

Prepared by Treasury Office.
This replaces Administrative procedure No.
A8.760 dated September, 2009

A8.760
August 2010

A8.700 TREASURY

A8.760 IRS Compliance for Reporting Cash Payments Over \$10,000

1. Purpose

In accordance with Internal Revenue Code (IRC) §6050I, each person/business engaged in a trade or business who receives more than \$10,000 in cash, in any 12-month period, in a single transaction or in two or more related transactions, must file Form 8300, Report of Cash Payments Over \$10,000 Received in a Trade or Business, with the Internal Revenue Service (IRS) within 15 days of the transaction(s). The IRS reports this information to the Financial Crimes Enforcement Network (FinCEN). A transaction may not be divided into multiple transactions in order to avoid the filing of Form 8300. For University purposes, transactions include, but are not limited to, payments for tuition, fees, room, and board, consumer durables (for example a computer), and athletic tickets.

Additional information is available at IRS Publication 1544, Reporting of Cash Payments of Over \$10,000

2. Applicability

University employees who accept payments are required to track cash payments greater than \$10,000 by completing the Form 8300 Tracking Spreadsheet (Attachment 1) and a Form 8300 for applicable transactions.

A Form 8300 must be prepared as soon as the occurrence of a single transaction or two or more related transactions with a cumulative amount of greater than \$10,000 is received from one individual within any 12-month period.

3. Definitions

Cash - Coins and currency of the United States. Cash includes currency equivalents such as cashier's checks, money orders, bank drafts, or traveler's checks with a face value of \$10,000 or less.

Cash does not include cashier's checks, money orders, bank drafts or traveler's checks with a face value of more than \$10,000. These items are not defined as cash and do not need to be filed on Form 8300 when received because if they were originally bought with currency, the bank or other financial institution that issued the items would have filed a report on FinCEN Form 104.

Cash does not include a cashier's check if it constitutes the proceeds of a bank loan.

A personal check is not considered cash regardless of the amount.

The filing of Form 8300 does not apply to wire transfers.

Related Transaction - Any transaction between a buyer and a seller that occurs within a 24-hour period are related transactions.

Transactions can also be related even if they are more than 24 hours apart if you know, or have reason to know, that each transaction is one of a series of connected transactions. An example of related transactions are tuition payments for the same term paid in cash within a twelve-month period totaling \$10,000 or more.

4. Policy

If cash in the amount of \$10,000 or more is received, a Form 8300 and the 8300 Tracking Spreadsheet must be prepared by the employee receiving the cash and sent to the Treasury Office. The Treasury Office will sign, date and submit all forms to the IRS. Form 8300 must be sent to the IRS within 15 days of the transaction(s).

After an initial Form 8300 has been filed on an individual, a new count of cash payments received from that individual must be tracked. If more than \$10,000 in additional cash payments is received from that individual within a 12-month period, another Form 8300 must be filed. The Form 8300 must be sent to the IRS within 15 days of the payment that causes the additional payments to total more than \$10,000.

If cash in the amount of \$10,000 or less is received, Form 8300 may be voluntarily filed if the transaction appears to be suspicious. Generally, a transaction is suspicious if it appears that a person is trying to cause Form 8300 not to be filed, is trying to cause a false Form 8300 to be filed, or if there is a sign of possible illegal activity.

In accordance with IRC §6050I, the University is also required to provide a written statement to every individual for which the University completed and filed Form 8300. The University must provide such statements to the individuals no later than January 31 of the year following the calendar year that Form 8300 was filed. This statement must contain (1) the University's name, address, and phone number of a contact person and (2) the aggregate amount of cash received by the University (see Attachment 2.)

The University is required to retain copies of Forms 8300 and annual statements to individuals for a minimum of five (5) years.

5. Responsibilities

a. Departments

Prepare and submit a Form 8300 Tracking Spreadsheet and Form 8300 for any cash payments over \$10,000 to the Treasury Office no later than 5 days after receipt. The Form 8300 must be completed at the time the cash is accepted because University employees are required to enter and/or verify information on the Form 8300 such as:

1. Taxpayer identification number (TIN) of the individual
2. Name and address of the individual
3. Identifying document number
4. Date cash received
5. Total cash received
6. Dollar amounts of each form of cash received
7. Serial numbers of monetary instruments

b. Treasury Office

1. Review all Form 8300 Tracking Spreadsheets and Form 8300 submitted by departments.

2. Submit Form 8300 to:

Internal Revenue Service
Detroit Computing Center
P.O. Box 32621
Detroit, MI 48232

3. Prepare annual statements to individuals for whom a Form 8300 was submitted.

4. Retain copies of all documentation for a minimum of five years.

Department :
Contact Person :
Phone :

IRS Form 8300 Tracking Spreadsheet

Individual's First and Last Name	Individual's SSN*	Individual's Address	Date Transaction Occurred	Amount of Transaction	Type of Currency (e.g. cash, money order, cashier's check, traveler's check)
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* If individual is a US citizen and does not have an SSN, UH department must ensure that an SSN and address is obtained.
Mail this form to the Treasury Office, Bachman Annex 13 or FAX to 956-2148.

University Letterhead

ATTACHMENT 2

January XX, 2010 (no later than January 31st of the year following the payment(s))

Name of Individual
Address
Address

Dear Individual,

Under Section 6050I of the Internal Revenue Code, the University of Hawai'i is required to report the receipt of more than \$10,000 in cash in one transaction or in two or more related transactions.

The following is a summary of the total cash that the University of Hawai'i received from you in such transactions during the calendar year 20XX:

Date	\$ Amount
Date	<u>\$ Amount</u>
Total	<u>\$ TOTAL</u>

Enclosed for your reference is a copy of the Form 8300 that was prepared and filed to report this/these transaction(s) to the Internal Revenue Service. If you have any questions, please feel free to contact me at 808-956-xxxx.

Sincerely,

XXXXX