Open and Sort Mail

Process

OPEN AND SORT MAIL IN THE LOCALITY

Effective Date

12/01/2020

Purpose

This task is performed to organize Individual Income Tax returns into bundles that are sorted by Category and Form Type. Sorting and bundling work by "like" characteristics with the appropriate identifying documentation ensures efficient local processing and screening and ensures that bundles of "like" characteristics are transmitted to Virginia Tax for handling.

Sending correctly sorted and identified bundles to Virginia Tax is necessary to ensure proper processing. Locality errors in sorting and identifying work may result in improper processing and inconvenience for the customer. This task is performed by Commissioner of Revenue's Office Locality Representatives as mail is received.

Special Notes

Beginning in Tax Year **2017**, an indicator was placed on printed copies of current year returns that were prepared for e-File submission. If Form 760CG, 760PY, and/or 763 return documents bearing this indicator are identified by staff in the Commissioner of the Revenue's Office during Mail Opening and Sorting, these documents ***should not be processed locally***. Current year form 760CG, 760PY, and 763 returns bearing this indicator should be sorted as Category 7 items which are sent to Virginia Tax for **DIRECT** processing.

Failure to identify these documents during Mail Opening may result in the returns being processed locally and erroneous assessments created as a result.

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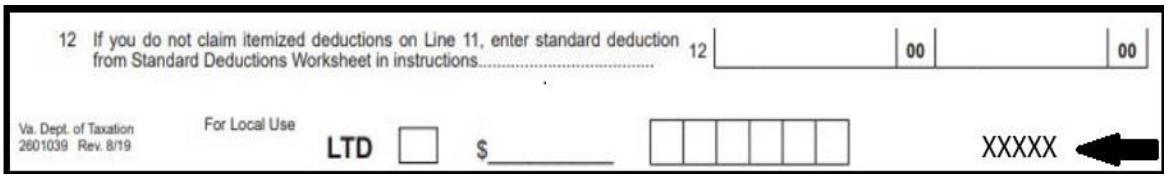
Virginia Tax

Placement of the indicator **XXXXX** on Form 760CG appears in the top right portion of the document to the right of the Vendor ID.

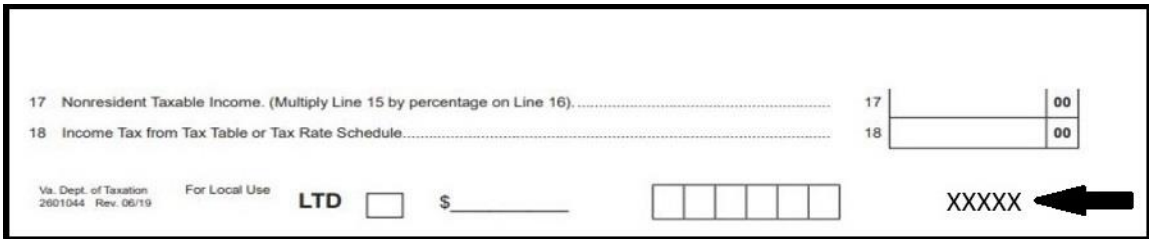
760CG – upper right side, next to the Vendor ID field



Placement of the indicator **XXXXX** on Form 760PY is shown in the bottom right portion of the document below Line 12, Column A as shown below.

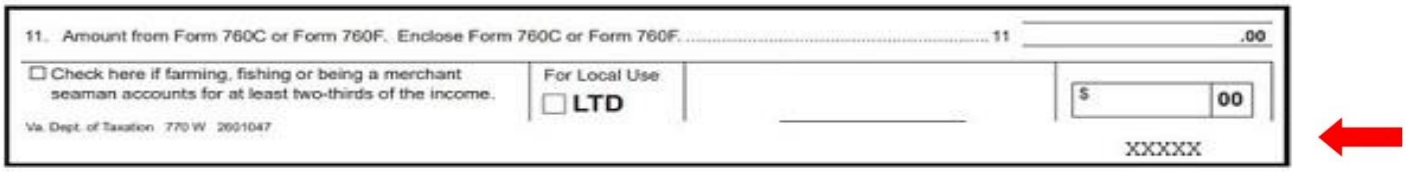


Placement of the indicator **XXXXX** on Form 763 appears in the bottom right hand margin of the return below Line 18 as shown below.



Beginning in Tax Year **2018**, an indicator was placed on printed copies of current year Form 770 returns that were prepared for e-File submission. If current year Form 770 return documents bearing this indicator are identified by staff in the Commissioner of the Revenue's Office during Mail Opening and Sorting, these documents **should not be processed locally**. Current year Form 770 returns bearing this indicator should be sorted as Category 7 items which are sent to Virginia Tax for **DIRECT** processing.

Placement of the indicator **XXXXX** on Form 770 appears in the bottom right hand corner of the return.



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For simplicity, the term "**Form 760**" is used in this task to reference the following:

- Form 760 Handprint
- Form 760CG with a 2D barcode
- Form 760CG without a 2D barcode

The Following is a list of preliminary sort categories and the various form types in each category.

Category	Form Type	Notes
Category 1	Current year Form 760 **refund**	These returns *may* be eligible for an Accelerated Refund
Category 2	Current year Form 760 **refund** returns	***NOT*** eligible for Accelerated Refunds OR The locality has chosen to ***NOT*** process the returns as Accelerated Refunds
Category 3	Current year **tax due** returns, with or without remittance	• Form 760 Handprint • Form 760CG with 2D barcode • Form 760CG without 2D barcode • Form 760PY • Form 763 • Form 770
Category 4	Other current year **refund** returns	• Form 760PY • Form 763 • Form 763-S • Form 770
Category 7	Returns to be sent to Virginia Tax as **Direct Filed** with a LAP-SORT 2 Form	Including, but not limited to the following: • Prior year returns, all form types, with and without remittance • Copies of Current Year E-Filed Tax Due returns bearing the E-File indicator (with and without remittance) • Copies of Current Year E-Filed Refund returns bearing the E-File indicator • Form 760C, 760F, 760E or CU-7 unaccompanied by an Individual Income Tax return • Form 765 • Fiscal Year Filer returns with and without remittance • Amended Returns with and without remittance • Current Year Returns with and without remittance which ***WILL NOT BE PROCESSED BY THE LOCALITY.*** • **NOTE: These returns are to be sent to Virginia Tax with a LAP-Sort 2 form and will be processed by Virginia Tax as DIRECT FILED.** • A tax due return with Form CU-7 and one check paying both liabilities

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		• A refund return with Form CU-7 and no remittance included • Tax Due return with a credit card payment indicated • Tax Due return claiming Consumer Use Tax • Tax Due return with any Contributions for Code 11, 71, Code 72, Code 73, Code 92, and any Public School Foundation Code • Remittance that cannot or will not be processed locally • Form 760IP with remittance • Form 770IP with remittance • Tax Due E-Filed remittance (760PMT and 770PMT) • Tax Due E-Filed remittance with Farmer/Fisherman/Merchant Seaman claimed (760-PFF) • Remittance and/or a return that cannot or will not be processed locally

NOTE: **Category 2** and **Category 4** refund returns are handled as “FIRST PASS” returns.

For simplicity, the term "**W-2 Form(s)**" is used in this task, although W-2 information may be received on any of the following documents.

- Form W-2, Wage and Tax Statement
- Form W-2C, Corrected Wage and Tax Statement
- Form 1099, for certain non-wage payments
- Form 1099-DIV, Dividend and Distributions Income
- Form 1099-INT, Interest Income
- Form 1099-R, Distributions from Pensions, Annuities, Retirement, or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
- Form 4852, Substitute Wage and Tax Statement
- Schedule VK-1, Pass Through Entity Wage and Tax Statement
- Virginia Schedule INC may also contain W-2, 1099 or VK-1 information and may substitute for the actual form.
- Form ARTA129M “Request for WH Information” – substitute form (with a barcode) produced by IRMS that reflects the withholding the Virginia Tax Department has on record.

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Procedure

Responsibility
Commissioner of Revenue's Office Locality Representative

Steps
1. Gather incoming tax return mail to be opened and sorted.
2. Open the first envelope and carefully remove/inspect the contents.
3. Determine the preliminary Category and Form Type of the tax return, according to the Special Notes section of this task.
4. Review a document in **Category 1**.
   A. If a refund Form 760 handprint or 760CG return is for a **deceased** taxpayer, the return is not eligible for an Accelerated Refund.
      1) Place the return in **Category 7**.
      2) Go to Step 7.
   B. If a refund Form 760 handprint or 760CG return has the **Amended** box checked OR has "**AMENDED**" written at the top of the document, the return is not eligible for an Accelerated Refund.
      1) Place the return in **Category 7**.
      2) Go to Step 7.
   C. If a refund Form 760 handprint or 760CG return is for a **prior** tax year, the return is not eligible for an Accelerated Refund.
      1) Place the return in **Category 7**.
      2) Go to Step 7.
   D. If the "Name or Filing Status Changed" bubble is filled-in on a Form 760 Handprint or the "Name or Filing Status Change" and/or "Address Change" indicator is completed of Form 760CG with/without a 2-D barcode, the return is not eligible for an Accelerated Refund.
      1) Place the return in **Category 2**.
      2) Go to Step 7.
   E. If the "Address Change" indicator is completed of Form 760CG with/without a 2-D barcode, the return is not eligible for an Accelerated Refund.
      1) Place the return in **Category 2**.
      2) Go to Step 7.
   F. If the return appears to belong in **Category 1**, go to Step 7.
5. If a payment is received without any identifying documentation,
   A. Conduct the appropriate research in IRMS and/or confer with the Treasurer's Office to determine how the payment should be handled.
      1) If the payment is intended for a previously filed current year tax return with a local assessment, is a current year estimated payment, etc., the Treasurer should retain the payment for processing and deposit.
      2) If the payment appears to be associated with the taxpayer's current year income tax return was filed **electronically**,
         a. Obtain and complete a Form 760PMT or 770PMT, as applicable.
         b. Paperclip the completed payment voucher to the back of the payment.
         c. Sort the item into **Category 7**: Returns to be sent to Virginia Tax as Direct Filed.
         d. Go to STEP 10.

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3) If unable to determine how to handle the payment after review,
   a. Place a note on the check letting Virginia Tax know that the local office cannot determine how to handle the item.
   b. Sort the item into **Category 7**: Returns to be sent to Virginia Tax as Direct Filed.
   c. Go to STEP 10.

6. If the documents belong in **Category 7**,
   A. Replace all contents in the envelope.
   B. Place the reviewed documents aside.
   C. Go to STEP 10.
7. Determine the postmark date associated with the return.
   A. If there is no envelope because the customer hand-delivered the return,
      1) Write the current date in month, day, and year order (**MMDDYY**) in the designated space at the bottom, center of Page 1 of the tax return.
      2) Go to Step 9.
   B. If there is an envelope,
      1) Write the postmark date in month, day, and year order (**MMDDYY**) in the designated space at the bottom, center of Page 1 on the tax return.
      2) Write the same month, day, and year date (**MMDDYY**) under the postmark on the envelope.
      3) Place the envelope behind the other return documents.
8. Ensure that any associated withholding forms are stapled to the left margin, Page 1 of the return using a single staple.
9. Place the return into the appropriate stack for the Category and Form Type.
10. Repeat Steps 2 - 9 for each return until all the incoming mail is sorted.
11. Secure each bundle of work with rubber bands, maintaining the Category and Form Type integrity of the bundles.
12. Route **Category 1** returns to the designated person for immediate processing as Accelerated Refunds.
13. Route **Category 2** returns to the designated person for immediate screening.
14. Route **Category 3** returns to the designated person for completion of the Memorandum of Assessment.
    NOTE: The bundles will be forwarded to the designated personnel for screening after the Memorandum of Assessment is completed.
15. Route **Category 4** returns to the designated personnel for immediate screening,
16. Retrieve the **Category 7** mail (to be sent to Virginia as **DIRECT-FILED**) identified in STEP 4.
17. Obtain a blank LAP-SORT 2 form and write the locality FIPS code in the upper right hand box. Please refer to FORM: LAP-Sort 2.
18. Place the completed LAP-SORT 2 form on top of the associated Category 7 documents.
    A. Rubberband the **Category 7** mail with the completed LAP-SORT 2 form on top.
    B. Route the **Category 7** documents to the appropriate personnel for transmittal to Virginia.
    Please refer to the PROCESS: TRANSMIT LOCAL FILED RETURNS TO TAX.

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