (1) This liability account is used to record all those BMF pre-journalized debits and credits that are in process in the campus for posting to the BMF. Upon receipt in the campus, amounts will be entered in account 4120 and will remain while processing is being accomplished. When processing is complete and items are on magnetic tape for shipment to ECC, they will be removed from this account.
- (2) This account is supported by the BMF SCCF. All items placed in this account must be recorded in detail on the SCCF.
- (3) External subsidiary records are the SCCF files for BMF.

- | | |
|---|---|
| <p>3.17.64.7.14.1.2
(09-01-2011)
Account 4220 SC
Suspense for the MF
IMF
(Real Account, DR/CR
Normal Balance)</p> | <ul style="list-style-type: none"> (1) This liability account is used to record all those IMF pre-journalized debits and credits that are in process in the campus for posting to the IMF. Upon receipt in the campus, amounts will be entered in account 4220 and will remain while processing is being accomplished. When processing is complete and items are on magnetic tape for shipment to ECC, they will be removed from this account. (2) This account is supported by the IMF SCCF. All items placed in this account must be recorded in detail on the SCCF. (3) External subsidiary records are the SCCF files for IMF. |
| <p>3.17.64.7.15
(09-01-2011)
Substantiated Credits</p> | <ul style="list-style-type: none"> (1) Substantiated credit transactions are initiated by taxpayer submission of a receipt, canceled check or other acceptable document, substantiating a claimed payment or credit. The term substantiated payment is limited to payments that are satisfactorily substantiated, but the payment application cannot be identified and transferred to the correct account. Use of the substantiated payment procedure should be infrequent. |
| <p>3.17.64.7.15.1
(09-01-2011)
General Ledger Account
for Substantiated
Credits</p> | <ul style="list-style-type: none"> (1) The following account is associated with substantiated credits. |
| <p>3.17.64.7.15.1.1
(09-01-2011)
Account 6570
Substantiated Credits
Allowed
(Nominal Account, DR
Normal Balance)</p> | <ul style="list-style-type: none"> (1) This account will record the allowance of substantiated credits not previously recorded or allowed. Substantiated payments will be approved for credit to taxpayer IMF, BMF or NMF accounts, upon receipt in Payment Tracer Team in Accounting of a fully documented case file which includes such items as a receipt, cancelled check and documentation of research performed. The case will also have the record of administrative approval and authority for the credit allowance. (2) This account is used for the substantiation of ES payments made to Guam when taxpayer is filing tax Form 1040 with the U.S. Treasury. (3) Substantiated credit cases will be accepted for approval by the operation manager who has the functional responsibility to maintain the integrity of the revenue accounting system. Cases not fully documented or reflecting incomplete research will be rejected. (4) This account is also used to record, and control credit application tentatively allowed an 'injured' taxpayer after preliminary research has failed to locate the payment, but has proven without a doubt that the taxpayer has not received benefit from a payment made to IRS. Requests for a tentative credit will be received by the Payment Tracer function in Accounting only after certain conditions are met and documented in accordance with IRM 21.5.7, Payment Tracers. These case history files will be maintained in the Payment Tracer Function. (5) If it is determined by Payment Tracer (hard-core) research that the documentation needed to locate the missing payment has been destroyed or cannot be located, procedures will be followed in accordance with IRM 21.5.7, Payment Tracers. The case file, including the debit copy of Form 3809 used to allow the |

tentative credit will be moved to the other subsidiary file of substantiated credits referred to in (1) above after it has been administratively approved by the operation manager.

- (6) When research results in the location of the payment, the credit will be reversed out of account 6570 within the same fiscal year or account 9998 if it has been substantiated in a prior year.
- (7) The external subsidiary record will be a combination of both case file types.

3.17.64.7.15.2
(09-01-2011)
**Substantiated Credit
Posting Documents
(RRACS Window 400)**

- (1) RACS will receive a Form 3809 with Form 813.
- (2) Documents should balance to Form 813 total.
- (3) Prepare Form 8166, if applicable.
- (4) Journal Form 3809.
 - a. Using the RRACS 400 window, which can be found under the Accounting Application Main Menu under Miscellaneous Application, input the total amount from Form 813.
 - b. The journal entry will be a debit to account 6570 (Substantiated Credits Allowed) and a credit to either account 4120 (BMF), 4220 (IMF) or 4420 (NMF) depending on the documents.
 - c. The journal number must be labeled on Form 3809 and Form 813.
 - d. Pull Form 813, Part 2, for input to SCCF.
 - e. Forward Form 813, Part 1 and distribute documents accordingly.

3.17.64.7.16
(09-01-2011)
**Transfer of Director
Accountability**

- (1) In accordance with the GAO accounting principles and standards, NHQ requires accountable officers to render complete accounting documentation covering the full extent of their financial accountability, as of the close of business of the last day as the accountable officer for their jurisdiction.
- (2) IRM 3.0.167-17, Director's Accountability Transfer Checklist, provides a checklist to assist in the preparation of an action plan for a transfer of accountability, as well as the requirements of the accountability package for the outgoing and incoming accountable officers. The documentation must be maintained in the GAO site audit file.

3.17.64.7.16.1
(09-01-2011)
**General Ledger Account
for Transfer of
Accountability**

- (1) The following account is used for transfer of director's accountability.

3.17.64.7.16.1.1
(09-01-2011)
**Account 7500
Undeposited Collections
(Real Account, DR
Normal Balance)
(TAS 20-0110)**

- (1) This asset account is used to record any monies received but not yet placed under accounting control, but not yet deposited. Monies are applied to this TAS and later reclassified to the appropriate tax class.
- (2) As a rule, all receipts are balanced with collection documents entered on deposit tickets and recorded daily in receipt accounts. Only in unusual circumstances should account 7500 be used to record undeposited receipts (example; a transfer of campus directors, an internal audit or TIGTA examination).

(3) Entry to account 7500 is via DBA window only.

3.17.64.7.16.2
(10-01-2013)

General Guidelines for Transfer of Accountability

(1) These instructions provide the minimum requirements and general guidelines for Accounting.

Note: The checklist, IRM 3.0.167-17, Director's Accountability Transfer Checklist is intended as a guideline and should be modified to each individual campus needs in the development of their action plan (part of the Accountability Package).

Note: The action plan must contain the specific action taken and the date completed.

- a. Notify the director, TS Submission Processing and the appropriate field offices of any emergency or existing condition which could jeopardize an orderly transfer of accountability. Resolve the conditions hindering the transfer process as soon as possible.
- b. Notify the appropriate field offices and the Submission Processing Campus Receipt and Control function of the name and phone number of the Accounting contact person.
- c. Review Delegation of Authority Orders to ensure the proper title of the position is reflected.
- d. All deposit tickets and debit vouchers dated through the date of transfer must be input to RRACS. Use CIR as a tool to secure and resolve any outstanding deposit tickets and to journal all outstanding debit vouchers to account 1720.
- e. Include all collections received through the transfer date under the outgoing director. Input to account 7500, memo copies of deposit tickets (DT) marked "Undeposited Collections" to cover tax payments received on the transfer date but not submitted to the depository that day. Prepare a list and make copies of all undeposited collection deposit tickets.
- f. Reflect Undeposited Collections under the outgoing director. Input these deposits to account 7500 so that the General Ledger Trial Balance (secured at the end of the transfer date) reflects these items. Upon deposit of these collections, transfer to revenue receipts. The outgoing director is responsible for these collections although they are deposited under the incoming director.

Note: Below are examples of specific timeframes.

1. These undeposited collections deposit tickets must be journaled into the RRACS account 7500 (window 906) **prior to or on the last day** of the current director's accountability if the transfer occurs at any time during the month **except** the last day of the calendar month.

Example 1: The last day of accountability for the outgoing director is February 19th and the first day of accountability for the incoming director is February 20th. The undeposited collections deposit tickets must be journaled into the RRACS system **prior to or on** February 19th.

2. If the transfer occurs on the last day of the calendar month, the undeposited collections deposit tickets must be journaled into the RRACS system **prior** to the RRACS system closing for the month end, which is the second workday of the following month.

Example 2: The last day of accountability for the outgoing director is February 28th and the first day of accountability for the incoming director is March 1st. RRACS closes for February accounting period on March 3rd. The undeposited collections deposit tickets must be journaled to account 7500 **on or before** March 3rd, the closing day for RRACS for the February accounting period.

3. If the Transfer of Accountability occurs on the last day of the calendar month, **do not** journal any undeposited collections deposit tickets out of the RRACS account 7500 (window 907) to revenue receipts until the RRACS system opens for the new Accounting period. (Usually, RRACS opens for the new Accounting month on the third working day of the next month).

Example 3: The last day of accountability for the outgoing director is February 28th and the first day of accountability for the incoming director is March 1st. RRACS closes for the February accounting period on March 3rd. **Do not** journal the undeposited collections deposit tickets out of account 7500 to revenue receipts until March 4th when RRACS opens for the new accounting period of March.

4. If the transfer of accountability occurs at any time of the month other than the last day, then journal the undeposited collections deposit tickets out of the RRACS account 7500 (window 907) to revenue receipts on the first working day following the transfer under the incoming director.

Example 4: The last day of accountability for the outgoing director is February 19th and the first day of accountability for the incoming director is February 20th. **Do not** journal the undeposited collections deposit tickets out of account 7500 to revenue receipts until February 20th when the incoming director is accountable.

- g. Reconcile the totals of the District Office Inventory Detail Report and Loss/Shortage Report with the totals in the related general ledger accounts. Accelerate posting of all transactions for these accounts. Outstanding losses and shortages must be separated according to the director accountable for them.
- h. Verify the District Office Inventory Detail Report and Loss/Shortage Report with the area field office and accounting records. Control and transmit copies of these reports to the appropriate offices with sufficient time for their review and concurrence with the listing as of the date of transfer. Copies of these listings must be signed by responsible officials and included in the accountability package maintained in the GAO Site Audit File.
- i. Change the director's name on RRACS to the incoming director's name on the first day he/she becomes the accountable officer if the transfer takes place any time during the month except the last day. If the transfer takes place on the last day of the month, change the RRACS system on the 1st day RRACS is open for the following month.

Example: The last day of accountability for the outgoing director is February 19th and the first day of accountability for the incoming director is February 20th. Change the RRACS system at beginning of day on February 20th.

Example: The last day of accountability for the outgoing director is February 28th and the first day of accountability for the incoming director is March 1st. RRACS closes for the February accounting period, on the 2nd workday of the month, March 3rd. After month end reports have been completed, change the RRACS system to the new accounting period of March and change the director's name.

j. Dishonored Check debit vouchers must be added to account 1710 daily. All debit vouchers that are added must be dated prior to or on the transfer date and must be journaled.

(2) Accounts 3200, 3300 and 7100 must be balanced before the end of the month of the date of transfer and included on Form 3997 even if it is not at the end of a quarter.

3.17.64.7.17
(09-01-2011)
**Unidentified
Remittance/Excess
Collections Files**

(1) Unidentified Remittance is when there is insufficient information to properly apply credits to a taxpayer's account (e.g., when a taxpayer does not claim a payment and the correct taxpayer cannot be located), funds may be transferred to the Unidentified Remittance File (URF - account 4620) or the Excess Collections File (XSF - account 6800).

(2) Excess Collections added to the Excess Collection File (XSF) must have an IRS received date earlier than one calendar year before the current date. The only items allowed on the file with an IRS received date less than one year old must be document codes 48, 58 or 65 or true statute credits.

3.17.64.7.17.1
(09-01-2011)
**General Ledger
Accounts for
Unidentified Remittance
Files and Excess
Collections**

(1) The following accounts are associated with Unidentified Revenue Receipts and Excess Collections.

3.17.64.7.17.1.1
(09-01-2011)
**Account 4620
Unidentified
Remittances
(Real Account, CR
Normal Balance)**

- (1) Recorded in this liability account are those receipts received by the Service without sufficient information to make application to the proper account. Receipts deposited to this account are considered revenue receipts in the income tax classification.
- (2) Items are cleared from this account as applications to outstanding accounts, assessments of tax due, refunds to remitter and adjustments to other funds or other agencies.
- (3) Applications from this account normally must be reclassified upon application.
- (4) Items in this account will be cleared to account 6800, Excess Collections, after one year.
- (5) Account 4620 will be supported by subsidiary records established on URF.

3.17.64.7.17.1.2
(09-01-2011)

Account 6800 Excess Collections
(Nominal Account, CR Normal Balance)

- (1) This account records payments equal to or more than, one-year old from the IRS received date, that cannot be applied to a tax account or year-old unapplied credits (direct payments) transferred from Unidentified.
- (2) Also included in this account are unapplied, statute-expired MF credits cleared from the file and reversals of these credit clearances when recorded in the same fiscal year. These statute-expired clearances do not include Transaction Codes 388 and 389.
- (3) This account will be debited for amounts applied to taxpayer accounts transferred or refunded.
- (4) Refund or transfer of credits from Excess may not be made after the statute of limitations for refund has expired (claim for refund must have been filed three years from date return was filed or two years from date of payment, whichever date is later).
- (5) This account is used to record unapplied payments from DOJ with IRS received dates of one year old or more. Payments dated less than one year should be applied to account 4970, Unapplied Refund Reversals and thoroughly researched.
- (6) Account 6800 is supported by subsidiary records established on XSF on IDRS and should be accompanied by complete documentation for a proper audit trail.

3.17.64.7.17.1.3
(12-05-2024)

Account 9998 Reversals Revenue Clearance Accountability
(Nominal Account, DR/CR Normal Balance)

- (1) This closing account is used to control items of excess collections, miscellaneous revenue collections, write-offs and other nominal account items, when it becomes necessary to reopen one of these items after it has been cleared at the close of a fiscal year.
- (2) Prior fiscal year (non-statute expired) excess collection credits may be applied directly from this account to the account indicated on the XSF 03 Register.
- (3) Any credits or debits journaled into this account that are not dictated by IRM procedures must be approved by the campus Reports Analyst.

3.17.64.7.17.1.4
(09-01-2011)

Account 9999 Revenue Clearance Accountability
(Real Account, DR/CR Normal Balance)

- (1) This closing account is used only at the end of the fiscal-year accounting period to close the nominal accounts. All nominal accounts in debit-balance status at the close of the fiscal year will be closed by credit to that account and debit to this account. All nominal accounts in credit-balance status at the close of the fiscal year will be closed by debit to that account and credit to this account.
- (2) Data input is updated by electronic transmission.

3.17.64.7.17.2
(09-01-2011)

Applications From Unidentified Revenue Receipts

- (1) RACS will receive the following unidentified listings and documents:
 - a. URF03
 - b. EOD 16, Page 1-current fiscal year URF applies
 - c. URF05
 - d. Form 4830
 - e. Other back-up documents, letters and memos

- (2) IDRS tape processing journalizes current and prior fiscal year URF applications from the EOD 16. The Unidentified Apply window should be used in the event of a tape failure.
- (3) Balance and process using normal procedures.
- (4) MF Applications:
 - a. Verify that URF05 balances with Page 1 and 2 of EOD 16 in total amount applied.
 - b. Add all tax class 2 items and amounts and all tax class 4 items and amounts (on Page 1 of EOD 16), so there is only one item and amount total for each tax class for reclassification purposes.
 - c. Journal from the URF05 for SCCF suspense accounts and from Page 1 of EOD 16 for reclassification purposes and Page 2 of EOD 16 for prior date amounts.
 - d. Label journal identification number on all listings for audit trail.
- (5) NMF Applications:
 - a. Form 4830 are generated for NMF applies.
 - b. Number and prepare Form 813 (2-part).
 - c. Make entries from URF03, NMF applications from the URF and Form 813 for NMF suspense account.
 - d. Recap any reclassification necessary prior to going to terminal.
 - e. Label journal identification number on listing URF03 for audit trail.
- (6) Dishonored Checks on Unidentified Remittances:
 - a. Unidentified will void these off the URF with "D" apply. On the same day, the Dishonored Check function will void off the DCF.
 - b. Make entries from URF03 and DCF03 to NMF suspense account. Entries are not set up on the NMF SCCF.
 - c. Reclassify: Decrease tax class 2 and increase tax class 1. No reclassification will be made on the DCF apply.
 - d. Label journal identification number on the URF/DCF listings and/or documents for audit trail.
- (7) Applications can be made from other accounts such as account 1510 (Other Receivables, Regular), 1720 (Dishonored checks, ADJ.), 1830 (NMF Account Receivable, Inactive), 6570 (Substantiated Credits Allowed), 6800 (Excess Collection) and 76XX (Losses and Shortages).
 - a. Unidentified will void off the URF with a "V" apply.
 - b. Make journal entries from URF03 to the applicable account.
 - c. Ensure that all necessary back-up is received. Each of these accounts has their own requirements for back-up documentation. Supporting documentation for account 6800 can be found in IRM 3.17.10, Dishonored Check File (DCF) and Unidentified Remittance File (URF). Supporting documentation for Accounts 76XX can be found in IRM 3.0.167, Losses and Shortages. Supporting documentation for the other accounts can be found in IRM 3.17.63, Redesigned Revenue Accounting Control System, under the description of each individual account.
 - d. Label journal identification number on URF listing and on all documents.
 - e. File and distribute documents accordingly.

3.17.64.7.17.3
(09-01-2011)

**Applications from
Unidentified
Miscellaneous Funds
(RRACS Window 404)**

- (1) RRACS entries will be made from the URF03 for total amount of applications.
- (2) Using RRACS 404 window, which can be found under Accounting Applications Menu under Unidentified Applied:
 - a. The journal entry will debit 4620 (Unidentified) and a credit to either 1510 (Other Rec), 1710 (DCF), 1720 (DCF Adj), 1830 (NMF Acct Rec), 4120 (BMF), 4220 (IMF), 4252 (IRAF), 4420 (NMF), 6570 (Sub Cr Allow) and 6800 (XSF), depending on the document.
 - b. Reclassify, if necessary.
 - c. Make journal entries to applicable funds from Form 4830 and/or appropriate source documents received from Unidentified.
 - d. Any refund repayments going to taxpayers' accounts will be numbered and a Form 813 prepared. Entries to suspense accounts will be made from Form 813.
 - e. If the item is a deposit fund application, it must have a DOC-ID.
 - f. Unidentified items being applied to any of the miscellaneous funds must be reclassified.
- (3) Label journal identification number on listings and/or documents for audit trail.
- (4) File and distribute documents accordingly.

3.17.64.7.17.4
(09-01-2011)

**Unidentified Deposit
(RRACS Window 210)**

- (1) The following documents are received with the unidentified deposit package:
 - a. OTCnet deposit ticket
 - b. Unidentified Remittance File Transaction Register URF 03
- (2) Verify the total of remittances added to URF balances with total of OTCnet deposit ticket. Any discrepancies will be cleared with deposit, to ensure necessary adjustments are made to URF.
- (3) Journals will be made from OTCnet deposit ticket on a RRACS 210 window, which can be found under deposit, using total amount of deposit and each separate tax class amount. The journal will be a debit to 21XX and a credit to account 4620. If tax class amount is other than individual income (tax class 2), reclassification will be necessary. Ensure Trace ID is input to RRACS.
- (4) Amount and item entries to URF will be made from UR totals from the recap page of URF 03, with any necessary adjustments. This must balance with deposit ticket total.
- (5) Label journal identification number on listings and/or documents for audit trail.

3.17.64.8
(09-08-2025)

**General Ledger
Procedures for Systemic
Accounting Activity**

- (1) The following are general ledger procedures for systemic accounting activity.

3.17.64.8.1
(01-20-2012)

**Reciprocal Accounting
Control Record (RACR)**

- (1) The automated Reciprocal Accounting Control Report (RACR) is the cumulative accounting record maintained by ECC for each Submission Processing Campus.

- a. The RACR reflects the monetary value of data input and generated to each master file (IMF and BMF).
 - b. The RACR is prepared daily by ECC for each Submission Processing Campus for IMF. The RACR is also prepared weekly by ECC for each SPC for BMF.
 - c. The RACR should be prepared as soon as all related processing is completed (i.e., unpostables, accounts register, AAV summaries, resequencing, cancelled/undeliverable refunds, etc.).
 - d. At the close of the cycle (may be other than Wednesday, if a holiday is involved), there will be one Recap and RACR, which will be tagged with a "H", indicating the last daily which includes the weekly transactions.
- (2) The monthly closing of the RACR is made at the end of the last posting cycle for that month. RACRs are programmed to print "Last entry for the Month of _____" message on the last cycle of the month.
 - a. This is the last weekly posting cycle of the month for BMF processing.
 - b. For IMF, this would be the final daily RACR, which will also contain the activity for the weekly transactions.
 - (3) The monthly RACR is used by the Submission Processing Campuses to reconcile their general ledger accounts.
 - (4) Items posted to the RACR are the same items that have been journaled to the Submission Processing Campus general ledger accounts.
 - (5) ECC has developed ADP programs which assist in preparation of the RACR. Refer to local Statistical Analysis System (SAS) procedures in using these programs.
 - (6) A copy of each daily and weekly RACR is available to the SPCs via Control D. PVS will no longer forward copies of these reports to the SPCs.
 - (7) Copies of the RACR are filed separately for each Submission Processing Campus in chronological sequence along with the associated AAV's for those cycles.

Note: CADE stopped processing transaction data as of the end of Cycle 201124. All individual taxpayer accounts have been returned to the Individual Master File (IMF) and in January 2012, IMF will process all IMF transactions under the CADE 2 processing timeline with daily processing. All general ledger activity is included under the IMF general ledger account.

3.17.64.8.1.1
(06-09-2017)
**Master File
Reconciliation**

- (1) It is necessary to ensure that the total of the monetary balance of the appropriate general ledger accounts in each site can be reconciled to the balance of each MF account. This is accomplished by using Form 5199A, RACR, which is maintained at ECC for each campus and transmitted to the campuses at the end of each month. The appropriate general ledger accounts are reconciled to the RACR by each site.
- (2) Each Form 5199A will be closed out near the end of each month, at the end of the final posting cycle. Generally, if the last day of the month falls on Wednesday through Saturday, that week's posting cycle will be included on the RACR for that month. All entries for one posting cycle should be included in

the same month's RACR. ECC's RACR will be forwarded to each site within five workdays after the Reconciliation of MF Balance has been completed for the last cycle included in the RACR.

- (3) Complete Form 6168, Current Month Report. Reconciling items should be shown in a manner to facilitate the verification by ECC. Debits and credits should be in the proper columns. Use brackets to identify reversals. The ECC RACR items should be identified by page and line number or by a brief description similarly shown on Form 5199A. The general ledger items should be listed by individual file and identified by the cycle, site file and work group number. Miscellaneous items should be identified by a brief description and date or cycle number. Questionable or problem entries will be identified by an asterisk (*) in the action column. Separate lines will be included on the Form 6168, for aged reconciled and unreconciled amounts.
- (4) The campuses will post all entries to the appropriate general ledger accounts promptly, including entries which reflect the transfer of the accountability between the site and ECC. To compute the general ledger balance, use the general ledger accounts listed on the monthly trial balance for the type of RACR being balanced. Run the net amount figure. Verify last month's RACR closing balance with this month's opening balance on Form 5199A when received from ECC.

Note: Due to a programming change in March 2016 for accounts 1300 and 4521, you will now need to use the running total of the 162 journals dated March 4, 2016 and forward.

- (5) On the general ledger account listing for each MF, annotate each ledger entry with the cycle of the TEP, new unpostables, corrected and reclassified unpostables, schedule number of the 1098, 1185 and 145, Z listings and cycle of refunds. Obtain a GOALS II listing for your cycle information. SC Recap states the cycle, so no notation is needed. The 051 RRACS Report and the 004 RRACS Report will be used weekly from RRACS. Check the pending reconciliation items on last month's Form 6168 with the ECC RACR for:
 - a. Entries posted to last month's RACR on this month's general ledger.
 - b. Entries posted to last month's general ledger on this month's RACR.

To prevent any 'aged' items, investigate immediately any new items appearing on the previous month's Form 6168 and not checked off for the new month.

- (6) After checking off all figures on the prior month reconciliation sheet Form 6168, continue comparing the current month's RACR and general ledger as follows:
 - a. Accountability Acceptance (AA) vouchers from ECC - Using the cycle and day total from each MF AA voucher, check off general ledger debits and credits for the same cycle and day. If there is more than one general ledger entry per day, add these entries together for the total of that day. The corrected and reclassified unpostables are journalized as separate items but are included on the AA vouchers in the total for that day. The total debits and credits are shown separately on the voucher for the cycle and must all be checked off to a general ledger entry. The site totals on the bottom of the AA vouchers should agree with the AA voucher line of Form 5199A by cycle. Journal numbers will be 100 for unpostables, 102 for GMF TEP and 4XX for window entries.
 - b. SF 1098, 1185, 145 and Z listing from GOALS - The amount on the RACR Form 1098 line will equal the total of the amounts for the appli-

- cable schedule numbers on the general ledger. TRACS journal numbers 4XX, Form 1098, Form 1185, Form 145 journal numbers 5XX.
- c. SCRS unpostables -The debit and credit net figure on the RACR will equal the separate amount on the general ledger.
 - d. Refunds generated - Shown as a separate amount cycle on the general ledger. If your site processes IMF EFT use the net of the EFT refund line and CID TC 841 line from the next cycle extracted from the RACR. Journal number 512 BMF and 513 IMF.
 - e. The RACR net total of the A/R less refunds, plus accounts to and from other sites, plus credits to and from other sites will equal the net total of the site recap amounts on the general ledgers for the same cycle. For IMF on the general ledger use IMF recap entries as described, plus one BMF item for the previous recap cycle. Journal numbers for SC recaps will be 108 BMF, 107 Semi-Annual IMF and 162 CADE 2.
 - f. M-4496 Data Adjustment Voucher - Journalized as a separate amount on the general ledger for each adjustment voucher, journal numbers are 4XX.
 - g. Any item not checked off from the RACR, list on the top half of Form 6168 'Entries posted to RACR not posted to the General Ledger'.
 - h. Any item not checked off from the general ledger, list on the bottom half of Form 6168 under 'Entries posted to General Ledger not posted to the RACR'.
 - i. The net of the above items will be entered on the net reconciling amount line of Form 6168. The general ledger balance computed in (4), plus or minus the net reconciling amounts, should equal the RACR balance closing entry line.
 - j. Journal numbers will be 100 for unpostables, 102 for GMF TEP, 107 IMF SC recap, 108 BMF SC recap and 162 CADE 2 recaps all are automated tape. Journals input manually are 512 and 513, 506 Cycle Refunds, 534 and 535 are 1098, 1185 and 145 Schedules, 4XX other manual journals.

Note: Beginning of the year - Due to the dead cycles at the beginning of the year use cycle 1 - 3 for the BMF RACR, cycle 1 - 4 for your first IMF RACR, then weekly afterwards.

- (7) The IMF RACR, Form 6168, will be balanced weekly and monthly. The BMF RACR should be balanced weekly to ensure that any out-of-balance situations are reconciled before EOM processing.
- (8) Upon receipt of Form 6168, with ECC RACR from the campuses, ECC-MTB will verify the correctness of the debit and credit amounts for each reconciling item shown. If any questionable or unidentifiable item is shown, the appropriate site personnel will be contacted for an explanation and both copies of the Form 6168 report will be notated.
- (9) ECC-MTB will return any RACRs back to the campuses that do not meet the balancing and reporting procedures.
- (10) Email the IMF Form 6168 weekly. Email the monthly IMF and BMF Forms 6168 no later than the 15th of the month. Attach a monthly copy of the IMF and BMF monthly and include the General Ledger Account page to each Form 3997.

3.17.64.8.2
(01-20-2012)
**CADE - Customer
Account Data Engine**

- (1) CADE stopped processing transaction data as of the end of Cycle 201124. All individual taxpayer accounts have been returned to the Individual Master File (IMF). Effective January 2012, IMF began processing all IMF transactions under the CADE 2 processing time-line with daily processing. All general ledger activity is included in the IMF general ledger accounts.

3.17.64.8.2.1
(09-01-2011)
**CADE Accounts
Receivable**

- (1) The following accounts are associated with CADE.
- (2) The account series generally consists of taxpayer accounts that contain an outstanding balance of monies due and payable to the U. S. Government. Most of the accounts receivable are the results of tax assessments against the various tax classes.

3.17.64.8.2.1.1
(09-01-2011)
**Account 1200 IMF
Accounts Receivable
(Real Account, DR
Normal Balance)**

- (1) The net total of this receivable account will represent the total taxes assessed and unpaid on the IMF. Included in this account are individual taxpayer accounts in notice status, installment status, TDA status and those individual taxpayer accounts where collection has been suspended temporarily by a hold code.
- (2) External subsidiary records are those taxpayer accounts on MF, in debit-balance status.
- (3) Data input will be updated by electronic transmission.

3.17.64.8.2.1.2
(10-01-2013)
**Account 1205 CADE
Accounts Receivable -
Inactive
(Real Account, DR
Normal Balance)**

- (1) The net total of this receivable account will represent the total taxes assessed and unpaid on the CADE file. Included in this account are individual taxpayer accounts in notice status, installment status, TDA status and those individual taxpayer accounts where collection has been suspended temporarily by a hold code.
- (2) External subsidiary records are those taxpayer accounts on CADE, in debit-balance status.
- (3) Data input will be updated by electronic transmission.

3.17.64.8.2.1.3
(10-01-2013)
**Account 1301 CADE
Non-Receivables -
Inactive
(Real Account, DR
Normal Balance)**

- (1) The net total of this receivable account will represent non-tax monies posted on CADE that have an outstanding module balance.
- (2) Data input will be updated by electronic transmission.

3.17.64.8.2.1.4
(10-01-2013)
**Account 1815 CADE
Accounts Receivable -
Inactive
(Real Account, DR
Normal Balance)**

- (1) This receivable account will be used to record CADE taxes receivable items determined to be uncollectible or where collection activity has been suspended temporarily due to taxpayer's inability to pay. The account also includes items which have been administratively determined too small to warrant collection activity.
- (2) Items in this account may subsequently be re-opened for collection activity if taxpayer's financial status changes. Refunds for subsequent periods may be offset automatically to satisfy outstanding items in this account.

- | | |
|---|---|
| | (3) External subsidiary records are those items on CADE marked with the uncollectible status code. |
| | (4) Account 1815 will be updated by electronic transmission. |
| 3.17.64.8.2.1.5
(10-01-2013)
Account 4205 CADE in Transit
CADE to MF-IMF - Inactive
(Real Account, DR/CR Normal Balance) | (1) This is a suspense account for items being returned from CADE to Current Processing Environment (CPE) IMF. In the future, this will also be used for initialization of items going from CPE to CADE. |
| 3.17.64.8.2.1.6
(10-01-2013)
Account 4522 CADE Pre-Payment CR Non-Tax - Inactive
(Real Account, CR Normal balance) | <p>(1) This account represents the sum- total on non-tax accounts with credit balances on CADE. Included in this account are individual accounts with an outstanding balance due.</p> <p>(2) No external subsidiary record is used.</p> <p>(3) The account will be updated by electronic transmission.</p> |
| 3.17.64.8.2.1.7
(10-01-2013)
Account 4530 CADE Pre-Payment CR - Inactive
(Real Account, CR Normal balance) | <p>(1) Recorded in this liability account is the sum- total of all those IMF taxpayer modules that are in credit-balance status. Modules are normally in credit balance status due to pre-payments by estimated tax payments. Modules may also be in credit balance due to hold codes or freeze codes. These amounts are also included in this account.</p> <p>(2) For the purpose of this account, the term pre-payment credits are defined to include all those credit amounts in a module where there is no assessment or debit amount equal to or greater than the credit.</p> <p>(3) No external subsidiary record is used.</p> <p>(4) The account will be updated by electronic transmission.</p> |
| 3.17.64.8.3
(09-01-2011)
Electronic Transmissions | (1) The following general ledger accounts are updated by electronic transmission. |
| 3.17.64.8.3.1
(09-01-2011)
Account 4510 Pre-payment Credits BMF
(Real Account, CR Normal Balance) | <p>(1) Recorded in this liability account is the total of all those BMF taxpayer modules which are in credit-balance status. Modules are normally in credit-balance status due to pre-payments. Modules may also be in credit balance due to hold codes or freeze codes. These amounts are also included in this account.</p> <p>(2) For this account, the term pre-payment credits is defined to include all those credit amounts in a module for which there is no assessment or debit amount equal to or greater than the credit.</p> <p>(3) No external subsidiary record is used.</p> <p>(4) The account will be updated by electronic transmission.</p> |

- 3.17.64.8.3.2
(09-01-2011)
Account 4521
Pre-payment Credit - Non Tax
(Real Account, CR Normal Balance)
- (1) This account represents the sum- total of non-tax accounts with credit balances on the MF. Included in this account are individual and business accounts with an outstanding balance due.
 - (2) No external subsidiary record is used.
 - (3) The account will be updated by electronic transmission.
- 3.17.64.8.3.3
(06-25-2015)
Account 4520
Pre-payment Credits IMF
(Real Account, DR/CR Normal Balance)
- (1) Recorded in this liability account is the sum- total of all those IMF taxpayer modules which are in credit-balance status. Modules are normally in credit-balance status due to pre-payments by estimated tax payments. Modules may also be in credit balance due to hold codes or freeze codes. These amounts are also included in this account.
 - (2) For the purpose of this account, the term pre-payment credits are defined to include all those credit amounts in a module for which there is no assessment or debit amount equal to or greater than the credit.
 - (3) No external subsidiary record is used.
 - (4) The account will be updated by electronic transmission.
- 3.17.64.8.3.4
(09-01-2011)
Account 4950 IMF
Unallowable Deductions
(Real Account, DR/CR Normal Balance)
- (1) This liability account will record debits to taxpayers' IMF accounts, to prevent excess refunds when it has been determined by Exam that an unallowable deduction is claimed on the return. This posts as a debit to the taxpayer's account (TC 576) and a credit to account 4950.
 - (2) Reversal of this debit will be recorded, after the correct tax liability is determined by audit. The reversal transaction is a credit to the taxpayer's account (TC 577) and a debit to account 4950.
 - (3) No visible external subsidiary record exists, however, those taxpayer accounts on the IMF marked with the unallowable deduction transaction code make up the balance of this account.
 - (4) The account will be updated by electronic transmission.
- 3.17.64.8.4
(03-25-2016)
Enterprise Computing Center, Martinsburg (ECC-MTB)
- (1) ECC is primarily responsible for maintenance of the MF records for each taxpayer and for the electronic processing of related inputs and outputs. ECC-MTB will maintain:
 - a. Accounting and data control over BMF and IMF transactional data and accountability reports
 - b. A RACR with each campus
 - (2) For each campus, ECC-MTB will prepare a separate SF 1166 or SPS print covering the total amounts of overpayment principal and interest posted to BMF and IMF refund files.
 - (3) A designated officer at ECC-MTB will certify each voucher for the account of the applicable campus director. See IRM 3.17.79, Accounting Refund Transactions.

- (4) The BMF and IMF refund media and related certified vouchers will then be transmitted to the Kansas City, Regional Finance Operating Center for issuance of the refund checks (See IRM 3.17.79, Accounting Refund Transactions).
- (5) In the MF posting operations at ECC-MTB, the computer will generate certain accounting adjustments, transactions and abstracts of revenue receipts by type of tax and liability year classifications. These will be inscribed on output files for transmittal to ECC-MTB for posting to RRACS and to the campus for the printing of required registers and summaries.

Note: CADE stopped processing transaction data as of the end of Cycle 201124 All individual taxpayer accounts have been returned to the Individual Master File (IMF) and in January 2012, IMF began processing all IMF transactions under the CADE 2 processing timeline with daily processing. All general ledger activity is included under the IMF general ledger account.

3.17.64.8.4.1
(09-01-2011)
**General Ledger
Accounts for Enterprise
Computing Center (ECC)**

- (1) The following accounts are associated with ECC.
- (2) This series of accounts records the Service's liability for the various suspense files, inventory files and pre-payment amounts. Credits in these accounts are normally in process for application to a tax liability. This includes pre-payments such as estimated tax, for which no tax assessment has yet been made but a tax liability is anticipated.

3.17.64.8.4.1.1
(09-01-2011)
**Account 4110 ECC
Suspense for the
MF-BMF
(Real Account, DR/CR
Normal Balance)**

- (1) This liability account records both debits and credits at or sent to ECC for posting to the BMF. Also included are generated posting reported on the SC Recap for post journalizing.
- (2) All MF posting, both campus-processed and MF-generated, are in process until posted to the taxpayer account and a change in the MF account status is reflected.
- (3) While the RACRs are used to ensure the balance in this account, no actual external subsidiary record is maintained. Data input may be updated by electronic transmission.

3.17.64.8.4.1.2
(09-01-2011)
**Account 4130 ECC
Unpostable
Documents-BMF
(Real Account, DR/CR
Normal Balance)**

- (1) This liability account will be used to record, and control pre-journalized debits and credits returned by ECC as unpostable to the BMF.
- (2) Items in this account failed to meet all the BMF validity checks or failed to match on entity information. Items in account 4130 will be reviewed, corrected and resubmitted to MF processing and reestablished on the SCCF.
- (3) The magnetic tape file of unposted transactions is the external subsidiary record.

- 3.17.64.8.4.1.3
(09-01-2011)
**Account 4210 ECC
Suspense for the
MF-IMF
(Real Account, DR/CR
Normal Balance)**
- (1) This liability account records both debits and credits at or sent to, ECC for posting to the IMF. Also included are generated posting reported on the SC Recap for post journalizing.
 - (2) All MF posting, both campus-processed and MF-generated, are in process until posted to the taxpayer account module and a change in the MF account status is reflected.
 - (3) While the RACRs are used to ensure the balance in this account, no actual external subsidiary record is maintained.
 - (4) Data input may be updated by electronic transmission.
- 3.17.64.8.4.1.4
(09-01-2011)
**Account 4215 ECC
Suspense for CADE
(Real Account, DR/CR
Normal Balance)**
- (1) This liability account previously recorded both debits and credits at or sent to, ECC for posting to CADE. Also included are generated posting reported on the SC Recap for post journalizing.
 - (2) All CADE posting before cycle 201125, both campus-processed and MF-generated, were in process until posted to the taxpayer account module and a change in the MF account status is reflected.
 - (3) While the RACRs are used to ensure the balance in this account, no actual external subsidiary record is maintained.
 - (4) Data input may be updated by electronic transmission.
- 3.17.64.8.4.1.5
(09-01-2011)
**Account 4217 ECC MFT
30 to MFT 29 for CADE
(Real Account, CR
Normal Balance)**
- (1) This liability account was set up to record credits offset at ECC from MFT 30 to MFT 29. These postings are reported on the SC Recap for post journalizing.
 - (2) On the SC Recap, it shows the offset credit transferred to MFT 29 (debit account 4210 X credit account 4217), while another line reflects the credit transferred from IMF (debit account 4217 X credit account 4210).
 - (3) Data input is updated by electronic transmission.
- 3.17.64.8.4.1.6
(09-01-2011)
**Account 4230 ECC
Unpostable
Documents-IMF
(Real Account, DR/CR
Normal Balance)**
- (1) This liability account will be used to record, and control pre-journalized debit and credit transactions returned by ECC as unpostable to the IMF. Items in this account failed to meet all the validity checks or failed to match on entity information.
 - (2) Items in account 4230 will be reviewed, corrected and re-submitted to the MF processing or nullified and re-established on the SCCF.
 - (3) The magnetic tape file of unposted transactions is the external subsidiary record.
- 3.17.64.8.4.1.7
(09-01-2011)
**Account 4254 MFT 30 to
MFT 29
(Real Account, CR
Normal Balance)**
- (1) This liability account records credits offset at ECC from MFT 30 to MFT 29. These postings are reported on the SC Recap for post journalizing.
 - (2) Line 23 on the SC Recap shows the offset credit transferred to MFT 29 (debit account 4210 X credit account 4254), while Line 106 reflects the credit transferred from IMF (debit account 4254 X credit account 4210).
 - (3) Data input is updated by electronic transmission.

3.17.64.8.4.2
(09-01-2011)
**ECC Application Tapes
to ECC
(Mainline and IDRS)**

- (1) IMF and BMF TEP controls are received for MF mainline and IDRS good transactions to tape. The controls may be one or a combination of the following:
 - a. GMF 1545
 - b. SCF 1152
 - c. SCF 1151
 - d. SCF 1340
 - e. GUF 5342
- (2) Enter the debit amount and credit amounts. Enter the net amount. If source document is other than GMF 1545, the net amount must be calculated.

3.17.64.8.4.3
(09-01-2011)
**Corrected Unpostable
Transactions**

- (1) One of the following corrected unpostable controls may be received: GMF 1545 or GUF 5340.
- (2) Enter the debit amount, the credit amount and the net amount from GMF 1545, corrected unpostables line or from the GUF 5340, total corrected unpostables line.

3.17.64.8.4.4
(09-01-2011)
**Applications From
Unpostables**

- (1) Documents which are unable to post at ECC come back to the campus as unpostable. Resolution codes 1, 2 and 8 on GUF 5340 nullify the unpostables. Code 1 indicates the record goes back to suspense status, code 2 indicates a voided record and code 8 indicates a record going to Rejects.
- (2) Documents may be perfected and re-input, renumbered to another file or tax class, transferred to another campus or transferred with same DLN to unidentified, deposit fund or general ledger accounts such as account 6800, Excess Collections or account 1510, Other Receivables.
- (3) Receive Unpostable Control Report (GUF 5340). Entries will be made from listings and documents. For amounts being put back in process, entries will be made from the total nullified unpostables line. Journal entries will be from Unpostable accounts (4130 BMF and/or, 4230 IMF) to "In-Process" accounts (4120 BMF and/or 4220 IMF). Subsequent reclassification may be required.
- (4) Credit entries to deposit fund accounts will be made from the individual documents. Documents must have a DOC-ID. Journal from Unpostable accounts 4130 or 4230 to Deposit Fund accounts (4710 OIC, 4720 Sale of Seized Property or 4730 Miscellaneous DF). It will be necessary to reclassify. Decrease Revenue Receipts account 21XX (credit) and increase Deposit Funds account 7002 (debit).
- (5) Data from GUF 5340 will automatically journal via the RRACS 35 process. This run includes the new, nullified, corrected and reclassified unpostable transactions received from and sent to ECC for MF. If electronic data input is incorrect, a new transmission can be process or the data can be input manually from the hard copy. This manual process can be accomplished through the Accounting Application main menu. Label journal identification number on control listings and documents, as required for audit trail.

3.17.64.8.4.5

(09-01-2011)

New Unpostables

- (1) Source documents received when new unpostables are added to the file are:
 - a. IMF Unpostable Controls - Listing number GUF 5340
 - b. IMF Revenue Receipt Control Sheet (RRCS) - Listing number SCF 1340
 - c. BMF Unpostable Controls - Listing number GUF 5340
 - d. BMF Revenue Receipts Control Sheet (RRCS) - Listing number SCF 1340
- (2) Verify that unpostable controls balance with RRCS posting block proof balances with unpostable master control. Entries will be made from unpostable controls total items and amount. Ensure cycle number is available on listing. Net credit on unpostable controls will be an increase (credits ECC Unpostable Documents accounts - IMF 4230 and BMF 4130). Net debit on unpostable controls will be a decrease.
- (3) New unpostables as well as nullified, reclassified and corrected unpostables are journalized from the GUF 5340 by tape processing. RAC 35 is the program which posts the data in a batch environment rather than entering the data manually. RRACS 35R is the program that reverses all posting done by RAC 35. Windows will serve as backup in the event of a tape failure. Label journal identification number on unpostable listings for audit trail.

3.17.64.8.4.6

(09-01-2011)

ECC Deletes

- (1) Receive accountability acceptance voucher or locally established documentation of deletes by ECC. Separate entries are required for each MF. Enter related debit or credit amounts deleted by ECC.

3.17.64.8.5

(09-01-2011)

Receivables

- (1) The following are general ledger receivable accounts.

3.17.64.8.5.1

(09-01-2011)

**Account Series 1000
Accounts Receivable**

- (1) This account series is generally taxpayer accounts which contain an outstanding balance of monies due and payable to the U.S. Government. Most accounts receivable are the results of tax assessments against the various tax classes. However, dishonored checks, account transfers and other receivables are also included in this series.

3.17.64.8.5.2

(09-01-2011)

**Account 1100 BMF,
Accounts Receivable
(Real Account, DR
Normal Balance)**

- (1) The net total of this receivable account will represent the total taxes assessed and unpaid on the BMF. Included in the total of this account are taxpayer accounts in notice status, installment status, TDA status and those taxpayer accounts on which collection has been suspended temporarily by a hold code.
- (2) External subsidiary records are those taxpayer accounts on MF, in debit-balance status.
- (3) Data input will be updated by electronic transmission.

3.17.64.8.5.3

(09-01-2011)

**Account 1300 Non-Tax
Receivables
(Real Account, DR
Normal Balance)**

- (1) The net total of this receivable account will represent non-tax monies posted on MF that have an outstanding module balance.
- (2) Data input will be updated by electronic transmission.

- | | |
|--|--|
| <p>3.17.64.8.5.4
(01-13-2014)
Account 1550 Injured Spouse Claims Allowed Receivable
(Real Account, DR Normal Balance)</p> | <ul style="list-style-type: none"> (1) This receivable account records and tracks receivables due IRS from BFS for injured spouse claims. (2) Injured spouse claims are the result of the Treasury Offset Program (TOP). A refund offset of an outstanding child support or other federal agency debt that is made after 1-11-1999 is referred to as a TOP. See IRM 21.4.6, Refund Offset. |
| <p>3.17.64.8.5.5
(09-01-2011)
Account 1810 BMF Account Receivable - Inactive
(Real Account, DR Normal Balance)</p> | <ul style="list-style-type: none"> (1) This receivable account will be used to record BMF taxes receivable items determined to be uncollectible or on which collection activity has been suspended due to taxpayer's inability to pay. The account also includes items which have been administratively determined too small to warrant collection activity. (2) Items in this account may subsequently be re-opened for collection activity if taxpayer's financial status changes. Refunds for subsequent periods may be offset automatically to satisfy outstanding items in this account. (3) External subsidiary records are those items on the BMF marked with the uncollectible status code. (4) Account 1810 will be updated by electronic transmission. |
| <p>3.17.64.8.5.6
(09-01-2011)
Account 1820 IMF Accounts Receivable - Inactive
(Real Account, DR Normal Balance)</p> | <ul style="list-style-type: none"> (1) This receivable account will be used to record IMF taxes receivable items determined to be uncollectible or on which collection activity has been suspended due to taxpayer's inability to pay. This account also includes those items on which it has been administratively determined the amount is not large enough to make collection effort cost effective. (2) Items in this account may be subsequently re-opened for collection activity, if taxpayer's financial position changes. Refunds for subsequent tax years may be offset automatically to satisfy outstanding items in this account. (3) External subsidiary records are those items on the IMF marked with the uncollectible status code. (4) Account 1820 will be updated by electronic transmission. |
| <p>3.17.64.9
(09-08-2025)
Reconciliation of General Ledger Accounts, Form 3997</p> | <ul style="list-style-type: none"> (1) The Form 3997 is a standard IRS form prepared monthly by the accounting section of each campus to report the balancing and reconciling of the external subsidiary accounts to the RRACS general ledger accounts. This form and its accompanying package are used to alert RACS analysts and the Accounting and Deposit Section of any imbalances between the accounts and any processing discrepancies within the site. Employees who balance accounts and prepare the monthly Form 3997 should be rotated periodically to mitigate the risk of fraud that could occur to the financial records. (2) Reconciliation terms used on Form 3997: <ul style="list-style-type: none"> a. Reconciled - An identified variance between RRACS and the subsidiary accounts existing after month end are listed as reconciled with identifying information for each item. Corrective action is a RRACS journal entry or a correction to the subsidiary ledger. Items identified as reconciled must be cleared by the following month end. |

- b. **Aged Reconciled** - Any reconciled items carried into the next accounting period are listed as aged reconciled. Additionally, any items defined as aged in Accounting IRMs or IRM 3.30.123, Processing Timeliness: Cycles, Criteria and Critical Dates, will also be considered aged. If there are conflicting definitions, the earliest definition will be used.
 - c. **Unreconciled** - An unidentified variance between RRACS and the subsidiary accounts existing after month end. Any out-of-balance condition that cannot be identified with a DOC-ID, report name or journal number are listed as a single unreconciled amount.
- (3) Each item with a document identifier and an associated amount on balance sheets supporting the Form 3997 package is an accounting transaction awaiting to be processed. All journaled items shown to be aged reconciled on balance sheets are backlogged processing work aged past a minimum of 30 days. Unless there is a systemic issue preventing processing, aged reconciled work should be prioritized by management to be worked on a first in, first out basis. Unreconciled amounts on balance sheets represent an unknown number of credits and debits that sum up to the unreconciled amount awaiting to be processed. Unreconciled amounts represent missing subsidiary documentation associated with the accounting transaction awaiting to be processed. If an account remains unreconciled for extended periods of time, management should verify that all documentation is being properly maintained by the account maintainer and the account is being correctly balanced by the account balancer.
- (4) After the final submission, a review is conducted by RACS analysts and a copy of the monthly Form 3997 Scorecard is provided to each site and is also retained in the Form 3997 Sharepoint. A list of tasks that must be completed to improve the scorecard or the integrity of the general ledger may also accompany the scorecard. This task list must be completed and submitted with the Form 3997 package in the following accounting period.

3.17.64.9.1
(06-04-2024)

**Form 3997 Submission
Timeline and
Requirements**

- (1) Basic requirements for the Form 3997 itself are as follows:
- a. This form must not be altered.
 - b. The original Form 3997, along with the Form 3997 package, must be maintained by the campus.
 - c. All accounts must remain on this form and filled in even if it there are zero balances.
 - d. All open fields on the report must be filled in, including the applicable accounts under the expired statute count column.
 - e. The expired statute count should be taken from the case files for each general ledger account.
 - f. All credit amounts on Form 3997 should be bracketed.
 - g. Form 3997 must reflect the current accounting period and money amounts.
 - h. The reporting period on the Form 3997 is the last day of the reporting month.
 - i. Form 3997 must be digitally signed by the field director, the accounting operation manager, the manager of the team preparing the form and the reports analyst.
 - j. Submitting a copy of Delegation of Authority is required for delegated signers of the Form 3997.

- k. The Quarterly Form 3997 is to be completed and digitally signed for the months of December, March, June and September and this portion of Form 3997 will be a part of the Form 3997 package during these months.
- (2) Submission timeline and procedures for the initial reports analyst review are as follows:
 - a. A complete Form 3997 package must be sent to *CFO:FM CFM RACS Reports Analyst* five business days prior to the final submission date of the Form 3997.
 - b. A reports analyst will conduct a comprehensive review and return the signed Form 3997 with feedback regarding the Form 3997 package two business days prior to the final submission date.
 - c. Any subsequent changes made to Form 3997 in the two business days prior to the due date may be signed by any reports analyst without further review.
- (3) Submission timelines and procedures for the final Form 3997 submission are as follows:
 - a. No later than the 25th of the following month, a copy of the digitally signed Form 3997 and the Form 3997 package should be uploaded to the *Submission Processing Sharepoint*.
 - b. The uploaded copies must reflect the same figures and account information as the signed copy maintained in the GAO file.
 - c. After the signed Form 3997 and all supporting documentation has been uploaded, the site should email *CFO:FM:CFM RACS Analyst* confirmation of their Form 3997 submission. Uploading a copy of this email to the Sharepoint is the final step to submitting the Form 3997 package.
- (4) If discrepancies occur and if this time requirement cannot be met, a request should be sent by personnel at a level no lower than a frontline manager to contact *CFO:FM:CFM RACS Analyst* for further instructions. An out-of-balance condition is not justification for this report to be submitted late.
- (5) If corrections are made after the original submission, the updated signed or re-signed Form 3997 should be uploaded to the Sharepoint along with any updated back up documentation. This will ensure that the documentation retained in the GAO file and the Sharepoint concur.

3.17.64.9.2
(12-05-2024)
Form 3997 Package

- (1) The following items are required for monthly Form 3997 submission.
 - a. A balance sheet is required for each account with a non-zero cumulative total on the RACS 004 report.
 - b. The balance sheet should include a summary page from the spreadsheet used to balance the subsidiary accounts which includes the monthly totals, volume and expired statute count.
 - c. A comprehensive status report must be included for any account with aged reconciled and/or unreconciled items.
 - d. RRACS report 004 Monthly General Ledger Trial Balance should be included.
 - e. Copies of the BMF and IMF Form 6168 are necessary and it must display the General Ledger Account page.

- f. The monthly Form 5199A must be included as supporting documentation with the Form 6168 maintained by the campus.
 - g. For the final submission only, upload a copy of the email showing that the Form 3997 package has been uploaded to the Sharepoint on or before the 25th of the following month.
- (2) Form 3997 will be supported by balancing sheets maintained in the campuses and the balance sheets must include the following:
 - a. A document identifier or report name with date for each itemized money amount
 - b. Journal numbers can be used for future journals or as secondary detail information for a document identifier or report
 - c. Item count and expired statute count for applicable accounts
 - d. Clearly identified reconciled totals by account
 - e. Clearly identified aged reconciled totals by account
 - f. Clearly identified unreconciled totals by account
 - g. Subsidiary account totals must equal the general ledger account totals
- (3) A comprehensive status report is required for any account with aged reconciled and/or unreconciled items. It must contain the following information:
 - a. Campus, report month, account number and total amount at the top of the report.
 - b. Item count and money amounts making up the total amount with a clear and detailed explanation for the imbalance.
 - c. Attempts made and methods used to correct imbalances should be noted for each item.
 - d. Follow-up attempts for correction should be made and documented monthly.
 - e. Last accounting period through which the account was completely reconciled.
 - f. Estimated date the account will be reconciled.
 - g. Any existing discrepancies that may prevent reconciliation.
 - h. Identifying information that is pertinent for items that make up the imbalance, such as: DOC-ID, cycle, tape journal, etc.
- (4) Additional requirements for comprehensive status reports:
 - a. All credit amounts must be bracketed.
 - b. If there is more than one item for the same account and the explanation is the same for those items, one explanation is sufficient but individual money amounts must be listed for each item.
 - c. If there is more than one item and the explanations are different, list the amount and explanation separately.
 - d. If the problem is systemic (a file or tape run) and there are numerous items, list the total amount with the explanation.
 - e. Use information that identifies the items, such as document ID, cycle number, tape journal number, report number, etc.
 - f. All comprehensive status reports prepared must be reviewed and initialed by the Data Control manager prior to submitting to RACS analyst.

Note: The comprehensive status report requirement for the Form 3997 is used to provide detailed background information on aged and unreconciled items for the RACS analysts.

3.17.64.9.3
(09-08-2025)

Form 3997 Remediation Plan

- (1) The Remediation Plan is a memorandum for the Director of Revenue Accounting Operations from the Service Center Accounting Operation Manager, for any scorecard criteria with a “yellow” or “red” score on the Form 3997.
- (2) The Remediation Plan must outline the current issues accurate and provide measurable steps the campus will take to prevent aged and unreconciled balances in the future. It must contain the following information, as appropriate:
 - a. Detailed, accurate explanation of the imbalance(s)
 - b. Attempts made and/or methods used to correct imbalance(s)
 - c. Estimated or actual date the account will be corrected
 - d. Explanations for any late submissions of F3997
 - e. Detailed explanation of incomplete/inaccurate data
 - f. Explanation of any missing signatures
 - g. Future preventative actions to be taken

Note: The Remediation Plan memorandum must also be signed by the campus field director or designee.

- (3) The signed Remediation Plan should be attached to the Form 3997 in the GAO file.
- (4) The Remediation Plan is subject to review by the RACS analysts prior to delivery to the Director of Revenue Accounting Operations.

3.17.64.9.4
(09-08-2025)

Form 3997 Scorecard

- (1) The Form 3997 Scorecard is a representation of the state of accounting activity at each service center. Each criteria represents established federal government accounting guidelines and the requirement for transparency and accuracy in the representation of service center accounting activity.
- (2) Any questions regarding the Form 3997 and its accompanying scorecard can be directed to *CFO:FM:CFM RACS Analyst*.
- (3) Form 3997 - Timeliness: This criteria checks for timely completion of all balancing and reconciliation activity.
 - **Green** - Received on or before close of business on the 25th of the month.
 - **Yellow** - Received within two business days after the 25th of the month.
 - **Red** - Received after two business days after the 25th of the month.
- (4) Form 3997 - Completeness and Accuracy: This criteria checks for completeness and accuracy in balancing and reconciliation activity.
 - **Green** - Form 3997 is has accurate information provided for all accounts.
 - **Yellow** - Form 3997 has incomplete and/or inaccurate information for 2 or less items.
 - **Red** - Form 3997 has incomplete and/or inaccurate information for more than 2 items.
- (5) Form 3997 - Supporting Documentation: This criteria checks for supporting documentation to verify balancing and reconciliation activity.

- **Green** - Supporting documentation for all open items on the account and clearly identifies unreconciled amounts, if any.
 - **Yellow** - Missing supporting documentation for one item on any account and clearly identifies unreconciled amounts, if any.
 - **Red** - Missing supporting documentation for more than one item on any account(s) and/or does not clearly identify unreconciled amounts.
- (6) Form 3997 - Signature: This criteria checks to ensure that all signatory entities are reviewing the Form 3997 before self-certifying the Form 3997 to be representative of the site's accounting activity.
- **Green** - All required parties signed. All designees have submitted a designation form with the Form 3997 package.
 - **Red** - Not all required parties signed and/or designees have not submitted a designation form with the Form 3997 package.
- (7) Form 3997 -Aged Reconciled Item(s): This criteria checks to ensure timely processing of all items received into all accounts shown on the Form 3997.
- **Green** - No aged reconciled item(s).
 - **Yellow** - One or more aged reconciled item(s) reported for the first time.
 - **Red** - One or more aged reconciled item(s) reported two or more consecutive times.
- (8) Form 3997 - Unreconciled Item(s): This criteria checks to ensure that every item received into all accounts shown on the Form 3997 are accounted for and processed per IRM guidelines.
- **Green**- No unreconciled amounts reported.
 - **Yellow**- One or more unreconciled amounts reported for the first time.
 - **Red**- One or more unreconciled amounts reported for consecutive accounting periods.
- 3.17.64.9.4.1
(04-04-2014)
**Business
Resumption/Disaster
Recovery Form 3997
Contingency Plan**
- (1) In the event that the campus is closed (example; disaster, inclement weather, power outage, etc.) on the 25th day of the month (due date of Form 3997) the campus will be provided an extension in writing.
- (2) In the event the campus does not submit the Form 3997 by the extension due date, normal scorecard ratings will apply.