

Form 8300

Report of Cash Payments Over \$10,000 Received in a Trade or Business

Presented by:

Daniel del Valle Baez
Area Manager, New York



Filing Form 8300

- Protects a business from being exploited by money launderers
- Identifies potential illegal activities
 - Tax evasion / Money laundering
 - Financial fraud and abuse
 - Terrorist financing
- Identifies emerging threats through trend analysis



Who Must File Form 8300

A person in a trade or business who:

- receives more than \$10,000 in cash
- from the same person
- in a single transaction or two or more related transactions



Form 8300 Required for:

- One lump sum $> \$10,000$,
- From one transaction or two or more related transactions:
 - Payments that cause the total cash received within one year of the initial payment to total $> \$10,000$, or
 - Other previously unreportable payments that cause the total cash received in a 12-month period to total $> \$10,000$



Cash is.....

Currency and coins
of the U.S. (and
any other country)

and



Other Item's Deemed Cash

Certain monetary instruments with a face value of \$10,000 or less:

- Cashier's checks or bank drafts
- Traveler's checks
- Money orders received in:
 - a) a designated reporting transaction, or
 - b) any transaction in which the recipient knows the payer is trying to avoid reporting the transaction on Form 8300



A Designated Reporting Transaction is.....

The retail sale of a consumer durable that:

- Is ordinarily suitable for personal use
- Can last over 1 year
- Sales price >\$10,000
- Tangible personal property



Cash Sale Example

Bob buys gold coins from a coin dealer for \$13,200. He pays with US currency (\$6,200) & a cashier's check (\$7,000).

➤ *Does the coin dealer have to file F8300?*

YES

- *The sale is a designated reporting transaction*
- *A cashier's check \leq \$10,000 is treated as cash*
- *The business received $>$ \$10,000 cash*



Cash Is Not:

- A cashier's check, bank draft, traveler's check, or money order with a face amount of **>\$10,000**
- A check drawn on an individual's personal or business checking account
- A wire transfer



Cash Example

Mary buys jewelry from a retail jeweler for \$12,000. She pays with a personal check in the amount of \$9,600 and traveler's checks totaling \$2,400.

➤ *Does the jeweler have to file F8300?*

NO

- *Personal check is not treated as cash,*
- *Jeweler did not receive >\$10,000 cash*



Filing Form 8300

- Form 8300 is due within 15 days after receiving a payment $> \$10,000$
- If the due date is a Saturday, Sunday, or holiday, Form 8300 is due on the next day that is not a Saturday, Sunday, or holiday
- A copy must be retained for 5 years



Related Transactions Are:

- Any transactions between a buyer, or agent of the buyer, and a seller that occurs within a 24-hour period
- Treated as **one transaction** – Receipt of >\$10,000 during two or more transactions with one buyer in a 24-hour period



Related Transaction Example

On August 11, at 10:00 a.m. Mr. J purchased a \$6,000 bracelet from ABC Jewelry and pays in cash. That same afternoon Mr. J purchased a \$5,000 necklace from ABC Jewelry and again pays in cash.

➤ Is this a related transaction?

Yes

- *Two transactions occurred within 24 hrs*
- *ABC Jewelry must file Form 8300 by August 26*



Multiple Payments Defined

Multiple payments occur when the same buyer, or agent for the buyer

- Makes more than one cash payment
- on a single transaction or a series of related transactions



Multiple Payment Facts

- Report multiple payments when total amount received $> \$10,000$ in a 12-month period
- File Form 8300 within 15 days of the date of receipt of the payment that causes the total amount to $> \$10,000$
- Start a new count of cash payments received from that buyer after filing a Form 8300 for that buyer



Multiple Payments - Example 1

On Jan 10, Acme Autos received a cash payment of \$11,000. Acme receive additional cash payments on the same transaction of:

- \$4,000 on February 15
 - \$5,000 on March 20
 - \$6,000 on May 12
-
- When must Acme file Form 8300?



Multiple Payments - Example 1

- Acme must file Form 8300 for the initial \$11,000 payment by January 25.
- Acme must file another Form 8300 by May 27 for the additional payments that total \$15,000



Customer Identification

- Document used to verify the customer identity must be recorded on F8300
 - For Alien:
 - Passport, alien identification card, other official document evidencing nationality or residence
 - ITIN **should not be used** for identification
 - For any other Person:
 - Any document normally accepted for ID when cashing or accepting checks (for example, a driver's license)



Notification Requirement

- Written statement must be given to each person named on Form 8300 - on or before January 31 of the year following the calendar year in which the cash is received
- The statement must include:
 - Name and address of the business;
 - Name and telephone number of the business contact;
 - Total amount of reportable cash received; and,
 - That the information was reported to IRS



Suspicious Transactions

If a transaction is suspicious, a business should:

- Check the "Suspicious" box on item 1 of Form 8300
- Voluntarily file Form 8300 even if the cash transaction is <\$10,000



Civil Penalties – Form 8300

- IRC § 6050I requires information returns (Form 8300) be filed by trades or businesses
- Penalty Types:
 - Failure to timely file,
 - Failure to include complete and/or correct information,
 - Intentional disregard of the filing requirements, and
 - Failure to furnish notification to payer



Resources

- On the web at:
 - IRS web site – www.irs.gov
 - FinCEN web site – www.fincen.gov
- F8300 Questions: 8300questions@irs.gov
- Form 8300 and Pub 1544, available in English and Spanish:
 - Ordered by phone at: **1-800-829-3676**
 - **On line:** www.irs.gov



QUESTIONS?



**If you would like to receive a text
version of this presentation, please
contact:**

Gary E. Watkins
Program Analyst, BSA & Int'l
803.253.3960

Gary.E.Watkins@irs.gov

