



COMMONWEALTH UNIVERSITY OF PENNSYLVANIA

## **IRS Requirement to Report Cash Transactions Over \$10,000-IRS Form 8300**

### **Policy Number PRP 5380**

Commonwealth University of Pennsylvania

Approved by University Senate, [Date of Approval]

Revised [Date of Revision]

Responsible Office: [Insert Division or Office]

### **1. Purpose**

The IRS has explicitly declared that state-supported universities are subject to the regulation that cash payments over \$10,000 be reported on IRS Form 8300, Report of Cash payments Over \$10,000 Received in a Trade or Business. Failure to file a correct IRS Form 8300 by the due date may result in a penalty of \$25,000 or more. Criminal penalties and fines up to \$500,000 may be assessed for willful violations. To demonstrate compliance with this regulation, PASSHE has directed the state system universities to establish a policy and procedures to ensure that the necessary information is collected and reported.

### **2. Scope**

This policy applies to all members of the Commonwealth University of Pennsylvania community, including students, faculty, and staff that have the capability of accepting cash payments.

### **3. Definitions, Roles and Responsibilities**

#### **3.1. Definitions**

3.1.1. **Cash Transaction/Cash Payment** – The process by which the office receives a cash payment for a financial obligation and the amount is posted to the student account.

3.1.2. **IRS** – The IRS refers to the Internal Revenue Service of the US government.

3.1.3. **[Term:]** Any semester/term where the a cash payment of \$10,000 or more is received from a student/parent/supporter to pay a financial obligation.

#### **3.2. Roles and Responsibilities**



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- 3.2.1. Student Billing Office is to report to the IRS certain cash transactions in an effort to trace money from large cash payments.

#### **4. Policy**

- 4.1. Commonwealth University will file IRS Form 8300, Report of Cash Payments Over \$10,000 Received in a Trade or Business, when we receive more than \$10,000 of cash in a single transaction or through a series of transactions from the same person within any 12-month period.

- 4.1.1. For university transactions, cash is defined as currency and coins of the United States and any other country; it does not include personal checks, cashier's checks, automated debits or credits, money orders, etc.
- 4.1.2. Cash received from tuition, room, board, fees, and other revenue resulting from the normal conduct of university business must be reported.
- 4.1.3. Cash receipts of gifts and donations are not required to be reported because the IRS does not consider these transactions as being received in the course of conducting university business.

- 4.2 All university officers and employees who handle cash transactions and/or are responsible for filing IRS Form 8300 must read and be knowledgeable about:

- 4.2.1. IRS Form 8300 and its instructions.
- 4.2.2. IRS Publication 1544, Reporting Cash payments of Over \$10,000.
- 4.2.3. The university established procedures for reporting cash receipts over \$10,000.

- 4.3 The Vice President for Administration and Finance is responsible for:

- 4.3.1. Ensuring appropriate procedures are in place to maintain compliance with the requirements of IRS Form 8300.
- 4.3.2. Establishing and documenting internal controls to ensure that the procedures are followed.
- 4.3.3. Maintaining adequate records.
- 4.3.4. Timely and accurately filing IRS Form 8300 when required.
- 4.3.5. Providing each person named on IRS Form 8300 with an electronic or written statement indicating the information that was furnished to the IRS in a timely manner.
- 4.3.6. Reporting any suspicious transactions, as defined by IRS Form 8300, to the IRS and university legal counsel.
- 4.3.7. Ensuring the security of all taxpayer identification numbers collected.



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**5. Procedures, Standards, and Guidelines**

Day of transaction	<p>Complete IRS Form 8300</p> <ul style="list-style-type: none"> <li>➤ Obtain the most recent version of <a href="#">IRS Form 8300</a> from the IRS website</li> <li>➤ <a href="#">Sample filled-out IRS Form 8300</a></li> <li>➤ <a href="#">Memo for Payers of Cash to Bloomsburg University</a></li> </ul> <p>This document, which offers a brief explanation of the IRS Form 8300 reporting requirements, may be provided to individuals (payers) engaged in reportable transactions to notify them of the University’s obligation to file this form with the IRS.</p>
Day IRS Form 8300 is completed.	<ul style="list-style-type: none"> <li>➤ Review the IRS Form 8300.</li> </ul>
By the 15th day subsequent to the transaction	File IRS Form 8300 with the IRS via certified mail.
By January 31 of each year	Prepare and furnish end-of-year statements to all payers who were identified on IRS Forms 8300 (and reported to the IRS) during the immediately preceding calendar year.
For at least five years from the date of filing IRS Form 8300	Maintain a copy of the completed IRS Form 8300.

**6 Compliance and Enforcement**

- 6.1 Every University policy will undergo a regular review on a five-year cycle, with approximately 20% of the total policies inventory being reviewed each year.
- 6.2 All policy reviews will be conducted by the responsible Senate Committee to assure that the policy remains relevant and aligns with applicable federal and state laws and regulations, PASSHE Board of Governors policies, and other University policies, procedures, standards, or guidelines.

**7. Additional Information**

**7.1 Supporting Documents**

- 7.1.1 [Form 8300 and Reporting Cash Payments of Over \\$10,000 | Internal Revenue Service \(irs.gov\)](#)

**7.2 History**

- 7.2.1 Policy was developed pursuant to a law passed by Congress that requires that certain cash transactions be reported to the IRS in an effort to trace money that may have been used to “launder” money from illegal activities, evade taxes, and participate in other criminal activities.



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7.2.2 Effective Date – Effective on October 29, 2014 by General Administrative Committee and endorsed on March 25, 2015 by University Forum

7.2.3 Revised - [Date of Revision]

7.2.4 Next Review Date - [Date of Revision]

**7.3 Related Policies** - [Reference related policies]

**7.4 Contacts for Additional Information and Reporting**

7.4.1.1 Student Billing Office ([studentbilling@commonwealthu.edu](mailto:studentbilling@commonwealthu.edu))