

IRM PROCEDURAL UPDATE

DATE: 03/27/2017

NUMBER: wi-21-0317-0571

SUBJECT: Expired Refund - CEBA 1987, Limited Payability, Preparer Misconduct Procedures

AFFECTED IRM(s)/SUBSECTION(s): 21.4.2

CHANGE(s):

IRM 21.4.2.3(1) - Added link to preparer misconduct procedures and added letter 129C instructions.

1. The refund trace process is as follows:
 - a. The taxpayer contacts the IRS and states his/her refund was received but then lost, stolen, destroyed, or states it was never received.

NOTE: If the taxpayer states he/she did not receive their refund and there is some indication identity theft may be involved, see IRM 25.23.3.2.2.1, *Telephone Inquiries Regarding Tax-Related IDTV Cases*, for additional information.

CAUTION: If the taxpayer alleges preparer misconduct as the reason for non-receipt of the refund, see IRM 25.24.1.4, *Return Preparer Misconduct - Telephone Assistors/Taxpayer Assistance Center (TAC) Overview*. In some situations, you may need to advise the taxpayer that the restoration of the refund to the taxpayer may become a civil matter between the taxpayer and the preparer.

- b. An IRS employee inputs the trace to IDRS using CC CHKCL if oral statement criteria is met, or sends a Letter 129C, *Refund Inquiry; Form 3911 Required* with Form 3911, *Taxpayer Statement Regarding Refund*, to the taxpayer (CC CHKCL is input when the taxpayer returns the Form 3911). See IRM 21.4.2.4 (5), *Refund Trace Actions* for oral statement criteria.
 - c. CC CHKCL initiates the refund trace inquiry to the BFS (formerly FMS).
 - d. The original check is replaced or a photocopy of the cashed check along with a claim form is sent to the payee (taxpayer).

EXCEPTION: If more than 4 weeks have passed since the TC 846 posted, or there is no TC 846 or TC 840, and the taxpayer is in bankruptcy, instruct the taxpayer to call the Centralized Insolvency

Operation (CIO) at 1-800-973-0424. See IRM 5.19.1.4.2.1, *Contacts Regarding Insolvency Issues*, for additional guidance.

IRM 21.4.2.4.7 - Updated instructions to explain expired refunds issued prior to October 1, 1989 cannot be reissued or replaced September 30, 1990.

1. Title 4 of the Competitive Equality Banking Act of 1987, commonly referred to as Limited Payability (LP), established rules for cashing government checks:
 - o Refund checks issued prior to October 1, 1989, were to be cashed by September 30, 1990 and cannot be reissued or replaced.
 - o All government checks issued on or after the effective date of October 1, 1989, are valid for 12 months after the issue date of the check.
 - o After 12 months and the cancellation of the refund checks, the credits are returned to the taxpayers' accounts.
 - o The law also places a limitation on the time IRS can recover funds from the banks or financial institutions.
2. Prior to the Competitive Equality Banking Act, a government check could be cashed regardless of the time lapse since its issuance. The act did not erase the underlying responsibility to pay.
3. Under the Limited Payability provision, checks expire (are not negotiable) the last business day of the 12th month from the issue date. See table in paragraph (5) below.
4. Taxpayers may submit claims for refund checks after the one-year time limit has expired. These claims are subject to Limited Payability provisions. Claims must be submitted to the BFS (formerly FMS) by the 15th day of the 14th month, by using CC CHKCL with Non-Receipt codes N, L, S, D, E, H, or X. See chart in paragraph (5) below.
5. The chart below provides the refund issue date, the date a check can no longer be negotiated, and the last date an LP claim can be submitted.

Refund Issue Date is	12 Months after check date. Check cannot be cashed	15th day of the 14th month after issue date
January	February 1	March 15 (of the following year)
February	March 1	April 15
March	April 1	May 15
April	May 1	June 15
May	June 1	July 15
June	July 1	August 15
July	August 1	September 15
August	September 1	October 15
September	October 1	November 15
October	November 1	December 15
November	December 1	January 15
December	January 1 (second	February 15

	subsequent year)	
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6. The CP 32, *New Refund Check - Old Check Not Cashed*, and CP 237, *Notice of reissuance of refund check that expired* (BMF), is sent to the taxpayer when an expired check is reissued. Refer to IRM 21.3.1, *Taxpayer Contacts Resulting From Notice Issuance*.
7. LP claims received after the 15th day of the 14th month, Non-Receipt code P or C **must** be used. BFS will only provide a photocopy of the check. Before inputting CC CHKCL to request a photocopy on an LP check, research the TCIS system. If not available on the system, input CC CHKCL. All LP claims must be processed by IRS.
8. Any CC CHKCL input after the 15th day of the 14th month with a Non-Receipt code other than P or C will receive a Disposition Code 18 (if check is cashed) and will NOT create an BFS claim. See Exhibit 21.4.2-2, *Disposition Code Chart Non-Receipt Claims CHKCL Claims Only*, for Disposition Code 18.

NOTE: BFS only keeps records of Treasury checks for seven years after the issue date and six years for Electronic Funds Transfer (EFT) deposits. A forgery claim submitted after seven years cannot be honored.

9. If BFS records show the refund check is still outstanding on the 15th day of the 14th month, then BFS will cancel the refund and return a credit to IRS which will post in approximately the third week of the 15th month after issuance. It will post on the tax module as a TC 740 with blocking series 66666. See IRM 21.4.2.4.7.2, *Limited Payability Computer Paragraph (CP) 32/237*.

NOTE: The Limited Payability limitations do not apply to direct deposit traces. Use Non-Receipt code N on all direct deposit traces using CC CHKCL, regardless of the age of the refund.

IRM 21.4.2.4.11(1) - Added a Caution regarding 7 year limitation for Limited Payability Claims. Paragraph (13) - Removed information regarding obtaining a check copy from TCIS if the check is more than 7 years old.

1. The following directions are for processing claims on cashed refund checks that are now Limited Payability (LP). If a copy of the check is needed, use TCIS. When securing a check copy using TCIS, input a TC 971 AC 011 on CC TXMOD using the date you secure the check. You must also include the money amount of the check in the FREEZE-RELEASE-AMT field.

CAUTION: If the request is for a check more than 7 years after the issue date, inform the taxpayer the records do not exist for these accounts and we cannot consider the claim.

2. Employees may deny the taxpayer's claim based on the check copy or other information. If the check meets Limited Payability criteria and the taxpayer indicates the check involves forgery, and you are unable to make a determination, send the taxpayer a Form 13818, **Claim Against the United States for the Proceeds of an Internal Revenue Refund Check**, with a return envelope for your Refund Inquiry function. When sending a forgery claim form or denying the taxpayer's claim:
 - a. Close case with TC 290 .00 using case file as a source document. Attach a copy of the Letter 2218C, *Refund Inquiry; Check Claim Disallowed, Check Endorsed/Paid*. If a copy of the check was needed to work the case, a copy of the check must be included in the case file.
 - b. If Form 13818 is included in the letter, notate in activity "F13818TOTP".
3. When the taxpayer returns the completed and signed Form 13818 , the Refund Inquiry tax examiner must:
 - a. Review the claim form for all required information and signatures.
 - b. Compare endorsement(s) on the check to available samples of taxpayer signatures.
 - c. Review the taxpayer's answers to questions on the Form 13818.
 - d. Determine if the IRS erred in sending the refund check to the incorrect address. Do not deny the claim based solely on the address. The check could have been intercepted prior to the taxpayer taking possession. Conduct signature research as indicated in the paragraphs below.
 - e. Decide to continue processing or deny the claim.
4. If the IRS did not send the check to the correct address, follow the chart below.

If	Then
It appears the taxpayer benefited from the check proceeds.	1. Deny the claim. 2. Send Letter 2218C, <i>Refund Inquiry; Check Claim Disallowed, Check Endorsed/Paid</i>, with appropriate paragraphs.
It appears the check was cashed with taxpayer's permission.	1. Deny the claim. 2. Send Letter 2218C, <i>Refund Inquiry; Check Claim Disallowed, Check Endorsed/Paid</i>.
Check is stamped with a business endorsement different from name on CC ENMOD and no connection to the taxpayer can be found.	Allow the claim.
There is no endorsement other than the bank's	The claim should be denied. Banks do not normally accept government checks

endorsement on the check. (No signature appears on the check.)	without an endorsement unless the check is being deposited to the taxpayer's account.
There is indication the taxpayer is making a fraudulent claim.	1. Deny the claim. 2. Send Letter 2218C, <i>Refund Inquiry; Check Claim Disallowed, Check Endorsed/Paid</i>, with an explanation to the taxpayer.
No check copy or endorsement is available for handwriting analysis.	1. Review taxpayer's account for any prior or subsequent year claims (TC 971 AC 011). 2. Request any documentation such as: ▪ Bank Statements ▪ Police Reports ▪ Taxpayer Letters ▪ Anything the taxpayer has that convinces him/her the check was not received, or information you feel may be helpful.

NOTE: The above guidelines are for the most common occurrences. If you have a case that is not covered in the table above, consult with your manager, senior, or lead tax examiner.

5. After all information is considered:

If	And	Then
Claim is valid.		Continue to process, see IRM 21.4.2.4.14, <i>Account 6565 Processing for Refund Inquiry Function</i> .
Denying the claim.		Send Letter 2218C, <i>Refund Inquiry; Check Claim Disallowed, Check Endorsed/Paid</i> , with appropriate paragraphs.

6. If you believe the taxpayer's claim is valid or no specific reason to deny claim can be found, allow the claim following the procedures in IRM 21.4.2.4.14, *Account 6565 Processing for Refund Inquiry Function*.
7. Send the case to the National Forensics Laboratory (NFL) for signature comparison **only** if you cannot determine if the endorsement on the U. S. Treasury check is a forgery. It may be necessary to request NFL assistance in the following instances:
 - o The endorsement is **written**, while the samples are printed. Obtain written samples from the taxpayer before forwarding to NFL.
 - o The endorsement is **printed**, while the samples are written. Obtain printed samples from the taxpayer before forwarding to NFL.

- o A stylized signature appears on the check and legible writing is used on Form 13818 or Form 3911, *Taxpayer Statement Regarding Refund*.
 - o Legible writing is used for the endorsement and stylized signatures are used on the Form 13818 or Form 3911, *Taxpayer Statement Regarding Refund*.
8. When sending the case to NFL, review the check copy to make sure the check number, symbol number, payee name and amount are correct. Send the case to the address below with the following information:
- o Form 13437 *National Forensic Laboratory, Request for Services* (Rev. 11/2014), must be completed and submitted. Follow the instructions on the form, pages 2 and 3, for the handling and delivery of the complete case.
 - o Photocopy of check (front and back), completed Form 13818, and any taxpayer correspondence.
 - o Photocopy of three tax returns, if available.
 - o Send to the IRS National Forensics laboratory on Form 3210, *Document Transmittal*, via UPS, at the address below:

IRS National Forensics Laboratory
 525 W Van Buren
 Suite 400
 Chicago, IL 60607

9. Requests for lab assistance are usually completed in less than 60 days. If you have not received a response and it is more than 60 days, you may contact # [REDACTED] #. Tell them you are calling to follow up on a Limited Payability Trace. Provide the taxpayer's last name and Social Security Number (SSN).

NOTE: The phone number above is for internal IRS use only. This number is not staffed for public contact. Any taxpayer calls received are directed to a toll-free number for assistance.

10. When the response is received from the NFL, the entire case file will be returned with a cover sheet entitled "Report of Laboratory Examination, IRS Claim Resolution (LP Trace)."

If NFL response indicates:	Then
the payee endorsed the check	Deny the claim, send Letter 2218C, <i>Refund Inquiry; Check Claim Disallowed, Check Endorsed/Paid</i> .
the payee did not endorse the check	Allow the claim, if it otherwise appears valid.
additional	1. Correspond with taxpayer using Letter 2219C,

signature samples are required	<i>Refund Inquiry; Check Claim Received, Interim, Handwriting Sample Requested</i>, using an open paragraph. 2. Request copies of ten (10) documents signed within one year of date of refund check, if available, or 3. Request taxpayer to sign his name ten times on the back of the "C" letter. 4. When signatures are received, return case to "NFL" with "NFL" cover sheet on front or make the forgery determination if possible.
a better copy of the check is needed	1. Research TCIS or call BFS (formerly FMS) for a better photocopy of check. 2. When better copy received, return case to "NFL" with "NFL" cover sheet on front. 3. If a better copy is not received, elevate the case to your manager to request better check copy from BFS. Follow (2) above when better copy is received. If better copy is not provided, do not return to "NFL".

11. If claim on an Limited Payability trace is denied for any reason, send Letter 2218C, *Refund Inquiry; Check Claim Disallowed, Check Endorsed/Paid*. Keep a copy of the letter and a copy of the check with your case. Close case TC 290 .00 and file document.
12. If taxpayer disputes denial, reopen case and reconsider decision based on the information provided by the taxpayer.

Exhibit 21.4.2-1 - Included paper check timeframe.

(1) For CC input, see Servicewide Electronic Research Program (SERP) hyperlink to IDRS CC CHKCL. Accounts Management employees are required to use the Missing Refund (CHKCL) IAT tool, see IRM 21.2.2-2, *Accounts Management Mandated IAT Tools*. Click IAT CHKCL Tool Job Aid for input guidance.

(2) Assistors are authorized to input CC CHKCL based on an oral statement from the taxpayer if **all** the following conditions are met:

- a. Check was scheduled for mail out 4 weeks prior to taxpayer's contact or their direct deposit was issued at least 5 calendar days prior to contact. Use the table below to determine the check mail out date or the direct deposit date. Input immediately if taxpayer states the check was received but lost, stolen or destroyed.

Refund issued as	Determine date issued
IMF paper check	For current year and all prior year IMF returns, the issue/ mailing date is found on CC IMFOLT on the line below the TC 846 as "RFND-PAY-DATE:", and on CC TXMOD on the line below the TC 846 as "RFND-PYMT-DT>".
IMF direct deposit	For all current and prior year IMF returns, the deposit date is found on CC IMFOLT on the line below the TC 846 as "RFND-PAY-DATE:", and on CC TXMOD on the line below the TC 846 as "RFND-PYMT-DT>".
Accelerated Cycle as a check prior to January 1, 2012	See dates in Item 10 listed below.
BMF paper check	BMF, the issue date is one day after the TC 846 date.
BMF direct deposit	BMF, the deposit date is six days before the TC 846 date.

- b. If the taxpayer does not meet oral statement criteria, Form 3911, *Taxpayer Statement Regarding Refund*, can be mailed to the taxpayer with a return envelope of your servicing Refund Inquiry function, or advise the taxpayer that Form 3911 is available through the internet on irs.gov. See IRM 21.3.6.4.2, *Other Methods of Obtaining Forms and Publications*. Advise taxpayer they can either mail or fax their request. Provide the address and fax number of your servicing Refund Inquiry function. For addresses and fax numbers, see Refund Inquiry Unit Addresses, located on SERP under the Who/Where tab.
- c. TC 846 refund date must be 12 months or less from current date for paper checks. For direct deposits, there are no time limitations. See the note in IRM 21.4.2.4.7 (9), *Limited Payability (LP) Rules*.
- d. Valid TIN.

NOTE: If the return has been resequenced, CC CHKCL must be entered on the original TIN the refund was issued on.

- e. Tax return filed can be an individual or business tax return.
- f. Taxpayer resides at the address currently on record (CC ENMOD). If taxpayer resides at a different address, DO NOT change the address unless the taxpayer meets oral statement criteria for an address change. See IRM 3.13.5.27, *Oral Statement/Telephone Contact Address Change Requirements*, for guidance. If you **can** update the address per oral statement, input CC CHKCL using the new address to begin the refund trace. If the taxpayer does not meet oral statement criteria, DO NOT input CC

CHKCL. Advise the taxpayer you are mailing them a Form 3911, *Taxpayer Statement Regarding Refund*, to complete and sign, or advise the taxpayer that Form 3911 is available through the internet on irs.gov. See IRM 21.3.6.4.2, *Other Methods of Obtaining Forms and Publication*. Advise the taxpayer they can either mail or fax their form back to the IRS. If the taxpayer prefers to mail the form, enclose an envelope with your affiliated Refund Inquiry Unit address. If the taxpayer prefers to fax the form, provide the fax number of your affiliated Refund Inquiry function. For addresses and fax numbers, see Refund Inquiry Unit Addresses, located on SERP under the Who/Where tab. If Married Filing Joint, advise taxpayer both spouses must sign.

NOTE: Form 3911 can be used as written documentation to change a taxpayer's address. Upon receipt of Form 3911, update the address and input CC CHKCL. However, if the refund check was returned undelivered by the Postal Service, do not input CC CHKCL. See IRM 21.4.3.4.3, *Undeliverable Refund Checks*.

REMINDER: Advise taxpayer the Form 3911 is available through the internet on irs.gov. See IRM 21.3.6.4.2, *Other Methods of Obtaining Forms and Publications*.

- g. If TC 840, send taxpayer a Form 3911 with issuing campus return envelope.
- h. Not a mixed entity account.
- i. Not a full TOP offset matching the TC 846 amount. If TC 898 matches the TC 846 this is a full TOP offset. See IRM 21.4.6, *Refund Offset*, TOP procedures.
- j. No TC 740, TC 841 or TC 843 matching the TC 846 in question. If freeze codes are present, follow freeze release procedures.
- k. No TC 971 AC 011 (indicates previous trace) posted after the TC 846 date. See IRM 21.4.2.4.4, *Responding to Taxpayers Subsequent Inquiries*.

(3) After determining taxpayer meets oral statement criteria or a completed Form 3911 has been received, follow the CC CHKCL procedures to start the refund trace (recertification) process.

(4) Access CC TXMOD for the period in question.

(5) Open a control base as follows. This base must be created prior to CC CHKCLR input:

- a. CC ACTON
C#, CHKCLINPUT,B,3911
*, IRS received date

(6) See Exhibit 2.4.23-3, *CC CHKCL Input Example*, for additional information on CC CHKCL. Below is information regarding the input screen.

- a. Overlay CC TXMOD with CC CHKCLR, the response will be CC CHKCL.

- b. Line 1 is generated from CC TXMOD.
- c. Line 2–5 Enter taxpayer's name on Line 2 (Name Line 1). Use the additional name lines for any in-care-of or other information. If the check copy and/or claim form are to be sent to the IRS employee instead of the taxpayer, input Internal Revenue Service on Name Line 2.
- d. Line 6–7 Enter taxpayer's current address or the address where the claim form/check copy are to be sent if the check is paid.

NOTE: Input of a name or address different from that on CC ENMOD will not update the master file Entity.

- e. Line 8 Check Number (used by Refund Inquiry Unit ONLY.)
- f. Line 9 Overlay T with the type of non-receipt code:
 C = Request for certified photocopy check (no P freeze set).
 D = Destroyed, unendorsed check (no P freeze set).
 E = Lost stolen or destroyed endorsed check (no P freeze set).
 F = Non-entitlement (Used by Refund Inquiry Unit only) (no P freeze set).
 H = Unendorsed check freeze cancellation credit (P- Freeze set).
 J = Non-receipt of substitute check (Used by Refund Inquiry Unit only).
 L = Lost, unendorsed check (no P freeze set).
 N = Non-receipt of refund (no P freeze set).
 P = Request for regular photocopy of check (no P freeze set).
 S = Stolen, unendorsed check (no P freeze set).
 X = Endorsed check freeze cancellation credit (P- Freeze set).
- g. Line 9 Refund schedule number (RSN) = YYYYJJJSCTLLLL. On refunds issued in 2003 and later, input the refund schedule number shown on CC TXMOD as "RSN" below the TC 846. On CC IMFOLT the RSN is located to the right of the TC 846. Be sure to **modify** input using the campus number with which you are affiliated.
 YYYY = (1-4 position) Cycle **YEAR** of the refund TC 846. **NOT the TAX PERIOD.**
 JJJ = (5-7 position) Julian date refund is issued.
 SC = (8-9 position) Modify by inputting your affiliated service center.
 T = (10th position) File type "1" for IMF/CADE/CADE 2; "0" for BMF; "3" for CADE (obsolete as of January 1, 2012); "4" for IRAF; "5" for other; "6" for Non Master File.
 LLLL = (11-14 position) Alpha characters; Four blanks for paper refunds; "Z" followed by three blanks for direct deposit; "I" followed by three blanks for International; "ZI" followed by two blanks for International direct deposit.
- h. Line 9 Enter "Y" Generate TC 971 this generates a TC 971 AC 011. Only the Refund Inquiry Unit can use "N" for this entry.
- i. Line 10 MMYYYY
 MMYYYY=Issue date of refund input. Input actual date of the refund
MM= month; **YYYY** = year.
 IMF paper refund check and direct deposit refund dates are found on CC IMFOLT on the line below the TC 846 as "RFND-PAY-DATE:", and on CC TXMOD on the line below the TC 846 as "RFND-PYMT-DT>".
 BMF check date - Add 1 calendar day to the TC 846 date.

- BMF direct deposit date - Subtract 6 calendar days from the TC 846 date.
Accelerated cycle check date, see dates in items 10 below.
- j. Line 10 Type of Payment code (P)
 - I = IMF
 - B = BMF
 - D = IDRS (CC RFUND)
 - M = Manual refund
 - k. Line 10 Sequence number of input from 001–999.
 - l. Line 10 DO = leave blank.
 - m. Lines 11, 13, and 15 Overlay the dollar signs with the full TC 846 amount of the refund you are tracing, even if a TOP partial offset has reduced the refund amount. If a TC 898 matches the TC 846, DO NOT input CC CHKCL.
 - n. Lines 11, 13, and 15 split refund indicator (SRI) = Indicates the type of split refund. Values are:
 - o 0 - Not a split refund.
 - o 1 through 3 - Enter the SRI related to the TC 846 shown on account for the refund you are tracing.

(7) After CC CHKCL is input, reassign the control base to the Refund Inquiry Unit located at the Accounts Management Center serving your site. An open control base must remain **open** pending the trace process, which can take up to 90 days for direct deposits and 6 weeks for paper checks. Use the control numbers listed below for processing the case:

NOTE: Using the Missing Refund (CHKCL) IAT tool will automatically reassign the control base to the Refund Inquiry (RI) Team. Paper refund trace inquiries (e.g., Form 3911, correspondence, etc.) should be worked where received unless the exception in IRM 21.4.2.4, *Refund Trace Actions* applies. Toll free refund cases generated by Denver and Oakland will be reassigned to Kansas City RI, and Cleveland and Indianapolis will be reassigned to Memphis RI.

Overlay CC TXMOD with:

CC ACTON (new line)

C01 (new line)

Reassign Refund Inquiry Unit number

Andover = 0836088888

Atlanta = 0735300044

Austin = 0636099058

Brookhaven = 0136033333

Cincinnati = 0235300000

Kansas City = 0935903000

Fresno = 1036000005

Memphis = 0336000000

Ogden = 0436400005

Philadelphia = 0536022222

REMINDER: If after inputting CC CHKCL you determine it was done in error, per IRM 2.4.23.1 (5), *General Overview for Command Code CHKCL/CHKCLR*, CC TERUPC can only be done on the same day of input.

(8) Advise taxpayer:

IF	THEN
Their check was not cashed.	They will receive a replacement check in approximately 6 weeks.
Their refund was a direct deposit.	A letter will be issued to the banking institution from BFS (formerly FMS) inquiring about their refund. It can take up to 90 days for a response.
Their check was cashed.	They will receive a claim package within 6 weeks to complete and return to BFS in order to pursue their claim.
They do not wish to pursue their claim.	No further action is required. They may keep the claim package with a copy of their check for their records.

(09) **Category Codes Associated with Command Code (CC) CHKCL**

Category Codes	Definition	How Updated	When Updated	Overaged
RFIQ	Correspondence received regarding refund.	CC ACTON	When case controlled	45 days from received date
3911	Oral statement/or correspondence received regarding refund.	CC ACTON	Case controlled or condition identified.	30 days from received date.
RCTF	CC CHKCL input for check or direct deposit claim.	Computer generated.	When CC CHKCL input.	30 days from action date.
RFCK	CC CHKCL input for Photocopy.	Computer generated.	When CC CHKCL input.	30 days from action date.

(10) Use the charts below to determine the correct issue date when inputting CC CHKCL for paper refunds that were issued during an accelerated refund cycle. CADE/CADE 2 refunds are processed daily and do not fall into accelerated cycles. See Document 6209, for cycle charts.

NOTE: No refund intercepts (i.e., NOREF/HAL Hold) are allowed during accelerated refund cycles.

a. IMF accounts for 2011

Cycle	23C Date	Check Date
201121	06-06-2011	05-27-2011
201147	12-05-2011	11-25-2011

b. IMF accounts no longer have accelerated cycles with the implementation of CADE 2 on January 1, 2012.

c. BMF accounts for 2011

Cycle	23C Date	Check Date
201116 (1120)	05-02-2011	04-26-2011
201120 (1041)	05-30-2011	05-24-2011
201129 (1120)	08-01-2011	07-26-2011
201142 (1120)	10-31-2011	10-25-2011

d. BMF accounts for 2012

Cycle	23C Date	Check Date
201216 (1120)	04-30-2012	04-24-2012
201221 (1041)	06-04-2012	05-29-2012
201229 (1120)	07-30-2012	07-24-2012
201243 (1120)	11-05-2012	10-30-2012

e. BMF accounts for 2013

Cycle	23C Date	Check Date
201316 (1120)	05-06-2013	04-30-2013
201321 (1041)	06-10-2013	06-04-2013
201330 (1120)	08-12-2013	08-06-2013
201343 (1120)	11-11-2013	11-05-2013

f. BMF accounts for 2014

Cycle	23C Date	Check Date
201416 (1120)	05-05-2014	04-29-2014
201420 (1041)	06-02-2014	05-27-2014
201429 (1120)	08-04-2014	07-29-2014
201442 (1120)	11-03-2014	10-28-2014

g. BMF accounts for 2015

Cycle	23C Date	Check Date
201515 (1120)	05-04-2015	04-28-2015

201519 (1041)	06-01-2015	05-26-2015
201528 (1120)	08-03-2015	07-28-2015
201541 (1120)	11-02-2015	10-27-2015

h. BMF accounts for 2016

Cycle	23C Date	Check Date
201615 (1120)	05-02-2016	04-26-2016
201619 (1041)	05-30-2016	05-24-2016
201628 (1120)	08-01-2016	07-26-2016
201641 (1120)	10-31-2016	10-25-2016

Exhibit 21.4.2-2 - Added 206C letter option for OOPS 06.

The Disposition Code can be located in the Activity Field of the IDRS Control History. The Disposition Code is displayed as the first 2 digits of the Activity Code followed by the date BFS (formerly FMS) provided the Disposition in YYYYMMDD format (i.e., 0120130324 = Disposition 01 provided by BFS on March 24, 2013).

NOTE: Additional category code information can be found in, Exhibit 21.4.2-6, *Category Codes*.

NOTE: Additional disposition code 11 information can be found in IRM 21.4.2.4.4.1, *Subsequent Inquiries, With Status Codes, Without Prior Forgery Determination (CSR's and Refund Inquiry Unit)*, and Exhibit 21.4.2-5, *Disposition and Status Codes - Additional Action Time Frames*.

DISPOSITION STATUS CODE	CATEGORY CODE	DEFINITION	FOLLOW UP ACTION
01	ACKN	Claim processed by RFC to Treasury Check Information System (TCIS).	1. Wait 30 days for second status. 2. No reply, resubmit CC CHKCL.
03	OOPS	Rejected (Failed preliminary validity checks.)	1. Pull case. 2. Resubmit CC CHKCL.
04	OOPS	1. Previously processed as Available Check Cancellation (ACC), 2. Refund credit returned by	1 - 4) Take action to release credit, if necessary. 5) Initiate the refund trace through the Treasury Check Information System (TCIS).

		RFC, through the Electronic Funds Transfer (EFT) from the bank, - Refund check intercepted, - Undeliverable TC 740. - If the refund credit has already generated a subsequent TC 846 in the same month. don't input CC CHKCL as the refund trace will default to the first TC 846. See IRM 21.4.1.3.3, <i>Multiple Refunds Issued From the Same Module in the Same Cycle.</i>	
05	OOPS	Check previously mailed (within 5 days).	Close Case
06	OOPS	Previous CC CHKCL.	Check TCIS for previous claim. If present, send appropriate Letter 129C, <i>Refund Inquiry; Form 3911 Required</i> or 206C, <i>Refund Inquiry; Copy of Check Requested, Check Being Traced (Form FMS 1133)</i> , to taxpayer. Include check number and date along with the 800 telephone number for BFS.
07	OOPS	No payment issued or unprocessable claim.	- Pull Case. - Conduct additional research (i.e. different TIN.)

			3. Resubmit CC CHKCL.
08	OOPS	Second trace input on DD.	Monitor case. • BFS will automatically follow up with the financial institution until the issue is resolved. BFS will load an electronic copy of the FMS Form 150.1 to TCIS when it is received from the financial institution. • Notify the taxpayer you are transferring the case to BFS for resolution. See IRM 21.4.2-1 (8), <i>Command Code (CC) CHKCL INPUT</i>, for time frames. • Monitor the case for 30 days. If the FMS Form 1501.1 is loaded to TCIS, update the case control to "DDPD" and follow status 09 instructions. • If a Form 4442, <i>Inquiry Referral</i> is received, research case and take appropriate action. • If no information is found on TCIS and no inquiry is received, close the case control.
09	DDPD	1. RFC has contacted bank via FMS Form 150.1 to trace refund. 2. Bank to send a copy to RFC. 3. RFC will load an electronic copy of the	1. Research TCIS. If FMS Form 150.1 is located, verify routing transit number, account code (either C for checking or S for savings), bank account number on CC IMFOB. 2. Send letter to the

		FMS Form 150.1 to TCIS.	taxpayer. 3. Close case. 4. If it has been at least 90 days, and no 150.1 copy is available on TCIS, reinput CC CHKCL and send taxpayer Letter 86C, <i>Referring Taxpayer Inquiry/Forms to Another Office</i>. Refer to Status 08 above. 5. If 150.1 does not resolve taxpayer's issue, continue processing, if necessary.
10	OOPS	Invalid Stop Reason Code	1. Pull Case. 2. Resubmit CC CHKCL.
2☆	OOPS	Amount difference	1. Pull Case. 2. Resubmit CC CHKCL.
3☆	OOPS	Claim submitted too early for RFC to process	1. Pull Case. 2. Resubmit CC CHKCL.
4☆	OOPS	Duplicate tape claims submitted.	1. Wait for update. 2. No reply in 30 days, resubmit CC CHKCL.
5☆	OOPS	Invalid Direct Deposit information submitted.	1. Pull Case. 2. Resubmit CC CHKCL.
7☆	ACKN	Photocopy request processed by RFC to TCIS.	1. Wait for 2nd status. 2. No reply in 30 days, research TCIS for copy. If not on TCIS, resubmit CC CHKCL.
9☆	PAID	Direct Deposit trace input with Non-receipt Code "P" no FMS	Reinput trace with Non-receipt Code "N" no limited payability on Direct Deposit.

		Form 150.1 will generate.	(Electronic File Transfer processed).
11	PAID 3858	Paid -Photocopy and claim mailed to taxpayer.	BFS has sent claim package (Form FMS 1133) to the taxpayer. Refund Inquiry Unit will send Letter 206C, <i>Refund Inquiry; Copy of Check Requested, Check Being Traced (Form FMS 1133)</i>, to taxpayer, including check information and paragraph "L", and close case. NOTE: The 206C letter currently reflects an old BFS address in paragraphs "L" and "V". To prevent delays, do not use paragraph "L". Copy the verbiage from paragraph "L" to a fill-in paragraph, pending the 11/2016 revision. Include the new BFS address listed below, in the fill-in paragraph(s): Department of the Treasury Bureau of Fiscal Services Check Resolution Division P.O. Box 51318 Philadelphia, PA 19115-6318
14	PAID	1. Paid - Photocopy to follow, or 2. CC CHKCL input after an uncashed check has expired and the credit returned to IRS.	1. Monitor for receipt. a. Upon receipt continue processing. See IRM 21.4.2.4, <i>Refund Trace Actions</i>. b. If copy not received in 30 days, research TCIS for a copy or

			reinput CC CHKCL. 2. Research for TC 740 and release freeze if necessary.
14	PAID	1. Paid - Photocopy to follow, or 2. CC CHKCL input after an uncashed check has expired and the credit returned to IRS.	If no photocopy within 30 days : a. IDRS shows certified photocopy previously received, update Activity Code to reflect proper status of case b. IDRS shows no indication that certified photocopy received, contact BFS.
15	PAID	Paid - Certified photocopy to follow.	Monitor for receipt for certified photocopy. a. Upon receipt continue processing. See IRM 21.4.2.4, <i>Refund Trace Actions</i> . b. If no photocopy within 30 days and IDRS shows photocopy previously received, update activity code to reflect proper status of case. c. If IDRS shows no indication that certified photocopy received, contact BFS.
17	PAID	Paid - Endorsed, photo/claim to follow.	Monitor. If no photocopy in 30 days , contact BFS.
18	PAID	Paid - Claim submitted after the Limited Payability cutoff date.	If Form 3911, <i>Taxpayer Statement Regarding Refund</i> , is available, research TCIS for a check copy. If not on TCIS,

			process as a Limited Payability (LP) Trace, reinputting the CC CHKCL with Non-receipt Code "P". If no Form 3911 is present, correspond with the taxpayer.
20	OOPS	Payment declined due to alteration of check. Photocopy and claim to follow.	Monitor if no photocopy in 30 days , follow up, contact BFS.
22	OOPS	Insufficient agency information.	1. Pull case. 2. Resubmit CC CHKCL. 3. Use appropriate Stop Reason Code.
27	OOPS	Previously processed as Limited Payability Check Cancellation and refund credit (TC 740) was returned by the RFC.	Take action to release credit, if necessary.
31		Check Outstanding. RFC will issue recertified check.	Monitor for TC 841.
32	ST32	Outstanding check cancelled credit will be returned to IRS.	Monitor for TC 841.
33	OOPS	Outstanding - No Photocopy.	Send Letter 1219C, <i>Refund Inquiry; (Joint F3911) Requires Certification: Form 1040.</i>
53	OOPS	Reject - Duplicate Stop	Contact BFS Check Information Section at 855-868-0151 Option 1.
65	ACKN	Refund associated with TOP Offset.	1. Wait for subsequent Disposition Code. 2. No reply within 30 days, contact BFS Birmingham.
71	OOPS	TOP Offset refund in full.	Advise taxpayer to contact BFS TOP Call Center. See IRM 21.4.6, <i>Refund Offset</i> for more information.
72	OOPS	TOP Offset partial refund.	Advise taxpayer to contact BFS TOP Call Center. See

			IRM 21.4.6, <i>Refund Offset</i> .
90	OOPS	TCIS/PACER disconnect error.	Contact BFS to reset the interface indicator.
☆ (Asterisk equals blank)			

Exhibit 21.4.2-5 - Clarified Code 01 Form 4442 should go to local AM Refund Inquiry function.

(1) The Disposition Code can be located in the Activity Field of the IDRS Control History. The Disposition Code is displayed as the first 2 digits of the Activity Code followed by the date BFS (formerly FMS) provided the Disposition in YYYYMMDD format (i.e., 0120130324 = Disposition 01 provided by BFS on March 24, 2013.

NOTE: Additional disposition code 11 information can be found in IRM 21.4.2.4.4.1, *Subsequent Inquiries, With Status Codes, Without Prior Forgery Determination (CSR's and Refund Inquiry Unit, and Exhibit 21.4.2-2, Disposition Code Chart Non-Receipt Claims CHKCL Claims Only.*

Code	Definition	Actions and Time Frames
01	RFC has requested the status of check from the Financial Processing Division.	If there is no indication the check was cashed and no action after 28 days from the status 01 date , send an e-4442, <i>Inquiry Referral</i> , to your local Accounts Management Center Refund Inquiry function.
04	Claim was previously processed as an available check cancellation. Check was sent, but returned as undeliverable or cancelled.	Taxpayer should receive check within six weeks .
07	Unprocessable claim.	If no other action indicated: a. Send an e-4442, <i>Inquiry Referral</i> to the campus. b. Advise taxpayer he/she will be contacted within 30 days .
08	For Direct Deposit Refunds - No response from the Direct Deposit designated financial institution. The subsequent CC CHKCL input generates an FMS Form 150.1 to the bank. Input when the	1. If the taxpayer has not received FMS Form 150.1 and TC 841 is not present send an e-4442, <i>Inquiry Referral</i> , to the Accounts Management Center Refund Inquiry

	taxpayer indicates that they have not received the requested information from the initial trace and it's been more than 90 days. Verify taxpayer has NOT received the FMS Form 150.1 copy.	function. 2. If the taxpayer has not received FMS Form 150.1 copy and a TC 841 is posted, advise taxpayer of refund reissue or other disposition of credit.
09	For Direct Deposit Refunds - The RFC contacts the financial institution via FMS Form 150.1 to trace the refund. Copies of the results are sent to RFC. RFC will load an electronic copy of the FMS Form 150.1 to TCIS.	1. If no TC 841 is present, and it has been at least 90 days from the date the trace was initiated, send an e-4442, <i>Inquiry Referral</i> , to the Accounts Management Center Refund Inquiry function. 2. If it has not been at least 90 days, advise the taxpayer to call back after this time frame has elapsed. 3. If TC 841 is posted, advise taxpayer of refund reissue or other disposition of credit.
11	Check has been cashed. The taxpayer must contact the BFS Check Claims Branch at the toll-free number (800) 826-9434 (English and Spanish speaking assistance is available on the Check Claims toll free number). The TP needs to inquire about the status of the Form FMS 1133, after it has been returned to the Bureau of Check Claims.	Provide the taxpayer with check number, symbol and refund date, all are available on IMFOL#. • Taxpayer will receive a copy of the cancelled check and Form FMS 1133 within 30 days of the Status "11" date. • If the taxpayer is in receipt of the Form FMS 1133, advise them to complete and return the form to BFS along with a copy of the cancelled check. Allow 90 days for processing.
27	Check was previously processed as Limited	Taxpayer should receive check within six weeks.

	Payability Check Cancellation. Check was issued but was not cashed within one year from the date of issue. The refund credit (TC 740) was returned by the RFC.	
32	Check cancelled - new check to be issued.	Taxpayer should receive refund within 4 weeks .
65	TOP offset of refund. The initial disposition code indicates the refund was associated with a "TOP offset". Subsequent disposition codes will follow.	Review the taxpayer's account to determine if refund was offset in full. Explain the offset to the taxpayer and have them contact BFS TOP Call Center or the creditor agency per IRM 21.4.6, <i>Refund Offset</i> . For contact number and hours to call center, access link BFS.
71	Full TOP offset.	Advise the taxpayer to contact BFS TOP Call Center. See IRM 21.4.6, <i>Refund Offset</i> , for more information. For contact number and hours to call center, access link BFS.
72	TOP offset - Unavailable Check Cancellation (UCC). This code is passed for non-receipt claims when only the amount of the partial payment issued as a result of an offset being returned.	The offset is not reversed. Generates a TC 841 and is the equivalent of a "Code 09" which generates a "DLN with Block 88888". Follow procedures under Code "09" Then section (3) above.