



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

5.21.4

OCTOBER 27, 2017

EFFECTIVE DATE

(10-27-2017)

PURPOSE

- (1) This transmits a revision of IRM 5.21.4, *International and Insular Issues, Payments Made in Foreign Currency*.

MATERIAL CHANGES

- (1) IRM 5.21.4.1 added to include Program Scope and Objectives.
- (2) IRM 5.21.4.3(2) added to provide links to additional IRM cites on payment by credit card.
- (3) IRM 5.21.4.5 added to include information on making a payment through a Cash Management Account.

EFFECT ON OTHER DOCUMENTS

This supersedes IRM 5.21.4 dated 11/27/2013.

AUDIENCE

Revenue officers in SB/SE Field Collection (FC).

Kristen E. Bailey
Director, Collection Policy

5.21.4

Payments Made in Foreign Currency

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5.21.4.1
(10-27-2017)
Program Scope and Objectives

- (1) **Purpose.** This IRM section provides guidance to revenue officers on processing payments made in foreign currency and payments made from foreign sources.
- (2) **Audience.** The audience is revenue officers in Small Business/Self-Employed (SB/SE) Field Collection.
- (3) **Policy Owner.** The Director of Collection Policy is responsible for issuing policy for the International program.
- (4) **Program Owner.** The program owner is Collection Policy, Global Strategic Compliance, an organization within SB/SE Division.
- (5) **Primary Stakeholders.** The primary stakeholder is SB/SE Collection.
- (6) **Program Goals.** By following the processes described in this IRM, users will be able to properly process payments made in foreign currency and payments made from foreign sources.

5.21.4.1.1
(10-27-2017)
Background

- (1) This IRM provides international revenue officers information on different methods of payment available to international taxpayers that reside overseas, especially for those taxpayers who do not have a U.S. bank account.

5.21.4.1.2
(10-27-2017)
Authority

- (1) Congress has delegated to the IRS the responsibility of administering the tax laws, known as the Internal Revenue Code, found in Title 26 of the United States Code. Congress enacts these tax laws, and the IRS enforces them.

5.21.4.1.3
(10-27-2017)
Responsibilities

- (1) The Director, Collection Policy is the executive responsible for the policy and procedures to be employed by Collection personnel.
- (2) Field Collection group managers and territory managers are responsible for ensuring the guidance and procedures described in this IRM are complied with.

5.21.4.1.4
(10-27-2017)
Program Management and Review

- (1) Program Reports:
 - a. Director, Field Collection Report - This monthly report encompasses all Field Collection including International and provides measures on the performance of Field Collection.
 - b. International Territory Report - This monthly report provides measures on the performance of the International territory.
 - c. Form 5919, *Teller's Error Advice* - This report is sent to the Group Manager by Submission Processing to report an error or late remittance.
- (2) Reviews:
 - a. Collection Policy will conduct ad hoc International program reviews as necessary to verify compliance with IRM requirements and to address Treasury Inspector General for Tax Administration/U.S. Government Accountability Office findings.
 - b. Case reviews are conducted by Group Managers to ensure compliance with this IRM.

- c. IRM 1.4.50.11.1, *Remittance Control Reviews*, requires Group Managers to periodically conduct a review of control procedures to ensure staff is complying with the procedures in IRM 5.1.2.4, *Daily Report of Collection Activity*.
- d. Operational reviews are conducted by the Territory Manager and Area Director annually to evaluate program delivery and conformance to administrative and compliance requirements.

5.21.4.1.5
(10-27-2017)

Program Controls

- (1) Group Managers are required to oversee group remittance processing activities, including monitoring Form(s) 5919, *Teller's Error Advice*, sent to their group.

5.21.4.1.6
(10-27-2017)

Acronyms

- (1) This table lists commonly used acronyms and their definitions:

Acronym	Definition
ABA	American Banking Association
EFTPS	Electronic Federal Tax Payment System
FTA	Federal Tax Application
RTN	Routing Transit Number
SB/SE	Small Business/Self-Employed
TECS	Treasury Enforcement Communication System

5.21.4.1.7
(10-27-2017)

Related Resources

- (1) Additional information and guidance on international collection issues can be found in the following IRM sections.
 - a. See IRM 5.21.1 through 5.21.8 for additional information on international collection issues.
 - b. See IRM Part 5 for additional information on general collection issues such as courtesy investigations, International currently not collectible closing code 06, Treasury Enforcement Communication System (TECS), initial contact, and special rules on mailing correspondence.

5.21.4.2
(11-27-2013)

Processing Payments Made in Foreign Currency

- (1) Publication 54 advises taxpayers that they must pay their taxes in U.S. dollars. However, sometimes a taxpayer will send a payment in foreign currency and is unable or unwilling to substitute the payment for one in U.S. dollars.
- (2) Use Form 3244, *Payments Posting Voucher*, to post a payment made in foreign currency.
- (3) Prepare Form 3244 as follows:
 - a. Write the applicable transaction code, amount, and type of currency in the remarks section.

Example: Request for foreign cash conversion: 2500 Euros TC 670 DPC 10.

b. Leave the amount line blank.

(4) Attach Form 3244 and the payment to the daily Form 795.

Note: The payment will be stripped from Form 795 and transhipped to the appropriate Campus for processing by Campus Receipt and Control.

Note: Such payments may take in excess of 30 days to post to IDRS.

5.21.4.3 (10-27-2017) Payments by Foreign Credit Cards

- (1) Taxpayers may make payment by a credit card issued by a foreign bank, provided it is a credit card accepted by IRS processors, e.g., Visa or MasterCard.
- (2) See IRM 5.1.2.6.4.2, *Credit Card*, and IRM 21.2.1.48.5, *Credit or Debit Card Payments (Pay by Phone or Internet)*, for additional information.

5.21.4.4 (11-27-2013) Electronic Wire Transfer from International Locations

- (1) Taxpayers who reside outside the United States may pay federal tax payments by electronic transfer.
- (2) See IRM 5.1.2.6.4.3, *Federal Tax Application (FTA) Same-day Wire*, for guidelines on making federal tax payments by electronic transfer.

5.21.4.5 (10-27-2017) Cash Management Accounts

- (1) If the taxpayer does not have a U.S. bank account or is not affiliated with a U.S. bank, a cash management account can be used through the Electronic Federal Tax Payment System (EFTPS).
- (2) A cash management account uses a Routing Transit Number (RTN), also known as the American Banking Association (ABA) number, for brokerage houses to receive payments for stock transactions from taxpayers living outside and inside the U.S.
- (3) The RTN/ABA number used from the cash management account can be used to set up a PIN and password with EFTPS and therefore can be used to make payments to the IRS.
- (4) There are no fees associated with payments using a Cash Management Account.

