

Cash Payments over \$10,000

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I. Purpose

Pursuant to Internal Revenue Code Section 6050I, the University is required to report to the Internal Revenue Service (IRS) the receipt of cash payments in excess of \$10,000 in a single transaction or two or more related transactions from an individual or organization within a 12-month period.

II. Policy

Form 8300, [*Report of Cash Payments Over \\$10,000 Received in a Trade or Business*](#), must be filed whenever more than \$10,000 has been received from an individual or organization in the prior 12 months. Form 8300 must be filed within 15 days of receipt of the payment that is over \$10,000 or that causes the total receipts for the last 12 months to total more than \$10,000. Per the IRS, cash donations or gifts are exempt from Form 8300 reporting.

III. Definition

- **Cash Payment** – Any U.S. or foreign coin or currency. Cash payments also include cashier's checks, bank drafts, traveler's checks, or money orders with a face value of \$10,000 or less. Any single payment of more than \$10,000 with one of these instruments is not included.

IV. Responsibilities

- A. Units that accept cash for the payment of goods or services
 1. Ensure that a Form 8300 is completed and sent to UFS within five days of the receipt of a cash payment over \$10,000 or receipt of a cash payment which causes the total receipts from the individual or organization to be over \$10,000 for the previous 12 months. The unit is responsible for a mechanism to monitor cash payments received over a 12-month period in order to report multiple cash payments from a single payer, or their agent, greater than \$10,000.
 2. Ensure that at the time the cash payment exceeds \$10,000 each payer receives a letter that explains the cash reporting requirements. Here is a [template letter to payer](#).
 3. Ensure that staff who handle cash transactions and/or are responsible for filing Form 8300 are familiar with:
 - a. [IRS Form 8300](#) and its instructions.
 - b. [IRS Publication 1544, Reporting Cash payments of Over \\$10,000](#).
 - c. The below procedures for reporting cash receipts over \$10,000.
 4. Ensure the security of all taxpayer identification numbers collected.
- B. University Financial Services (UFS)
 1. Ensures appropriate procedures are in place to maintain compliance with the requirements of Form 8300.
 2. Reviews, approves and signs Form 8300.
 3. Mails the completed and signed Form 8300 to the IRS.
 4. Maintains a log of any Form 8300 filed during each calendar year. The log should include the payer name and address, as well as the amounts of each reportable transaction.

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5. Prepares and provides written statements to the named persons on or before January 31st of the year following the calendar year in which the Form 8300 was filed.
6. Maintains copies of the Form 8300, the year-end written statements provided to the persons named within the forms, and any other supporting documentation for a period five years from the filing date.

V. Procedures

- A. When processing a cash payment for more than \$10,000, the unit receiving the payment must complete a Form 8300. [Form 8300 Helpful Hints](#) provides information regarding which sections should be completed by the unit prior to sending the form to UFS.
- B. Provide the payer a letter that explains the cash reporting requirements. Here is a [template letter to payer](#).
- C. Hand-deliver the completed Form 8300 and any other supporting documentation to the Treasurer in UFS in Room 301, Peterson Service Building, no later than five days after the date of the transaction.
- D. The Treasurer will ensure completeness of the form, sign and file the Form 8300 with the IRS within 15 days of the date the cash was received.
- E. UFS will prepare and distribute a written statement no later than January 31st of the year following the calendar year in which the cash was received and a Form 8300 was filed. The written statement will be sent to:
 1. Individuals listed as the person from whom the cash was received on more than one Form 8300 filed during the calendar year and
 2. Individuals reported on a Form 8300 as having a cash payment received on their behalf (if different from the payer).

The statements to the payer and the person the payment was received on behalf of will include the following information:

1. University of Kentucky and the University's address
2. The amount of cash received and
3. That the information was provided to the IRS.

Other Reference Materials

<https://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/IRS-Form-8300-Reference-Guide>

<http://www.irs.gov/pub/irs-pdf/p1544.pdf>

<http://www.irs.gov/pub/irs-pdf/f8300.pdf>