WHAT IS THE IRS EXTERNAL LEADS PROGRAM?

The External Leads Program was developed by the IRS and NACHA as a method to leverage the NACHA Operating Rules to recover questionable tax refunds sent via ACH (specifically PPD credits). This optional opt-in program is an effort to prevent government and Financial Institutions from processing fraudulent refunds.

HOW DOES IT WORK?

The program allows Financial Institutions to opt-in by completing an agreement with NACHA. This agreement is in place to grant both NACHA and the Financial Institution permission to modify the NACHA Operating Rules and allows NACHA to know who the active participants are in the program. This agreement also outlines how the questionable refunds should be returned through the ACH Network. Once the agreement is complete, the Financial Institution can notify the IRS of their participation in the program at eleads@irs.gov where, upon receipt, the Financial Institution will receive up-to-date program information.

HOW DO I SIGN UP?

Access NACHA’s website at https://www.nacha.org/programs/irs-refund-return-opt-program. Complete the ‘IRS Refund Return Opt-In Program – Program Rules and Agreement’ found under “Resources”. Send the completed agreement to NACHA either via fax at (703) 787-0996 Attn: IRS Refund Return Opt-In Program or U.S. Mail 2550 Wasser Terrace Ste 400, Herndon, VA 20171. Once completed notify the IRS of the Financial Institution’s participation in the program at eleads@irs.gov with the subject line indicating what the preferred method is for submitting leads (Credit Gateway or Paper Check). Upon receipt, the IRS will send the Financial Institution up-to-date program information including the Lead Submission Spreadsheet.

ONCE I HAVE SIGNED UP, HOW DO I SUBMIT A LEAD?

Complete the Lead Submission Spreadsheet (as was provided to the Financial Institution by the IRS). Send a secure email to eleads@irs.gov with the subject line including the bank name, date, External Leads, and preferred method for submitting leads (Credit Gateway or Paper Check). In the body of the email include the reason (i.e. name mismatch, ID theft, questionable refund, etc.) and point of contact information. Attach the Lead Submission Spreadsheet and send the secure email to the IRS. Once received, the External Leads team will research the lead and inform the Financial Institution of the amount of funds to return, along with additional instructions for submitting the funds.

If the Financial Institution is submitting the funds via the Credit Gateway, below are some helpful reminders:

- A Program Return may be transmitted for up to 60 days following Settlement Date of the original Entry
- The R17 Return code may be used with the following subcode in the Addenda Information field to specify the nature of the return:
  - 17: Name Mismatch
  - 18: ID Theft
  - 19: Questionable Refund

For more information on the External Lead Program go to https://www.nacha.org/programs/irs-refund-return-opt-program.