

Cash Payments over \$10,000

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I. Purpose

The University is required to report to the IRS any time it receives cash, cashier's check(s), bank draft(s), traveler's check(s) or money order(s) that total more than \$10,000 in any 12 month period from any individual or organization.

IRS 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. The 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.

The following procedures have been established to ensure the University's compliance with the IRS Form 8300 reporting requirements.

Note: Per the IRS, cash donations or gifts are not included in the definition of a trade or business and are therefore exempt from Form 8300 reporting.

II. Definitions

- **Cash Payment** – Cash payments are defined as any U.S. or foreign coin or currency. It also includes cashier's checks, bank drafts, traveler's checks, or money orders if the face amount of the instrument is **less than** \$10,000.

Note: A cashier's check, bank draft, traveler's check, or money order with a face amount of more than \$10,000 is not treated as cash (These items are not defined as cash and you do not have to file Form 8300 when you receive them because if they were bought with currency, the bank or other financial institution that issued them must file a report.).

- **Organization** – Includes corporations, partnerships, trusts, estates, associations, or a company.
- **UFS** – University Financial Services

III. Responsibilities

- A. All units of the University that accept cash for the payment of goods or services are responsible for:
 1. Ensuring that an IRS Form 8300 is completed and sent to UFS within **5 days** of the receipt of a Cash Payment which is 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.
 - a. The unit will be responsible for a mechanism to monitor cash payments received within their environment over a revolving 12 month period in order to report multiple cash transactions from a single payer, or their agent, that equate to greater than \$10,000.
 - b. Ensuring that at the time that the Cash Payment exceeds \$10,000, each payer receives a letter that explains the cash reporting

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requirements and why we need to collect their information. [Click here for a template of the letter which must be given to the payer.](#)

2. Ensuring that all officers and staff who handle cash transactions and/or are responsible for filing IRS Form 8300 must read and be knowledgeable about:
 - a. [IRS Form 8300](#) and its instructions.
 - b. [IRS Publication 1544](#), *Reporting Cash payments of Over \$10,000*.
 - c. The University established procedures for reporting cash receipts over \$10,000 outlined in this policy.
 3. Ensuring the security of all taxpayer identification numbers collected.
- B. UFS is responsible for:
1. Ensuring appropriate procedures are in place to maintain compliance with the requirements of IRS Form 8300.
 2. Timely review and signature approval of all IRS Form 8300s.
 3. Mailing the completed, signed Form 8300 to the IRS.
 4. Maintaining a log of all Form 8300 filed during each calendar year. The log should include the payer name and address information included in the Form 8300, as well as the amounts of each reportable transaction contributing to the need to file.
 5. Preparing and providing 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, as required.
 6. Maintaining a file of copies of the 8300 forms, the year-end written statements provided to the persons named within the forms, and any other supporting documentation for a period five (5) years from the filing date.

IV. Policy

- A. All Cash Payments (defined above) that total more than \$10,000 in any 12 month period from any individual or organization will require the completion and filing of the Internal Revenue Service Form 8300 "*Report of Cash Payment Over \$10,000 Received in a Trade or Business*". The form shall be filed with the Internal Revenue Service by the fifteenth (15) day after the date the Cash Payment was received.

V. Procedures

- A. When processing a Cash Payment for more than \$10,000, the cashier or unit receiving the payment must complete an IRS Form 8300 following then the IRS instructions for completing the form. A [Form 8300 Helpful Hints](#) has also been created to provide more information regarding which sections should be completed by the unit prior to sending the form to the OT.

The IRS Form 8300 and other helpful information can be downloaded from the IRS website at <https://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/IRS-Form-8300-Reference-Guide>.

- B. At the time when a reportable transaction occurs or is discovered, provide each payer a letter that explains the cash reporting requirements and why we need to

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collect their information. [Click here for a template of the letter which must be given to the payer.](#)

- C. Hand-deliver the completed 8300 Form and any other supporting documentation to the Treasurer within UFS in office 301, Peterson Service Building. **The Treasurer must receive the information no later than 5 days after the date of the transaction.**
- D. The Treasurer will ensure completeness of the form, sign and file all Form 8300s with the Internal Revenue Service within 15 days of the date the cash was received.
- E. UFS will prepare and distribute a written statement no later than January 31 of the year following the calendar year in which the cash was received and a Form 8300 filed. The written statement will be sent to the following:
 - 1. Individuals listed as the person from whom the cash was received on more than one Form 8300 filed during the calendar year.
 - 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 Internal Revenue Service, according to section 6050I of the Internal Revenue Code.

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>