

IRM PROCEDURAL UPDATE

DATE: 06/09/2025

NUMBER: ts-21-0625-3392

SUBJECT: Various Changes to Returned Refunds/Releases

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

CHANGE(s):

IRM 21.4.3.5(1) a - Updated to add direction to control the Returned Refund program inventory to the lead or designated individual. Updated to accommodate CII migration.

IRM 21.4.3.5(2) - Updated to add procedures to send correspondence received to ICT for scanning to CII. Updated to accommodate CII migration.

(1) Upon receipt of a returned refund check, Refund Inquiry (RI) employees will use the Returned Refund program in Account Management Services (AMS) to:

1. Control the case on the Integrated Data Retrieval System (IDRS) to the lead or designated individual in the team, Status B, Category 3913.
2. Send Letter 4427C, Acknowledgement of Returned Refund Check, to the taxpayer, unless a completed Form 3913, Acknowledgement of Returned Refund Check, is received with the case from an IRS Taxpayer Assistance Center (TAC). In those cases, Form 3913 will serve as an acknowledgement letter. No interim letter is required, unless the 60-day time frame stated on Form 3913 cannot be met.

Note: Keep a copy of Form 3913 with cases received from TACs.

Note: If no acknowledgement letter has been issued to the taxpayer, follow procedures in IRM 21.3.3.3.4, Quality and Timely Response, and issue a final response to the taxpayer, prior to closing the case control.

3. Send voided checks less than one year old to the Philadelphia Regional Financial Center (RFC) on Form 3210, Document Transmittal, for cancellation. Form 3210 is generated by the Returned Refund program in AMS.

Note: If the automated system is down due to technical difficulty for more than one day, manually control the case on IDRS. Send Letter 4427C and manually complete Form 3210. Send to RFC.

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Exception: Upon receipt of a returned refund check attached to Form 941-X, Form 943-X, Form 944-X or Form CT1-X indicating "Withdrawn" on the left margin of the first page or correspondence relating to or referencing Employee Retention Credit (ERC), after using the Returned Refund program in Account Management Services (AMS), make two photocopies of the returned refund check and stamp both as "photocopy". Also, make one copy of the first page of the ERC Withdrawal request or correspondence and stamp that as "photocopy". Route the original ERC Withdrawal request or correspondence and one check photocopy to Image Control Team (ICT) on a Form 3210 clearly marked "ERC Withdrawal" to be scanned into CII. The second check photocopy and the photocopy of the Form 94X-X or Form CT1-X will be kept by RI until the TC 841 has posted.

(2) Beginning July 1, 2025, after using the Returned Refund program in Account Management Services (AMS):

1. Make two photocopies of the returned refund check and stamp both as "photocopy".
2. Route the original correspondence and one check photocopy to Image Control Team (ICT) to be scanned into CII. If no correspondence has been received send the check photocopy to be scanned as a CII case. Use either Form 3210, Document Transmittal or Form 13503, Image Control Team Batch Cover Sheet to "Scan as Refund Inquiry Correspondence, Category 3913, OFP- 710-01090", the CII should be controlled to the same IDRS number as the Returned Refund control base.
3. The second check photocopy will be kept by RI until the TC 841 has posted, then destroyed as classified waste.

Once TC 841 has posted, the Returned Refund control base can be closed as **MISC** leaving the CII control open. Reassign the CII case to a RI employee for case resolution, change category code to **841P** prior to reassignment.

IRM 21.4.3.5.2(1) - Updated to incorporate information for working cases through CII. Updated to accommodate CII migration.

IRM 21.4.3.5.2(2) box 1 - Updated to incorporate information for working cases through CII. Updated to accommodate CII migration.

IRM 21.4.3.5.2(2) box 2 - Updated to incorporate information for working cases through CII. Updated to accommodate CII migration.

IRM 21.4.3.5.2(2) box 3 - Updated to incorporate information for working cases through CII. Updated to accommodate CII migration.

IRM 21.4.3.5.2(2) box 6 - Updated to incorporate information for working cases through CII. Updated to accommodate CII migration.

(1) A recertified check is any check reissued to the taxpayer to replace an original check. If a check was cancelled, the account will show a credit for the refund, TC 841 or TC 740. A refund may be cancelled for any of the following reasons:

- Undelivered refund - See IRM 21.4.3.5.3, Undeliverable Refund Checks
- Limited Payability - See IRM 21.4.2.4.7, Limited Payability (LP) Rules
- Result of a refund claim (CC CHKCL) - See Exhibit 21.4.2-1, Command Code (CC) "CHKCL" Input
- Refund intercept (CC NOREF) - See IRM 21.4.1.5.10, Refund Intercept Command Code NOREF with Definer "P"
- Refund returned by the taxpayer - See IRM 21.4.3.5.4, Returned Refund Check Procedures, IRM 21.4.3.5.5, Resolving Returned Refunds (Unexpired Checks), and sub-sections, and IRM 21.4.3.5.6, Resolving Returned Expired Refunds Limited Payability, and sub-sections

Note: When a refund check is cancelled, there is no "stop payment" placed on the check. The original check appears negotiable and is often cashed. If a check is cashed after being cancelled, a debit TC 843, Payment Over Cancellation (POC), will post to the account. POCs are handled by the Accounting Function. If correspondence is received regarding a POC, take no action on the account, route the inquiry to the Accounting function with the open control, or originating site based on RSN, for resolution. To determine the appropriate campus for routing see IRM 21.4.2.4.14 (2), Account 6565 Processing for Refund Inquiry Function. Notate CII case note with actions taken and close CII case. If working paper case ensure AMS notes are updated, and close refund inquiry control base. Accounting will address the taxpayer's correspondence as needed. If contacted by phone, refer to IRM 21.3.5.4.1, When to Prepare a Referral, include taxpayer contact information and any details that the taxpayer gives which may help resolve the case.

(2) When the taxpayer returns **either the original, recertified, or both checks**, use the following procedures:

Row	If the check is	And it	Then
1	The original check	Has not expired	1. Prepare and attach Form 3210, Document Transmittal, with notation "Previous Cancellation". 2. Send check to Philadelphia Regional Financial Center (RFC). 3. Send Letter 4427C, Acknowledgment of Returned Refund Check, to the taxpayer. 4. Add a CII case note documenting previous cancellation and close CII case. Note: No TC 841 will post due to prior cancellation.

2	The original check	Has expired	1. Send Letter 4427C to taxpayer. Note: Do not return the check to Philadelphia RFC. 2. Add a CII case note documenting check expired and close CII case. Note: No TC 740 will post due to prior cancellation. 3. Destroy the check.
3	The original check	Previous CC CHKCL initiated	1. Add a CII case note documenting replacement issued and close CII case. 2. Destroy original check.
4	The recertified check	Has not expired, nor has the taxpayer cashed the original refund check	1. Send to Philadelphia RFC for cancellation. 2. Send taxpayer Letter 4427C. 3. Update control base "841TOPOST." 4. Monitor until TC 841 posts. 5. Follow the instructions provided in taxpayer's correspondence and advise taxpayer of the action taken, if applicable. 6. If control base does not update within 45 days to "841P" take follow-up action to locate and apply the credit correctly.
5	The recertified check	Has expired, but the taxpayer has not cashed the original refund check	1. Do not return check to the RFC. 2. Send Letter 4427C to the taxpayer and follow expired return refund check procedures. See IRM 21.4.3.5.6, Resolving Returned Expired Refunds Limited Payability.
6	The recertified check	Has not expired and taxpayer has cashed the original refund check	1. Send to Philadelphia RFC for cancellation. 2. Add a CII case note documenting cashed original check. 3. Monitor for TC 841. 4. Input TC 290 .00, Hold Code 2 to set a -K freeze and hold the credit. (TC 843, POC, will post from Bureau of the Fiscal Service). 5. Close the CII case.

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IRM 21.4.3.5.4(3) box 3 - Updated to add Form 14039 to items that identify IDT when taxpayer returns a refund check. Changes made to clarify information.

(3) When there is potential refund fraud or ID theft involved, Refund Inquiry should take the following actions. (In most instances, these checks will already have been routed by Submission Processing.)

Reminder: Refund checks returned to a Taxpayer Assistance Center (TAC) must be forwarded to the IRS campus Refund Inquiry Unit associated to the taxpayer's state of residency. For fax numbers and addresses, see Refund Inquiry Unit Addresses, located on Servicewide Electronic Research Program (SERP) under the Who/Where tab. Follow the procedures in the table in IRM 21.4.3.5.5, Resolving Returned Refunds (Unexpired Checks).

- a. Make a copy of the returned Treasury refund check. All Treasury checks must be stamped "Non-Negotiable", or, have the word "void" stamped or written on the front or back of the check.
- b. Prepare a Form 3210, Document Transmittal, and send to BFS as normal. See IRM 21.4.3.5.5, Resolving Returned Refunds (Unexpired Checks), for the BFS address.
- c. The following table describes the types of checks and the routing procedures:

Row	If	Then
1	Treasury IRS refund checks are returned as undeliverable, and you identify that there is the same address (different names) on multiple checks indicating possible fraud	○ Fax/eFax check copies and correspondence to Kansas City RIVO at: # [REDACTED] # ○ Include the date the Treasury check was sent to BFS on the Fax/eFax
2	Treasury check(s) is returned, and ID theft is not indicated, but appears to be fraud related (e.g., Multiple checks with different names have been mailed to the same address . Explanation is something like, "I don't know these people, but these checks were mailed to my house.")	○ Fax/eFax check copies and correspondence to Kansas City RIVO at: # [REDACTED] # ○ Include the date the Treasury check was sent to BFS on the Fax/eFax
3	Treasury check(s) is returned, and Form 14039, Identity Theft Affidavit or a note is attached indicating ID theft (e.g., "I got this refund check made payable to me, but I have not even filed my tax	○ Fax/eFax check copies and correspondence to Kansas City RIVO at: # [REDACTED] #

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	return this year. I don't know why I got this check.")	○ Include the date the Treasury check was sent to BFS on the Fax/eFax
4	Treasury check(s) is returned undeliverable, OR not belonging to the person named on the check, AND there is evidence of previous RIVO External Leads review. i.e., TC 841 DLN blocking series/serial number 77711, 77712, or 77713 and issuance of a CP 53A, CP 53B or CP 53C notice	○ Fax/eFax check copies and correspondence to Kansas City RIVO at: # [REDACTED] # ○ Include the date the Treasury check was sent to BFS on the Fax/eFax
5	A third-party check (non-Treasury checks including RAL/RAC checks) is received outside of Receipt and Control or Campus Support	Process it back to the proper function per IRM 3.8.46.1, Discovered Remittances (for Receipt and Control), or IRM 21.1.7.9.20, Discovered Remittance (for Campus Support).
6	Check is attached to: ○ Letter 4115C, or ○ Letter 4464C, or ○ Letter 4883C	○ Fax/eFax check copies and correspondence to Kansas City RIVO at: # [REDACTED] # ○ Include the date the Treasury check was sent to BFS on the Fax/eFax

- d. If not already on the account, input TC 971 AC 522 and the proper IDT tracking code. See IRM 25.23.2.4.4, Initial Allegation or Suspicion of Tax-Related Identity Theft - IMF Identity Theft Indicators, for codes and more information.

Note: Do not keep an open or monitor control on the case once it has been forwarded to RIVO.

- e. If you receive items (including debit cards) from different sources, for example U.S. Postal Service, a law enforcement agency, etc., sort the items and mail to:
- Internal Revenue Service
 Attn: RIVO External Leads Manager
 333 W Pershing Rd. Stop #7777
 Kansas City, MO 64108

Exception: For returned Economic Impact Payment pre-paid debit cards, follow instructions in IRM 3.8.45.19.1 (4), Repayment of Economic Impact Payments (EIP).

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IRM 21.4.3.5.5(4) box 8 - Updated to incorporate information for working cases through CII. Updated to accommodate CII migration.

IRM 21.4.3.5.5(4) box 9 - Updated to incorporate information for working cases through CII. Updated to accommodate CII migration.

IRM 21.4.3.5.5(4) box 10 - Updated to incorporate information for working cases through CII. Updated to accommodate CII migration.

IRM 21.4.3.5.5(6) - Updated to include direction for tax year 2020 and 2021 when taxpayer wanted returned EIP check reissued. Changes made to clarify information.

IRM 21.4.3.5.5(6) - Updated to include note regarding RRC credit reversal. Changes made to clarify information.

IRM 21.4.3.5.5(11) c - Updated to include note regarding RRC credit reversal. Changes made to clarify information.

IRM 21.4.3.5.5(11) c - Updated to include direction to use procedures in 25.25.13-2 when transferring credits to excess. Changes made to clarify information.

(4) To research and resolve returned refund checks that include an explanation from the taxpayer, refer to the chart below. Follow the taxpayer's instructions whenever possible.

Row	If	And	Then
1	Credit is to be applied to a balance due	Credit not posted	Input CC STAUP or TC 470 to prevent offset and monitor for credit.
2	Credit is to be applied to a balance due	No balance due	Notify taxpayer of status.
3	Credit has posted		Follow taxpayer's instructions.
4	Credit intended as payment for taxes	Credit not posted	Monitor for credit, when posted, follow taxpayer's instructions.
5	Refund returned on a deceased taxpayer's account, refer to IRM 21.6.6.2.21.2, Processing Decedent Account Refunds	Form 1310, Statement of Person Claiming Refund Due a Deceased Taxpayer, or required documentation attached	Follow instructions and comply with the request.

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6	Refund returned on a deceased taxpayer's account, refer to IRM 21.6.6.2.21.2, Processing Decedent Account Refunds	Form 1310 or required documentation not attached	Send Form 1310 to estate of deceased taxpayer requesting documentation. If the surviving spouse of a joint return is claiming the refund, Form 1310 is not required.
7	An erroneous name or designation of payee	Not negotiable	Request original document to verify payee, if necessary.
8	An original Form 1040-X, Amended U.S. Individual Income Tax Return received with the check	no content	Adjust account or route return to the proper function. Note: If routing a Form 1040-X, input a TC 971 Action Code (AC) 010 using the Received Date as the Transaction Date.
9	An original Form 941-X, Adjusted Employer's QUARTERLY Federal Tax Return or Claim for Refund; Form 1065-X, Amended Return or Administrative Adjustment Request (AAR); Form 1120-X, Amended U.S. Corporation Income Tax Return	no content	Adjust account or route return to the proper function.
10	An original Form 941-X, Form 943-X, Form 944-X or Form CT1-X, indicating Withdrawn on the left margin of the first page is received with the check	no content	If the original Form 941-X, Form 943-X, Form 944-X or Form CT1-X, indicating Withdrawn on the left margin of the first page is stamped Photocopy , then monitor for posting of the TC 841 and close the returned refund control base with activity code "ERC2POST". Do not close the CII control if one has been created. Treat the photocopies of the form and returned refund check as classified waste taking no further action. Exception: If the Form 941X, Form 943X, Form 944X or Form CT1X, indicating "Withdrawn" on the left margin of the first page is not

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			stamped as "photocopy" and the TC841 has or has not posted then route return/claim to ICT, include a copy of the returned check with the documentation. Monitor for posting of the TC 841 and close the returned refund control base with activity code "ERC2POST".
11	Adjustment action posts before TC 841	Credit and P - freeze remaining on account	Refer to IRM 21.5.6, Freeze Codes, to determine if the P-freeze can be released.
12	Refund was correct when issued	Returned in error	Provide explanation to taxpayer. Do not allow additional interest if the refund is to be reissued or applied to an outstanding liability. Note: If the original refund was a manual refund, you may need to reissue it as a manual refund. See IRM 21.4.4, Manual Refunds.
13	Taxpayer filed a married filing joint (MFJ) return and requests the refund check be reissued in one name	Signed statement from other spouse consenting to issuance of the refund to requester is attached	Do not allow additional interest if the refund is to be reissued or applied to an outstanding liability. Reissue refund as a manual refund. Include signed statement from other spouse consenting to issuance of the refund to requester as supporting document. See IRM 21.4.4, Manual Refunds.
14	Refund was correct when issued, but is returned by a third-party because the taxpayer no longer lives at the address	P - freeze or TC 841 pending to post	Research CC ENMOD: • If a current address is found, reissue the refund. • If no current address is found on CC ENMOD, research current year IRPTR and issue a Letter 533C, Refund Check Undelivered or Not Negotiated, asking

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			the taxpayer to verify their current address. Suspend and allow 45 days for a response (70 days for overseas taxpayers). If no current address is located or no response is received, follow paragraph (11) below. Note: See paragraphs (7) and (8) below to determine if interest is allowable.
15	Refund check is a non-IRS Treasury check (See IRM 3.8.44-7, Agency Location Codes (ALC), for IRS ALC listing)	Correspondence attached is requesting we apply or reissue the refund to a certain year or other IRS account action	- Issue Letter 86C, Referring Taxpayer Inquiry/Forms to Another Office, explaining we cannot accept a third-party check and the check will be returned to the originating agency to be reissued. - Do not forward correspondence to BFS, detach from the check. - Prepare a Form 3210 using procedures in IRM 3.8.47.4.4, Secure and Process a Returned Refund Check and forward to BFS in Philadelphia. See IRM 21.1.7.9.25, Non IRS Return Refund Checks, for mailing address.
16	Refund check is a non-IRS Treasury check (See IRM 3.8.44-7, Agency Location Codes (ALC), for IRS ALC listing)	Correspondence is attached and is NOT requesting an IRS related action, but asking about the check or information related to it	Prepare a Form 3210 using procedures in IRM 3.8.47.4.4, Secure and Process a Returned Refund Check, and forward to BFS in Philadelphia. See IRM 21.1.7.9.25,

			Non IRS Return Refund Checks, for mailing address. • Add a note on the Form 3210, "Forward Correspondence to Originating Agency, Do Not Return to IRS. Not an IRS Check"
17	Refund returned	Correspondence is attached which states they have a religious or conscience-based objection to the refund	• Reverse the credits that created the refund (e.g., ACT, EIC or other prepaid credits). See IRM 21.6.3.4.2, Refundable Credits, for applicable credit instructions. • If a reversal of the credit is not possible due to an expired ASER, then move any Earned Income Credit (TC 764 or TC 768) or Generated Refundable Credit (TC 766) to Excess Collections, follow IRM 21.4.3.5.5 (11). • Send a closing letter to advise the credit causing the overpayment has been removed from their account.

Reminder: If there is any correspondence, unrelated to the returned refund check, which is not within your scope, forward correspondence to Image Control Team (ICT). Use CC MESSG to locate your local ICT stop number.

(5) If a taxpayer returns a refund check requesting that it be applied to another tax module and:

- The refund was not the result of a misapplied payment
- The refund was not due to IRS error
- Credit elect was not indicated on the return

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- Liabilities were not claimed on Schedule B, Report of Tax Liability for Semiweekly Schedule Depositors, for any Form 94x series tax return
- Payment was not claimed on the total payment/deposit line of the tax form for the quarter in which the returned refund was to be applied

Then post the check as a TC 700. If interest was included on the refund and the taxpayer is still entitled to the interest, post the interest on the account with a TC 770. Do **not** allow additional interest.

- For purposes of moving the credit to a different tax module, the principal component of the refund is debited with TC 820 and credited to the receiving module with TC 700. The transaction date of the TC 820 (debit) is the 23C date of the TC 841 (TC 740 in the case of an undeliverable refund check); the transaction date of the TC 700 (credit) is the date the returned refund check was received.
- Because the posting of TC 841 will cause any systemically generated interest (TC 776) allowed on the refund to be removed with TC 777, it must be manually re-posted with TC 770. Input TC 770 with a CR-INT-TO-DT that is identical to the date interest was originally computed to on the returned refund. See IRM 20.2.4.8, Refunds, for more information.

Caution: The CR-INT-TO-DT is the ending interest computation date for the interest that was included in the refund check. It is not the 23C posting date of a returned TC 846, nor the 23C posting date of the TC 776 that accompanies TC 846.

- When TC 770 posts, it is debited with TC 850 and credited to the receiving module with TC 700. The transaction date of the TC 850 (debit) is the 23C date of the TC 770; the transaction date of the TC 700 (credit) is the date the returned refund check was received.
- If a taxpayer originally requested that they receive a refund, and the refund is returned with a request that it be applied to the estimated tax account of the immediately succeeding tax year, the amount credited to the estimated tax account (on the date the returned refund was received) shall include the refund principal plus any overpayment interest that was originally allowed on the refund (provided the interest amount was not allowed in error). Do **not** characterize the transfer as a credit elect (TC 830 and TC 710) but use the transaction codes referenced above.
- Use CC ADD24/CC ADC24 (refer to IRM 2.4.17, Command Codes ADD24/34/48, ADC24/34/48, FRM34 and DRT24/48, for more information) to generate the transfers described above. Input Bypass Indicator (BPI) "1" or TC 570, as appropriate, to override unpostable condition 305/198. See IRM 21.5.8.4.5, TC 570 and Bypass Indicator.

Example: A Form 941 for the 4th quarter of 2018 is timely filed on 01/31/2019, reporting an overpayment of \$950.00, which refunded with interest of \$16.80. The module shows a TC 776 posted 06/17/2019 for \$16.80 and a TC 846 posted 06/17/2019 for \$966.80 The interest was computed on

the overpayment of \$950.00 from 01/31/2019 to 06/08/2019. IRS received the returned refund on 10/25/2019 with a request to apply it to pay a balance due on the Form 941 module for the second quarter of 2019 (201906). The returned refund posted to the module with a TC 841 for \$966.80 and TC 777 for \$16.80, both dated 06/17/2019.

To transfer the principal portion of the returned refund to the 201906 balance due module, a credit transfer is entered with a TC 820 for \$950.00, dated 06/17/2019, and a TC 700 for \$950.00, dated 10/25/2019. An adjustment to re-allow the interest on the returned refund will be input with a TC 770 for \$16.80 and a CR-INT-TO-DT of 06/08/2019. If the 23C posting date of this adjustment is 12/02/2019, then the transfer of the interest portion to the 201906 module is input with TC 850 for 16.80, dated 12/02/2019 (23C date), and TC 700 for 16.80, dated 10/25/2019 (the date IRS received the returned refund).

(6) If no explanation or other information is provided by the taxpayer, and you are unable to determine why the refund check was returned, correspond with a Letter 407C, Refund Returned by Taxpayer; No Reason Indicated, or Letter 18C, Decedent Refund (Form 1310 Requested), if a Form 1310 is needed. Suspend the case and allow 45 days for a response (70 days for overseas taxpayers). If no response is received, follow paragraph (11) below.

Note: If the returned check is for the first, second, or third round of Economic Impact Payments, see IRM 21.6.3.4.2.13 (2), Economic Impact Payments, for more information about how to correct these accounts.

If the taxpayer is requesting the refund be reissued, send a closing letter for your refund inquiry case. You may use the suggested verbiage:

We are no longer authorized to reissue your Economic Impact Payment (EIP). To claim the Recovery Rebate Credit (RRC), you must have filed your tax return and claimed the credit. The deadline to file a return claiming a refund for 2020 was May 17, 2024.

or

We are no longer authorized to reissue your Economic Impact Payment (EIP). To claim the Recovery Rebate Credit, you must have filed your tax return and claimed the credit. The deadline to file a return claiming a refund for 2021 was April 15, 2025.

Note: Returned RRC, identified by a TC 766 CRN 256 on the account, are to be treated the same as other non-EIP returned refunds. Do not follow IRM 21.6.3.4.2.13.3, Economic Impact Payments (EIP) - Manual Adjustments, to reverse the credit when addressing returned RRC checks

(7) When a refund check is reissued to the taxpayer or designated payee, do not allow interest if:

- Taxpayer furnished incorrect information
- Taxpayer moved before refund received
- Refund returned to be applied to any outstanding balance

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- Taxpayer error

(8) Allow interest under the following conditions:

- IRS error caused the refund to go to incorrect address
- TC 841 posts after an adjustment, and **P**- freeze is on account
- IRS caused the incorrect refund amount or directed the refund to the wrong payee

Note: See IRM 20.2.4.8.5.2, Returned and Intercepted Refund Checks, for additional information regarding allowable interest calculations.

(9) Use the following guides when inputting a TC 290 to release **P**- freeze as a refund to the taxpayer. Refer to IRM 21.5.6, Freeze Codes.

Individual Master File (IMF)	IMF	IMF
No Interest	Same Interest	Additional Interest
1. TC 290 for .00 2. TC 770 for .00 3. Hold Code "3" 4. Reason Code "099"	1. TC 290 for .00 2. TC 770 for amount of original interest Note: On TC 770 for the amount of original interest, use the CR-INT-TO-DT of the original TC 776 or TC 770. 3. Hold Code "3" 4. Reason Code "099"	TC 290 for .00

Business Master File (BMF)	BMF	BMF
No Interest	Same Interest	Additional Interest
1. TC 290 for .00 2. TC 770 for .00 3. Hold Code "3"	1. TC 290 for .00 2. TC 770 for amount of original interest) Note: On TC 770 for the amount of original interest use the CR-INT-TO-DT of the original TC 776 or TC 770. 3. Hold Code "3"	TC 290 for .00

Note: TC 770 for .00 not required for current year returns if the refund will be issued prior to June 1.

(10) Depending on the age of the credit, transfer the payment or credit to the Unidentified Remittance or Excess Collections accounts if:

- a. The credit cannot be released through research or correspondence with the taxpayer
- b. The taxpayer has not responded to our correspondence (original or follow-up)

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

- a. If the credit is less than one year old, apply to the Unidentified Remittance File (URF– 4620 Account) using Form 2424, Account Adjustment Voucher. Refer to IRM 3.14.1.6.8, Excess Collections (XSF) and Unidentified Remittance (URF) Files.

Note: Ensure all documentation is attached to your CII case, follow IRM 21.5.1.5.1, CII General Guidelines.

- b. If the credit is more than one year old, apply to the Excess Collection File (XSF– 6800 Account) using Form 8758, Excess Collections File Addition. Refer to IRM 3.17.220.2, Excess Collections File, for specific information about the Excess Collections Account 6800.
- c. Use the procedures in IRM 25.25.13-2, Transferring Credits to Excess, to determine the order in which you should transfer credits to and from Excess Collections. When moving a credit or payment to the Excess Collection File (XSF) or the Unidentified Remittance File (URF) follow procedures in IRM 21.5.8.4 (14), IDRS Guidelines for Credit Transfers, for required audit trail markers. For assistance in matters related to XSF and URF, see Excess Collections/Unidentified Remittance Files contacts list, located on Servicewide Electronic Research Program (SERP) under the Who/Where tab.

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

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

Note: Returned RRC, identified by a TC 766 CRN 256 on the account, are to be treated the same as other non-EIP returned refunds. Do not follow IRM 21.6.3.4.2.13.3, Economic Impact Payments (EIP) - Manual Adjustments, to reverse the credit when addressing returned RRC checks

- d. Monitor your case for 45 days using activity code "F8758XXX" where the "XXX" is the julian date that represents the last day of the suspense period. Close the CII case when the credit has been moved from the account by

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Excess Collections. If working paper case ensure AMS notes are updated, and close refund inquiry control base. If no action after 45 days, follow up with Excess Collections via phone, email or fax.

IRM 21.4.3.5.5.2.1(1) - Updated to incorporate information for working cases through CII. Updated to accommodate CII migration.

(1) When a taxpayer requests the refund check be reissued in a name of another party, they must send back the voided check and provide sufficient proof:

Reminder: Ensure all documentation is attached to your CII case, follow IRM 21.5.1.5.1, CII General Guidelines. If working paper case ensure AMS notes are updated.

Row	If	And	Then
1	BMF refund check	Correspondence stating company dissolved and sufficient documentation received	1. Send Letter 4427C, Acknowledgment of Returned Refund Check, to the taxpayer. 2. Issue manual refund to designated individual.
2	BMF refund check	Sufficient documentation is not received	1. Send the proper letter (e.g., 407C, 696C, etc.) requesting missing documentation. 2. Suspend case for 45 days (70 days for overseas taxpayers).
3	BMF refund check	No response to request is received after 45 days (70 days for overseas taxpayers)	1. Transfer the credit to the a. Unidentified Remittance File (URF– 4620 Account) or b. Excess Collection File (XSF– 6800 Account) account For instructions on applying credit to these accounts, see IRM 21.4.3.5.5 (11), Resolving Returned Refunds (Unexpired Checks). For procedures on moving credits to the 4620 account see IRM 21.5.8.4 (14), IDRS Guidelines for Credit Transfers. 2. If working the case in CII, close the case. If working a paper case, file and close case using TC 290 .00.
4	IMF refund check	Payee signed statement that check is not from joint account, or has	1. Send Letter 4427C to the taxpayer. 2. Correct entity information, if applicable.

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		letter or court certification showing conservatorship or guardianship, etc.	3. Release refund or follow manual refund procedures to issue refund to designated individual.
5	IMF refund check	Insufficient documentation	1. Send Letter 1219C, Refund Inquiry; (Joint Form 3911) Requires Certification: Form 1040, requesting missing documentation. 2. Suspend case for 45 days (70 days for overseas taxpayers).
6	IMF refund check	No response to request is received after 45 days (70 days for overseas taxpayers)	1. Transfer the credit to the "4620" or "6800" account. For instructions on applying credit to these accounts, see IRM 21.4.3.5.5 (11), Resolving Returned Refunds (Unexpired Checks). For procedures on moving credits to the 4620 account see IRM 21.5.8.4 (14), IDRS Guidelines for Credit Transfers. 2. Close CII case. If working paper case ensure AMS notes are updated, and close refund inquiry control base. File case using TC 290 .00.

IRM 21.4.3.5.5.2.2(1) - Updated to incorporate information for working cases through CII. Updated to accommodate CII migration.

(1) If a taxpayer filed a joint return and requests the refund check be reissued in one name, follow the procedures below. Advise the taxpayer to return the voided check to the proper Refund Inquiry team with supporting documentation as stated in the If/Then chart below. For information on how to determine the proper Refund Inquiry Unit, see IRM 21.4.3.5.4 (1), Returned Refund Check Procedures.

Reminder: Ensure all documentation is attached to your CII case, follow IRM 21.5.1.5.1, CII General Guidelines. If working paper case ensure AMS notes are updated.

Row	If	Then
1	One or both spouses are outside the United States in connection with the military and the requester is one of the payees on the check	Advise requester to submit in writing: 1. Copy of Power of Attorney (POA) issued by the military, or 2. Signed statement from other spouse consenting to issuance of the refund to requester

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2	One or both spouses are outside the United States and the requester is one of the payees on the check	Advise requester to submit in writing: 1. A signed statement from other spouse consenting to issuance of the refund to requester with a statement that the other spouse is outside of the United States and will not be in the United States for the next [XX] months. Note: In cases where spouse has been deported or other circumstance, a specific time frame may not be known.
3	One spouse is incarcerated and the requester is one of the payees on the check	Requester must submit written permission from incarcerated spouse consenting to issuance of the refund to the requester.
4	One spouse is missing and there is no legal separation	Advise taxpayer to obtain one of the following: 1. A copy of police report of missing person or, 2. Certification from state or local government agency that spouse cannot be found, or 3. A copy of notice printed in newspaper
5	Taxpayer is divorced and submits a copy of the divorce decree dictating how the refund should be allocated (see Rev. Rul. 80-8, amplified by Rev. Rul. 86-57.)	Follow procedures in IRM 21.4.4, Manual Refunds.
6	One spouse is unable to endorse the joint refund check due to medical reasons	Taxpayer must submit supporting documentation to prove they have been appointed to act for the other spouse or sufficient documentation to establish a hardship situation exists. Note: BFS regulations allow a Treasury check to be signed by a guardian or other fiduciary appointed under state law when the payee is incompetent and lacks the ability to provide consent or authorization. Evidence of the authority may be required by Treasury in the event of a dispute. See 31 CFR 240.14, Checks issued to incompetent payees
7	The request does not meet any of the above criteria	1. Reissue check in both names. 2. Send Letter 1219C, Refund Inquiry; (Joint Form 3911) Requires Certification: Form 1040, using the proper paragraphs and giving reason:

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		"One spouse refuses to endorse the refund check (i.e., civil matter, no divorce decree allocating the refund)". Use open paragraphs, as needed.
8	The request meets any of the above criteria and sufficient documentation is received	Process request. See IRM 21.4.3.5.5, Resolving Returned Refunds (Unexpired Checks).
9	The request meets any of the above criteria and sufficient documentation is not received	1. Send Letter 1219C to request missing information 2. Suspend case for 45 days (70 days for overseas taxpayers)
10	No response to Letter 1219C after 45 days (70 days for overseas taxpayers)	1. Transfer the credit to the a. Unidentified Remittance File (URF – 4620 Account) or b. Excess Collection File (XSF – 6800 Account) account See IRM 21.4.3.5.5, Resolving Returned Refunds (Unexpired Checks). For procedures on moving credits to the 4620 account see IRM 21.5.8.4 (14), IDRS Guidelines for Credit Transfers. 2. Close CII case. If working paper case ensure AMS notes are updated, and close refund inquiry control base. File case using TC 290 .00.

IRM 21.4.3.5.6(2) box 6 - Updated to provide direction for if EIP was not reversed systemically. Changes made to clarify information.

(2) If the taxpayer contacts IRS and either returns or wants to return a refund check that is over 1 year old (known as a "stale dated" check) use the following chart to determine your response:

Row	If	Then
1	S- freeze is present	1. Follow S- freeze procedures in IRM 21.4.3.5.3, Undeliverable Refund Checks. For additional information see IRM 21.5.6.4.38, S- Freeze. 2. Advise the taxpayer to destroy the expired check if it is still in their possession.

2	S- freeze and a TC 388 are present on CC IMFOL and not on CC TXMOD	1. Input CC RECON to activate the module. The refund will generate once the TC 389 posts. Advise the taxpayer to allow 4-6 weeks. Note: If the refund is older than seven years, TC 389 will post and reissue the refund when the account is brought back from retention. See IRM 2.3.51.2, Command Code IMFOL. 2. Refer to IRM 21.4.2.4.9, Processing Limited Payability (LP) Cancellations on Checks Dated After 09/30/1989
3	No S- freeze is present	1. Check the tax module for a TC 740, with blocking series 66666, and matching posting date after the TC 846. 2. If the TC 740 is present and another TC 846 or TC 826 is posted after the TC 740, advise the taxpayer their refund has been re-issued or offset. 3. Advise the taxpayer to destroy the expired check if it is still in their possession.
4	No S- freeze is present or credit on the module	Conduct research. Check the account for subsequent refund transactions TC 740, TC 841, TC 846, TC 840, or TC 826. 1. If no subsequent refund is found, and it's been 12 months past the refund issue date but no more than 14 months, prepare a Form 4442/e-4442, Inquiry Referral, to the issuing campus Refund Inquiry Unit for CC CHKCL input. Select Referral Type "IRM" with Category - "Other Write-In". For Write-In description use "IRM 21.4.3.5.6" - Resolving Returned Expired Refunds Limited Payability, and for Reason, select "Other or Complex Issue/Training Specialization". Include in the notes any pertinent information. Advise the taxpayer to allow 4-6 weeks for us to provide a refund check status or the refund to be reissued. Tell the taxpayer to destroy the expired check if it is still in their possession. 2. Refund Inquiry Unit employees: Input CC CHKCL to post the credit for the check. Use the "N" non-receipt code on CC CHKCL. If a P- freeze needs to be set, use non-receipt code "H". See Exhibit 21.4.2-4, Stop Reason Codes Conversion Guide, for available codes. 3. Do not allow additional interest if the IRS is not at fault.

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		4. If the refund check is between the 14th month and 7 years after the issue date, inform the taxpayer to return the refund check to the Refund Inquiry Unit for further research. Advise the taxpayer to write void on the back of the check and return it to IRS along with a letter of explanation. See the Refund Inquiry Unit Addresses for the proper address. Once research has been completed the taxpayer will receive the refund or a letter.
5	No S- freeze is present or refund cancellation credit on the module	If no refund cancellation credit transaction is found on the module and it's after 7 years of the issue date of the refund check, advise the taxpayer by telephone or Letter 2218C, Refund Inquiry; Check Claim Disallowed, Check Endorsed/Paid, that the check cannot be reissued.
6	Expired check is an Economic Impact Payment (EIP)	The EIP should have been systemically reversed. If EIP has not been reversed, follow IRM 21.6.3.4.2.13.3, Economic Impact Payments (EIP) - Manual Adjustments, to adjust EIP. The taxpayer may claim the Recovery Rebate Credit on their 2020/2021 tax return if eligible. See IRM 21.6.3.4.2.14, Recovery Rebate Credit, for more information.
7	Expired check is an Advance Child Tax Credit Payment (AdvCTC)	The AdvCTC should have been systemically reversed. The funds cannot be reissued, see IRM 21.6.3.4.1.24.2.1, Reconciling Advance Child Tax Credit (AdvCTC) Payments, for more information.

Note: If the original refund was a manual refund, you may need to reissue as a manual refund. Refer to IRM 21.4.4, Manual Refunds.