

## **NOTICE FROM SANTA BARBARA BANK & TRUST (SBBT) AND YOUR REFUND STATUS**

As you know, your IRS refund deposit has not reached your account at SBBT as expected according to the IRS Refund Cycle Chart posted on the IRS website. We wanted to give you a little insight on what happens now since you may have a lot of questions of why the IRS did not deposit the refund on time. Our experience in the industry over a number of years tells us that a few things are possible when this happens:

**1) The IRS may pay your refund next week.** The IRS uses the Financial Management Service (FMS) to pay out refunds. When the money is sent out, they use the system called the Automated Clearing House (ACH) through the Federal Reserve Bank which can take 1 to 2 business days for it to post to the receiving bank. For orderly processing and since they pay out millions of refunds each year, it is paid according to a cycle. This document is posted at [www.irs.gov](http://www.irs.gov) and it is called the IRS Refund Cycle Chart. When the IRS makes deposits on time, you can see the expected date on that chart. A large majority get paid out on time, but when they don't the next available disbursement is done on the next cycle, which is usually one week later. Your deposit simply did not get disbursed during the normal cycle. If you call the IRS Customer Service, they may inform you that the refund was disbursed so that means that it is on its way and should be included in the next cycle.

**2) Another branch of the IRS may have intercepted your refund for further review.** When this happens, IRS Customer Service may tell you that the refund has been sent out when in fact it never reached SBBT. This is part of the Revenue Protection Strategy and it insures the IRS that questionable information on a tax return is addressed before paying out the refund. This rarely happens but it is a possibility in your case and if so, you will get a letter from the IRS within the next few weeks to explain why your refund was withheld. They may need more information from you in order to complete the review and disburse your refund.

**3) The IRS may have offset your refund to pay off an outstanding debt.** If this happens, you will receive a letter within a few weeks from them explaining why they did this and what the debt was for.

Here are a few things you can be assured of:

- **SBBT does not hold your money.** When we receive a deposit from the IRS, we send a payment out within 24 hours of receipt. If you are receiving your money from SBBT via check or Cash Card, they are disbursed the same day and as soon as possible. For Direct Deposits, we also use the same process as the IRS does (ACH) so it usually takes about 1 to 2 business days to reach your account. Although the IRS normally sends us refund payments once a week, on rare occasions the IRS may send a payment on a day other than expected. When that happens, we send the payment out within 24 hours.

- **We receive millions of Refund Transfer (RT) requests every tax season.** The large majority of them get funded on time and paid out in a timely fashion. Although we do our best to ensure a smooth transaction for you, we are the middle-men in this process. The IRS does not guarantee payment according to their refund cycle chart but when and if they send us your tax refund deposit, we will send a payment out to you within 24 hours of receipt.

We appreciate your understanding and we thank you for your business.

**SBBT**