

**Abstract:** When businesses receive large amounts of cash or cash equivalents, they may be required to report these transactions to the IRS. Specifically, a payment of more than \$10,000 cash in one or more related transactions must be reported on a specific form. Although not all large cash payments are problematic, the goal is to help thwart illegal activities by making the source of the cash traceable.

## **Large cash business transactions must be reported to the IRS**

If your business receives large amounts of cash or cash equivalents, you may be required to report these transactions to the IRS. Here are some details.

### **The requirements**

Each person who, while operating a trade or business, receives more than \$10,000 in cash in one transaction (or at least two related transactions), must file Form 8300. What constitutes “related transactions?” Related transactions are conducted in a 24-hour period. But transactions that occur in a greater than 24-hour period may also be deemed related if the recipient knows, or has reason to know, that the transactions are connected.

To complete a Form 8300, you’ll need certain information about the person making the payment. This includes a Social Security or taxpayer identification number.

### **Reasons behind the reporting**

Although many cash transactions are legitimate, the IRS explains that “information reported on (Form 8300) can help stop those who evade taxes, profit from the drug trade, engage in terrorist financing and conduct other criminal activities. The government can often trace money from these illegal activities through the payments reported on Form 8300 and other cash reporting forms.”

It’s important to keep a copy of each Form 8300 for five years from the date you file it, according to the IRS. Contact us if you have questions related to form retention.

### **“Cash” and “cash equivalents” defined**

For Form 8300 reporting purposes, cash includes U.S. currency and coins, as well as foreign money. It also includes cash equivalents such as cashier’s checks (sometimes called bank checks), bank drafts, traveler’s checks and money orders. Money orders and cashier’s checks under \$10,000, when used in combination with other forms of cash for a single transaction that exceeds \$10,000, are defined as cash for Form 8300 reporting purposes.

Note: Under a separate reporting requirement, banks and other financial institutions report cash purchases of cashier’s checks, treasurer’s checks and/or bank checks, bank drafts, traveler’s

checks and money orders with a face value of more than \$10,000 by filing currency transaction reports.

### **Options for filing**

Businesses required to file reports of large cash transactions on Form 8300 should know that in addition to filing on paper, e-filing is an option. The form is due 15 days after a transaction and there's no charge for the e-file option. Businesses that file electronically get an automatic acknowledgment of receipt when they file.

The IRS also reminds businesses that they can "batch file" their reports. This is especially helpful to those required to file many forms.

### **Setting up an electronic account**

To file Form 8300 electronically, a business must set up an account with FinCEN's Bank Secrecy Act E-Filing System. For more information, visit: <https://bsaefiling.fincen.treas.gov/AboutBsa.html>. Interested businesses can also call the BSA E-Filing Help Desk at 866-346-9478 (Monday through Friday from 8 am to 6 pm EST). Contact us with any questions or for assistance.