

INTERNAL REVENUE SERVICE REFUND POLICY

Revised 3/2006

The Internal Revenue Service customarily mails to our office refund checks in excess of \$2,000.00 for individuals in a Chapter 13 bankruptcy in which we are the Trustee. Any such refund received pre-confirmation will be required to be immediately added to plan base as a condition to the Trustee recommending confirmation.

With respect to any such refund received post-confirmation, our office conducts an audit of the case to determine whether the Debtor is current in his/her plan payments. If the Debtor is not current in his/her plan payments, the refund will be deposited into the trust account that we maintain for the case. An amount of money will be retained from the check to bring the Debtor current through the end of the month in which the refund check was received, and with the exceptions noted below, the balance, if any, will be mailed to the Debtor.

Exception #1: If the refund amount received by the Debtor in the first thirty six months of the plan is between \$2,000.01 and \$4,000.00, an inquiry will be made into the reason for such a large refund. To the extent a reasonable explanation can be made for the size of the refund, the refund amount will be mailed to the Debtor. In the event the size of the refund cannot be explained, a Motion to Modify the Debtor's plan will be filed.

Exception #2: If the refund amount received by the Debtor in the first thirty six months of the plan is in excess of \$4,000.00, a Motion to Modify Debtor's plan will be filed.

To find out whether an IRS refund check has been mailed to our office, please call the office of the Internal Revenue Service at (800) 913-9358.

Do not call and check on your refund unless it has been at least 16 weeks since you filed your tax return.