

IRM PROCEDURAL UPDATE

DATE: 02/12/2025

NUMBER: ts-03-0225-0215

SUBJECT: Refund Prevention Procedures

AFFECTED IRM(s)/SUBSECTION(s): 3.11.251

CHANGE(s):

**IRM 3.11.251.2, Processing Time Frames:
New subsection for SPT processing time frames.**

Processing Time Frames

- (1) Spousal Payment Transcripts (SPT) must be processed in first in/first out (FIFO) order by oldest received date.
- (2) Payments from the same taxpayer on the same transcript are batched together.
- (3) Process the Spousal Payment Transcript within 3 calendar days from the date the site receives the case. For additional information on processing timeframes, see IRM 3.30.123, Processing Timeliness: Cycles, Criteria, and Critical Dates.

**IRM 3.11.251.6, Spousal Payment Transcript (SPT) Organization Function
Program (OFP) Information:
New subsection for the SPT OFP.**

Spousal Payment Transcript (SPT) Organization Function Program (OFP) Information

- (1) SPT OFP codes are used for reporting work closed by individual Tax Examiners working the SPT program.
- (2) SPT OFP codes are used in conjunction with the weekly Work Planning and Control (WP&C) reporting system.
- (3) The OFP code used for reporting the work performed under the SPT program is 710-37711.
- (4) For additional information regarding OFP codes, refer to IRM 3.30.20, Work Planning and Control - Organization, Function, and Program (OFP) Codes.

IRM 3.11.251.9.1, SPT Refund Prevention:

Paragraph (2) - Included instructions to open a control base and - R freeze on all SPT cases. Removed the table.

Paragraph (3) - Removed paragraph (3).

SPT Refund Prevention

(1) Preventing a refund is required prior to resolving a case.

(2) Upon receipt of the SPT case:

- a. Open a control base.
- b. Input a TC 570 on the primary taxpayer account.

IRM 3.11.251.9.2, Processing a Spousal Payment Transcript:

Paragraph (3) - Added a note to include instructions when a payment has a subsequent TC 662/672. Added a caution to use CC TXMODA and IMFOLT.

(1) When processing an SPT case, take the following action:

1. Research the STA using command code (CC) TXMODA to locate the payment that caused the issue. The payment is posted as a Transaction Code (TC) 670 followed by a TC 667 to move the payment from the STA to the PTA.

Note: TC 671/672 indicating a reversal of the TC 670 will also be present on the STA with the same date and DLN on the daily report

2. Research the PTA account to locate the payment. The payment is posted as a TC 666.
3. Determine if the TC 666 payment is still present on the account or if it's been refunded or is pending refund. A TC 846 on the account indicates if the payment has been refunded or is pending refund.

Note: If a subsequent TC 662/672 for the same payment is present, the payment has reversed. No further action should be taken for the payment and close the SPT open control.

(2) If the payment is still present on the account and hasn't been refunded, resolve the SPT case following the procedures in IRM 3.11.251.10, When A Credit Transfer is Required to Resolve an SPT Case.

(3) If the payment has been refunded or is pending refund, resolve the SPT case following the procedures in IRM 3.11.251.11, When Category D Erroneous Refund Procedures are Required to Resolve A SPT Case.

Caution: Use CC TXMODA and IMFOLT.

Note: Even though the payment has been refunded, the payment will need to be transferred prior to following erroneous refund procedures.

(4) If the payment has been refunded and has been fully repaid, see IRM 3.11.251.11.2, Full Paid Erroneous Refund Procedures.

IRM 3.11.251.10, When A Credit Transfer is Required to Resolve an SPT Case: Paragraph (1) - Added instructions to the caution if a payment was credited to another tax year.

(1) When the TC 666 payment is still present on the account and hasn't been refunded, a credit transfer to move the money from the PTA to the STA is required to resolve the SPT case.

Caution: If any part of the payment has been credited to another tax year or used as a credit elect, reverse the credit prior to transferring the SPT payment.

Editorial changes have been made throughout the IRM to: Rearranged the IRM structure without changing any substantive content or meaning. During the reorganization, some subsections have been renamed or renumbered.