

## Section 5 - Debtor Master File (DMF)

### 1 Nature of Changes

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### 2 Background

Reference IRM 21.4.6, Refund Offset

IRC Sections 6402(c) and (d), require a taxpayer's overpayment to be applied to any outstanding non-tax child support or Federal agency debt prior to crediting an overpayment to a future tax or making a refund. The IRS has affected these offsets through the DMF Program since 1984.

The Debt Collection Improvement Act of 1996 has authorized the Treasury's BFS Bureau of Fiscal Service (BFS) to combine the Tax Refund Offset Program with the Treasury Offset Program (TOP). Effective January 11, 1999, BFS began initiating refund offsets to outstanding child support or Federal agency debts. These offsets are referred to as TOP offsets.

### 3 TOP Offsets

The TOP offset posts as a TC898 with an offset trace number (OTN), an amount, and an XREF field if the offset is for a secondary spouse. TOP offsets occur and post after the IRS has certified a refund to BFS for payment but before BFS direct deposits or mails the refund check. There may be two TC 898's if the refund was issued in a joint name. A secondary SSN field has been added to the refund record sent to BFS to allow TOP to offset to a debt for either spouse on a joint return. An offset bypass indicator (BPI) field has also been added to allow IRS the ability to identify for BFS the eligibility of a refund for TOP offset. The TC 898 will not identify the agency(s) which received the offset.

A TOP offset reduces the amount of the IRS refund by the amount of the TC 898 offset.

Therefore, the amount of a refund certified by IRS to BFS for payment (TC840/846 amount) may not be the amount that is issued by BFS to the taxpayer. The taxpayer may receive less of a refund or none at all if the whole amount is offset. BFS will issue a TOP offset notice when a refund is reduced. If the refund is offset in part, the notice is issued at the time the remainder of the refund is direct deposited or is sent as an attachment with the paper check. If the refund is offset in full, a separate notice is sent with in the same time frames. The notice will inform the TP of the amount of the offset, the agency(s) receiving the offset, and the agency's address and phone number. IRS CP47 and CP149 notices of offset are obsolete.

IRS will continue to process injured spouse claims, Forms 8379, filed against DMF offsets for 3 years from the due date of the original return (including extensions) or within 2 years from the date that the tax was paid, whichever is later. The date of the offset by the IRS or BFS is not relevant for the purposes of determining timeliness of the request to reallocate the overpayment. In addition, IRS will process these claims against offsets that occur under TOP within the same statute of limitations. However, unlike former DMF processing, claims filed with an original return will not freeze the overpayment, allowing a TOP offset to occur before it can be processed. **NOTE:** The original return which includes a Form 8379 is given a DLN blocked 92, which posts a TC 570 and sets a -R freeze, preventing a tax or TOP offset until the injured spouse claim can be worked. A TC898 TOP offset is reversed by IRS with a TC 766 with the same OTN. It is reversed by BFS with a TC 899 with the same OTN.

Once the injured spouse's portion of the refund overpayment is determined on an Injured Spouse Claim, filed with the original return, either a TC 808 or 809 will be input. This will systemically allocate the refund(s) and the appropriate BPI will be set. The TC 808 will be used for the primary spouse's share of the refund overpayment, whereas the TC 809 will be used for the secondary spouse's share of the refund overpayment.

#### 4 TOP Offset Bypass Indicators

Effective 1/29/1999, a Top Offset Bypass Indicator (BPI) was assigned to all manual and systemic refunds issued by IRS. The BPI is a one digit indicator that identifies for BFS whether the refund is eligible for offset by TOP. Certain BPIs also identify one spouse or the other on joint refund as eligible for offset. This is required for injured spouse claim processing.

A BPI can be systemically generated or input on CC refund when issuing a manual refund. BPI will be posted/displayed along with the TC 840/846 on all output screens such as TXMOD, IMFOL, BMFOL and on MFTRA transcripts.

BPI	Validity	Eligible for TOP Offset
0	IMF & BMF	Refund eligible for TOP Offset
1	IMF	Bypass TOP Offset for primary SSN debts. (used when injured spouse is secondary filer)
2	IMF	Bypass TOP Offset for secondary SSN debts. (Used when injured spouse is primary filer)
3	IMF & BMF	Refund not eligible for TOP Offset.
4	IMF	Bypass TOP Offset for all debts other than child support. Eligible for TOP Offset for child support only. (Used on all refunds other than injured spouse when combat zone (-C) freeze is set.
5	IMF	Bypass Top offset for all primary SSN debts. Bypass TOP offset for all SECONDARY SSN debts except child support. (Used when injured spouse is SECONDARY and combat zone (-C) freeze is set).
6	IMF	Bypass Top offset for all secondary SSN debts. Bypass TOP offset for all PRIMARY SSN debts except child support. (Used when injured spouse is PRIMARY and combat zone (-C) freeze is set)? This is based on IRM 21.4.6.4.2.1(4) and 3.12.10.4.27(1c)
7	IMF & BMF	TC 520 Refund not eligible for Top offset except child support.
8	IMF & BMF	TC 520 & Injured Spouse claim secondary.
9	IMF & BMF	TC 520 & Injured Spouse claim primary.

#### 5 Debtor Master File Research

Effective 1/11/1999, CC DMFOL is no longer available to research DMF offsets. Information about a DMF offset can be obtained from various sources. Use Command Codes (CC) IMFOL, BMFOL, INOLEX and TXMOD to identify the DMF transactions.

The following is a list of the agency/sub agency codes that participated in the DMF:

Agency \ Sub agency Codes			
Agency Code	Agency	Subagency Code	
		IMF	BMF
01	Office of Child Support Enforcement—AFDC		
	All 50 States abbreviations.	*	
	District of Columbia.	DC	
	Guam	GU	
	Puerto Rico	PR	
	Virgin Islands	VI	
02	Office of Child Support Enforcement—Non-AFDC		
	All 50 States Abbreviations	*	
	District of Columbia	DC	
	Guam	GU	
	Puerto Rico	PR	
	Virgin Islands	VI	

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Agency \ Sub agency Codes			
Agency Code	Agency	Subagency Code	
		IMF	BMF
<b>03</b>	<b>Department of Health and Human Services</b>		
	Health Resources and Service	03	
	National Institute of Health	08	
	Alcohol, Drug Abuse and Mental Health Administration	13	
<b>04</b>	<b>Department of Veterans Affairs</b>		
	Loan Guaranteed Accounts	21-22	
	"	25-26	
	"	29	
	VA Compensation and Pension Accounts	30	
	"	32	
	Education Accounts	41-42	
	"	44-47	
	Chapter 32 Benefits	51	
	Chapter 32-903 Benefits	53	
	Chapter 106 Benefits	56	
	Chapter 30 Benefits	58	
	VA Chapter 30	59	
	Education Accounts	60	
	Representatives Benefits	66	
	Medical Debts	81	
	<b>05</b>	<b>Department of Education</b>	
All 50 State Abbreviations		*	
American Samoa		AS	
N. Marianas Islands		CM	
District of Columbia		DC	
District of Columbia, 711 Accounts		DS	
Guam		GU	
Higher Education Assistance		HE	
Nebraska II		NB	
Northstar		NS	
Pacific Islands Education Loan		PI	
Puerto Rico		PR	
Student Loan Marketing		SM	
Texas CB, 948 Accounts		TC	
Trust Territories		TT	
United Student Aid		UF	
Virgin Islands		VI	
Education Accounts:			
FISL—Federal Insured Student Loan			
NDSL—National Direct Student Loan			
Atlanta Region—FISL		40-44	
Atlanta Region—NDSL		45-49	
Chicago Region—FISL		50-54	
Chicago Region—NDSL	55-59		
San Francisco Region—FISL	90-94		
San Francisco Region—NDSL	95-99		
<b>06</b>	<b>Small Business Administration</b>		
	Field Offices:		
	Boston, MA	01	
	New York, NY	02	
	Bala Cynwyd, PA	03	
	Atlanta, GA	04	
	Chicago, IL	05	
	Dallas, TX	06	
	Kansas City, MO	07	
	Denver, CO	08	
	San Francisco, CA	09	

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Agency \ Sub agency Codes			
Agency Code	Agency	Subagency Code	
		IMF	BMF
	Seattle, WA	10	
	Corporate Debts		BB
<b>07</b>	<b>Department of Housing and Urban Development</b>		
	Departmental Claims Collection	C1	DC
	Rehabilitation Loan Program	R1	
	Single Family Deficiency Judgments	S1, S2, S3	
	SF Mortgage Insurance Premiums Overpayments	P1, P2, P3	
	Single Family Unsecured Debt	SF	
	Restitutions	R6	RT
	Vacant Lots	V1	
	Post Audit Reviews (SF)		PR
	Reconveyances (SF)		RC
	Title I Notes	T1, T2, T3	
	Title I Repurchases		TR
	Single Family Delinquent Rents	D1, D2, D3	
<b>08</b>	<b>U. S. Department of Agriculture</b>		
	Commodity Credit Corporation	CC	AC
	National Finance Center	FC	CF
	FMHA Loans	FM	MF
	Insurance Corporation	IC	CI
<b>09</b>	<b>U. S. Department of Justice</b>		
	All Individual Accounts	OO	
	All Business Accounts		01
<b>10</b>	<b>Department of the Treasury</b>		
	Mint—Washington, DC	DC	
	Mint—San Francisco	SF	
	Public Debt—Division of Investor Accounts	IA	
	Public Debt—Savings Bonds	SB	
	Public Debt—Business Accounts		BA
	Public Debt—Administrative Business		AB
	Public Debt—Individual Fees	FE	
	Office of Administration	OA	
<b>12</b>	<b>United States Air Force</b>		
	Cleveland Center (DFAS-CL)	CL	
	Columbus, OH (DFAS-CO)	CO	
	Indianapolis Center (DFAS-IN)	IN	
	Kansas City, MO (DFAS-CO)	KC	
	U.S. Army Community and Family Support Center	AW	
	Office of Civilian Health and Medical Program of Uniformed Services	AY	
	U.S. Army Corps of Engineers	AZ	
	Defense Mapping Agency	AM	
	Washington Headquarters Services	AH	
	National Security Agency	AS	
	Defense Finance and Accounting Service—Columbus Center (Contract Debt)	AC	
	Uniformed Services University of Health Sciences	AR	
	All Other Accounts	OO	
<b>13</b>	<b>United States Army***</b>		
	Non-Appropriated Funds—Europe	AV	
	Non-Appropriated Funds	AW	
	Department of Army	AX	
	Washington Headquarters Services	AY	
	Corp. of Engineers	AZ	
	***Merged with Agency 12 in PY93		

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Agency \ Sub agency Codes			
Agency Code	Agency	Subagency Code	
		IMF	BMF
14	<b>Department of the Navy***</b>		
	All Accounts	OO	
	***Merged with Agency 12 in PY93		
15	<b>Army and Air Force Exchange Service</b>		
	Miscellaneous Debt	E0	
	Deferred Payment Plan	E1	
	Uniform Deferred Payment Plan	E2	
	Dishonored checks	E3	
	Credit Card Employee Indebtedness	E4	
	Other	E5	
	Rejected Credit Cards	E6	
	Home Layaway Program	E7	
	Indebtedness Insurance Program	E8	
	Rental Agreement Indebtedness	E9	
	Vendor Claims	BO	
	Freight Claims		B1
	Concessionaire Claims		B2
Receivable Claims		B3	
16	<b>United States Marine Corps***</b>		
	All Accounts	OO	
	***Merged With Agency 12 in PY1993.		
17	<b>Navy Resale and Services Support Office</b>		
	Marine Exchange Individual Debts	MX	
	Marine Exchange Corporate Debts		CD
	Navy Exchange Individual Debts	NX	
	Navy Exchange Corporate Debts		BD
18	<b>Office of Personnel Management</b>		
	All Accounts	AA	
19	<b>Peace Corps</b>		
	All Accounts	F2	
20	<b>Department of Energy</b>		
	Washington Headquarters Office	BB	
	Albuquerque Operations Office	B0	
	Idaho Operations Office	B1	
	Nevada Operations Office	B2	
	Oak Ridge Operations Office	B3	
	San Francisco Operations Office	B4	
	Western Area Power Administration	B5	
	Alaska Power Administration	AK	
	Bonneville Power Administration	BP	
	Chicago Operations Office	CH	
	Federal Energy Regulatory Commission	FC	
	Morgantown Energy Technology Center	MG	
	Strategic Petroleum Office	SP	
	Pittsburgh Energy Tech. PETC	PT	
	Pittsburgh Naval Reactors	PR	
	Richland Operations Office	RL	
	Southeastern Power Administration	SE	
	Savannah River Operations Office	SR	
	Schenectady Naval Reactors	ST	
	Southwestern Power Administration	SW	
NPR Casper	CP		
NPR Elk Hills	EH		
	Corporate Debts		EB
21	<b>Railroad Retirement Board</b>		
	Retirement Benefit Overpayments	C2	
	Unemployment Benefits Overpayments	CC	

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Agency \ Sub agency Codes			
Agency Code	Agency	Subagency Code	
		IMF	BMF
	Sickness Benefits Overpayment	CS	
	Unemployment Benefits Overpayment	CU	
	Railroad Unemployment Contributions		CB
	Reimbursement of Personal Injury Settlements		CI
<b>22</b>	<b>Department of the Interior</b>		
	All Accounts Individual	DD	
	National Park Service—Individual Debts	PS	
	National Park Service—Corporate Debts		BD
	Office of Surface Mining Reclamation and Enforcement—Corporate Debts		SM
	Other Commercial Debts		OC
<b>23</b>	<b>Department of State</b>		
	All Accounts	11	
<b>24</b>	<b>Department of Transportation</b>		
	Federal Aviation Administration Headquarters	E0	FV
	Office of the Secretary of Transportation	E1	EM
	U.S. Coast Guard MLC PAC	E2	GM
	Federal Highway Administration	E5	EN
	FAA Eastern Region	FA	FM
	FAA Southwest Region	FB	FN
	FAA Central Region	FC	FP
	FAA Western-Pacific Region	FD	FQ
	FAA Alaskan Region	FE	FR
	FAA Technical Center	FF	FS
	FAA Southern Region	FG	FT
	FAA Aeronautical Center	FH	FU
	USCG Headquarters	GA	
	USCG Finance Center	GD	GQ
	USCG Military Pay Center	GB	GN
	USCG National Pollution Funds Center	GC	GP
	Federal Railroad Administration	RR	RA
	National Highway Transportation Safety Administration	NH	NB
	Federal Transit Administration	TA	TB
	St. Lawrence Seaway Development Center	SL	SB
	Research & Special Programs Administration	RS	RB
	Volpe National Transportation System Center	TS	TC
	Maritime Administration	MA	MB
	Office of the Inspector General	IG	IB
****Effective PY 1991, Dept. of Transportation (DOT) sub agencies are identified under Agency Code 24. For PY 1990, DOT debts were identified under Agency Code 07, Dept. of Housing and Urban Development. DOT debt activity for PY 1990 will show agency code 07.			
		IMF	BMF
<b>25</b>	<b>Federal Emergency Management Agency</b>		
	National Preparedness Programs	HA	
	Federal Insurance Administration	HB	CB
	State and Local Programs and Support	HC	
	Office of NETC Operations	HD	
	Office of Financial Management	HF	CF
	FEMA Region I (Boston)	R1	C1
	FEMA Region II (New York)	R2	C2
	FEMA Region III (Philadelphia)	R3	C3
	FEMA Region IV (Atlanta)	R4	C4
	FEMA Region V (Chicago)	R5	C5
	FEMA Region VI (Dallas)	R6	C6
	FEMA Region VII (Kansas City)	R7	C7
	FEMA Region VIII (Denver)	R8	C8
	FEMA Region IX (San Francisco)	R9	C9
	FEMA Region X (Seattle)	R0	C0

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Agency \ Sub agency Codes			
Agency Code	Agency	Subagency Code	
		IMF	BMF
	Response and Recovery Directorate U.S. Fire Administration		CC
	US Fire Administration		CD
<b>26</b>	<b>U.S. CUSTOMS SERVICE</b>		
	Duty Taxes	DT	
	Debit Vouchers	DV	
	Notes	NT	
	Fines and Penalties	FP	
	Payroll		PY
	Travel		TR
	Corporate Duty		BT
	Corporate Vouchers		BV
	Corporate Promissory Notes		BN
	Corporate Fines, Penalties and Forfeitures		BP
<b>27</b>	<b>Social Security Administration</b>		
	Northeastern Program Campus (OASI)	A1	
	Northeastern Program Campus (DI)	A2	
	Mid-Atlantic Program Campus (OASI)	B1	
	Mid-Atlantic Program Campus (DI)	B2	
	Southeastern Program Campus (OASI)	C1	
	Southeastern Program Campus (DI)	C2	
	Great Lakes Program Campus (OASI)	D1	
	Great Lakes Program Campus (DI)	D2	
	Western Program Campus (OASI)	E1	
	Western Program Campus (DI)	E2	
	Mid-American Program Campus (OASI)	F1	
	Mid-American Program Campus (DI)	F2	
	Office of Disability and International Operations (Disability) (OASI)	G1	
	Office of Disability and International Operations (Disability) (DI)	G2	
	Office of Disability and International Operations (International) (OASI)	H1	
	Office of Disability and International Operations (International) (DI)	H2	
<b>28</b>	<b>Food and Consumer Service</b>		
	All 50 state abbreviations		
	Corporate Debts		FN
	Guam	GU	
	Puerto Rico	PR	
	Virgin Islands	VI	
	District of Columbia	DC	
<b>29</b>	<b>Reserved</b>		
<b>30</b>	<b>Secret Service</b>		
	All Accounts	AA	
	Individual Debts	SF	-
	Corporate Debts	-	NS
<b>31</b>	<b>National Science Foundation</b>		
	National Technical Information Service	TI	TS
	Patent and Trademark Office	PT	PA
	Minority Business Development Agency	MB	DA
	Economic Development Administration	ED	EC
	National Telecommunications Information Adm.	TC	CA
<b>32</b>	<b>U.S. Department of Commerce</b>		
	Office of the Secretary	OS	SS
	National Oceanic and Atmospheric Adm.	OA	NO
	International Trade Administration	IT	IA
	Bureau of Export Administration	EA	EB
	Economics and Statistics Administration	ES	SA
	Bureau of the Census	BC	CS
	Bureau of Economic Analysis	BE	E2
	United States Travel and Tourism Adm.	TT	US

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Agency \ Sub agency Codes			
Agency Code	Agency	Subagency Code	
		IMF	BMF
	Technology Administration	TA	AA
	National Institute of Standards and Technology	ST	NS
<b>33</b>	<b>Financial Management Service</b>		
	Vendor Overpayments	VP	–
	Employee Overpayments	EM	–
	Financial Center Payments	FC	–
	Bank Debts	–	BD
	Debt Collection (Individual)	DI	–
	Debt Collection (Corporate)	–	DB
<b>34</b>	<b>Environmental Protection Agency</b>		
	Individual Debts	EP	–
	Corporate Debts	–	EB
	Superfund—Individual Debts	ES	–
	Superfund—Corporate Debts	–	EI
<b>35</b>	<b>General Services Administration</b>		
	Individual Debts	GS	–
	Corporate Debts	–	GC
<b>36</b>	<b>Health Care Financing Administration</b>		
	Medicare Trust Fund (Individual Debts)	ID	–
	Medicare Trust Fund (Corporate Debts)	–	CD
<b>37</b>	<b>U.S. Agency for International Development</b>		
	Individual Debts	IN	–
	Corporate Debts	–	BU
<b>40</b>	<b>U.S. Department of Labor</b>		
	Individual Debts	ID	–
	Corporate Debts	–	CD
	Employment and Training Administration (ETA)		TA
	Employment Standards Administration (Black Lung)		EB
	Employment Standards Administration (FECA)	EF	
	Employment Standards Administration (Wage & Loan)		EW
	Occupational Safety & Health Administration (OSHA)		OS
	Bureau of Labor Statistics		BL
	Ass't Sect. for Administration & Management (OASAM)	AD	
	Pension & Welfare Benefits Administration (PWBA)		PW
	Mine Safety & Health Administration (MSHA)		MS
	Office of the Chief Financial Officer (OCFO)	CF	
<b>41</b>	<b>U.S. Postal Service</b>		
	Individual Debts	ID	–
	Corporate Debts	–	CD
<b>46</b>	<b>USDA Rural Development</b>		
	Individual Debts	NA	–
	Corporate Debts	–	A1
<b>47</b>	<b>USDA - National Finance Center</b>		
	Individual Debts	F1	–
	Corporate Debts	–	FC
<b>48</b>	<b>USDA - Risk Management</b>		
	Individual Debts	RT	–
	Corporate Debts	–	T1
<b>49</b>	<b>Federal Communications Commission</b>		
	Individual Debts	FC	–
	Corporate Debts	–	CD
<b>55</b>	<b>National Labor Relations Board</b>		
	Individual Debts	LR	–
	Corporate Debts	–	NL
<b>58</b>	<b>Equal Employment Opportunity Commission</b>		
	Individual Debts	EO	–
	Corporate Debts	–	EE

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Agency \ Sub agency Codes			
Agency Code	Agency	Subagency Code	
		IMF	BMF
<b>59</b>	<b>Securities and Exchange Commission</b>		
	Individual Debts	SE	–
	Corporate Debts	–	XC
<b>60</b>	<b>Pension Benefits Guaranty Corporation</b>		
	Individual Debts	PB	–
	Corporate Debts	–	CG
<b>61</b>	<b>U.S. Information Agency</b>		
	Individual Debts	IS	–
	Corporate Debts	–	AG
<b>62</b>	<b>Marine Corps MWRSPACT</b>		
	Collections on Return Check Debts	RC	
	Collection on Home Layaway Debts	HL	

## 6 TOP, Source and Reason Codes

Source Code 7 has been reserved exclusively for TOP and DMF adjustments. It must be input with Reason Codes 86, 87, 89, 90 and 91. Source Code 7 results in the following statement on the notice:

“We reversed all or part of the tax refund amount we credited to an outstanding child support, Federal, or State debt because ...”

Reason Codes 86, 87, 89, 90 and 91 complete the statement by indicating specific DMF/TOP adjustments. They are valid only with source code 0 or 7.

86 - an Injured Spouse claim was filed. The spouse not responsible for the debt claimed his/her share of the joint tax refund. Tax law requires that we honor the injured spouse claim.

87 - We have corrected an error found when processing your return.

89 - The offset violated the automatic stay of bankruptcy.

90 - The offset resulted from a payment specifically intended for an outstanding IRS debt.

91 - Of revisions on your amended tax return, filed by April 15 of the tax year it was due.

**Note:** DMF/TOP source and reason codes may not be used in combination with any other IMF source and reason codes.

**This Page for User Notes**