

<b>Finance and Administration Cabinet STANDARD PROCEDURE</b>		<b>ISSUED BY:</b> Department of Revenue; Tax Administration
<b>PROCEDURE # 6.11.2</b>	<b>SUBJECT:</b> Unidentified Remittances	
<b>EFFECTIVE DATE:</b> 6/24/2010		
<b>CONTACT:</b> Commissioner's Office		<b>LOCATION:</b> State Office Bldg, 11th Floor <b>PHONE:</b> 502-564-3226

## STATEMENT OF AUTHORITY

1. The Finance and Administration Cabinet's Standard Procedures Manual establishes standard mandatory internal procedures cabinet-wide. These procedures are established in accordance with the Secretary's statutory authority under KRS 42.014 and KRS 12.270 to establish the internal organization and functions of the Cabinet as necessary to perform the duties effectively.
2. The Standard Procedures Manual may only be revised in accordance with the process outlined in Standard Procedure #1.1 entitled: "Finance Standard Procedures and Manual".

## I. INTRODUCTION

Occasionally, the Division of Operations receives payments for which the intended taxpayers' accounts are not easily identifiable upon receipt. When a tax return or remittance form does not accompany a payment, it is difficult to determine the type of tax being paid. The most common methods of payment are checks and money orders.

When employees in the Division of Operations are unable to determine how to apply a payment, an Instruction Request for Application of Payment form ([Form SP7.611021](#)) (Revenue Form 21A202) shall be completed and sent to the applicable taxing area for instructions on payment processing. Department of Revenue employees commonly refer to this form as a "202".

The Division of Operations expedites the processing of "202" payments in order to ensure that taxpayer accounts are credited in a timely and accurate manner.

## II. PROCEDURE

In order to assure prompt and accurate application of payments, the procedures below shall be followed:

- A. The Miscellaneous Processing Section shall enter the following required information on the "202":
  1. Enter the name of the appropriate taxing area or employee from whom information is being requested.
  2. Enter the name of the taxpayer that submitted the payment.
  3. Enter the date the payment was received.
  4. The completed "202" and a copy of the check or money order shall be forwarded to the

appropriate taxing area or employee.

B. Upon receipt of the “202” and a copy of the unidentified payment, the taxing area or employee shall perform the following procedures:

1. Review all applicable databases, locator files, fiche files, and purged lists.
2. Determine the proper account to apply the payment.
3. Complete the remainder of the “202” and forward it immediately to the Division of Operations via intra-departmental mail.
4. If the taxing area is unable to determine the proper account for which to credit the payment, or if the payment was received in error and must be returned to the taxpayer, the “202” shall be returned to the Division of Operations with instructions on how to handle the payment and a letter to the taxpayer, if appropriate.

### **III. FORMS**

[Form SP7.611021](#): Instruction Request for Application of Payment (21A202)