

MEMO# 4017

August 14, 1992

IRS REVENUE PROCEDURE ON USE OF ACCOUNT STATEMENTS TO SUBSTANTIATE FEDERAL TAX DEDUCTIONS

August 14, 1992 TO: TAX COMMITTEE NO. 32-92 OPERATIONS COMMITTEE NO. 25-92
TRANSFER AGENT ADVISORY COMMITTEE NO. 44-92 RE: IRS REVENUE PROCEDURE ON USE
OF ACCOUNT STATEMENTS TO SUBSTANTIATE FEDERAL TAX DEDUCTIONS

The Internal Revenue Service ("IRS") has released the attached revenue procedure (No. 92-71) which describes the circumstances under which a taxpayer may provide to the IRS an account statement prepared by a financial institution, rather than a copy of a canceled check, to establish that a payment was made. Fund shareholders using these procedures would not need to request canceled checks from fund complexes if they were audited by the IRS. Under the revenue procedure, to be accepted as proof of payment, an account statement prepared by a financial institution must show: (1) the check number; (2) the amount of the check; (3) the date the check amount was posted to the account by the financial institution; and (4) the name of the payee. Of particular importance to those fund complexes using or developing "imaging" technology, the revenue procedure provides that the IRS will accept an account statement that reproduces the required information in the account holder's own handwriting, taken from copies of the checks. We will keep you informed of developments.

Keith D. Lawson Associate Counsel - Tax Attachment