

Refund Offset

Background

The Department of Treasury's Financial Management Service (FMS), which issues IRS tax refunds, has been authorized by Congress to conduct the Treasury Offset Program. Through this program, a taxpayer's refund or overpayment may be reduced by FMS and offset to pay:

- Past-due child support,
- Federal agency non-tax debts,
- State income tax obligations, or
- Certain unemployment compensation debts owed a state.

Foundation Communities Policy

In prior years, when Foundation Communities electronically filed a tax return, we received an acknowledgement from the IRS that included a debt indicator. From this indicator we were able to inform the client about any potential problem with their refund. In 2010, the IRS removed the debt indicator, so it is no longer available.

How To Assist Tax Clients

If a client does not receive her refund, she may make a refund offset inquiry by calling the IRS Financial Management System at (800) 304-3107.