

Policy on Reporting Cash Payments Over \$10,000 received in a Trade or Business

IRS Publication 1544 requires the University to report cash payments of over \$10,000 received in a 12 month period from one person as a result of a transaction.

Reporting of Cash payments over \$10,000 received in a trade or business, must be filed by the 15th day subsequent to the transaction which caused the total cash payment to exceed \$10,000. IRS Form 8830 must be completed.

Type of Payments to Report

Trades and businesses must report cash payments received, if all of the following criteria are met:

- The amount of cash is more than \$10,000.
- The business receives the cash as:
 - One lump sum of more than \$10,000 or
 - Installment payments that cause the total cash received within one year of the initial payment to total more than \$10,000 or
 - Previously unreported payments that cause the total cash received within a 12-month period to total more than \$10,000.
- The establishment receives the cash in the ordinary course of a trade or business.
- The same agent or buyer provides the cash.
- The business receives the cash in a single transaction or in related transactions.

Cash Includes

Cash includes the coins and currency of the United States and a foreign country.

Cash may also include cashier's checks, bank drafts, traveler's checks, and money orders with a face value of \$10,000 or less, if the business receives the instrument in:

- A designated reporting transaction, as defined below, or
- Any transaction in which the business knows the customer is trying to avoid reporting of the transaction on Form 8300.

A **designated reporting transaction** is the retail sale of any of the following:

- A consumer durable, such as an automobile, boat, or property other than land or buildings that:
 - Is suitable for personal use.
 - Can reasonably be expected to last at least one year under ordinary use
 - Has sales price of more than \$10,000.
 - Can be seen or touched (tangible property).
- A collectible (a work of art, rug, antique, metal, gem, stamp or coin).
- Travel or entertainment, if the total sales price of all items sold for the same trip or entertainment event in one transaction or related transactions is more than \$10,000. The total sales price of all items sold for a trip or entertainment event, includes the sales price of items such as airfare, hotel rooms and admission tickets.

Cash does not include a check drawn on an individual's personal account.

The University is required to give a written statement to each person named on Form 8300. The statement must show the name and address of the University, the name and telephone number of a contact person, and the total amount of reportable cash received from the person during the year. It must state that the University is reporting this information to the IRS. This statement must be sent to the "buyer" by January 31 of the year after the year in which you received the cash that caused you to file form 8830.