

IRS FinCen 8300 Policy/Procedure

Dealership

Our policy is to always comply with the cash reporting law, specifically the reporting of certain cash payments of over \$10,000.

1. In any 12-month period of time when Dealership receives more than \$10,000 in “**cash**” in a single transaction or in related transactions as a result of selling a vehicle, motor home, etc... we will report the transaction using the current IRS Form 8300.
2. Dealership will file Form 8300 **within 15 days of receiving payment**.
3. Dealership will either send the Form 8300 via mail to:
4.
 - a. IRS Detroit Computing Center
P.O. Box 32621
Detroit, MI 48232
 - b. Or Dealership will electronically file Form 8300 using the Bank Secrecy Act (“BSA”) Electronic Filing System:
<http://bsaefiling.fincen.treas.gov/main.html>
 - c. Questions regarding Form 8300 will be directed to 8300QUESTIONS@IRS.GOV
5. Reportable transactions include a Buyer who is an individual, company, a corporation, a partnership, an association, a trust or an Estate and in which the entire transaction occurs in the 50 States, the District of Columbia, Puerto Rico or a possession or territory of the United States.
6. The Form 8300 will be filed to report **cash** paid if it is:
 - a. Over \$10,000.00 (this includes the sales price, **not sales tax**);
 - b. Received as:
 - i. One lump sum of \$10,000.00;
 - ii. Installment payments that cause the total cash received within 1 year of the initial payment to total more than \$10,000 or;
 - iii. Other previously unreportable payments that cause the total cash received within a 12-month period to exceed \$10,000.00.
 - c. Received from the same buyer or agent; and
 - d. Received in a single transaction or in “**related transactions**”.
7. “**Cash**” is defined as:
 - a. Currency and coins of any Country; and
 - b. A cashier’s check, bank draft, traveler’s check or money order you receive that has a face amount of \$10,000.00 **or less** for the retail sale of:
 - i. a vehicle (or mobile home) suitable for personal use, which can reasonably be expected to last at least one year under ordinary use, has a sales price of

- more than \$10,000.00 and is tangible property (e.g. can be seen or touched); or
- ii. any transaction in which you know the payer is trying to avoid the reporting of the transaction on Form 8300.
8. **Cash Exceptions**: The following items (even if they are in the form of in the form of a cashier's check, bank draft, traveler's check or money order) are **NOT cash**:
- a. A check drawn on an individual's personal account;
 - b. Proceeds from a Bank Loan. You must verify that there is a copy of the loan document, a written statement or lien instruction from the Bank or similar documentary proof;
 - c. A down payment received under a payment plan requiring:
 - i. One or more down payments; and
 - ii. Payment of the rest of the purchase price by the date of the sale;
 - iii. Received more than 60 days before the date of the sale; and
 - iv. You use payment plans with the same or similar terms when selling to customers in the ordinary course of your business.
9. **"Related Transaction"** is defined as:
Any transaction between a Buyer (or an agent for a Buyer) and the Dealership which take place within a 24-hour period. If you receive over \$10,000.00 in cash during two or more transactions with one buyer in a 24-hour period, you must treat the transactions as one transaction and report the payments on Form 8300. Transactions are related even if they are more than 24 hours apart if you know or have reason to know that each is one of a series of connected transactions.
10. **"Suspicious Transaction"** is defined as:
Where it appears that a Buyer is trying to:
- i. cause you not to file Form 8300; or
 - ii. is trying to cause you to file a false or incomplete Form 8300; or
 - iii. if there is a sign of possible illegal activity.
- Where there is a suspicious transaction you may voluntarily file a Form 8300 or Call the local IRS Criminal Investigation Division or the FinCEN Financial Information Hotline (866)-556-3974.
11. We will notify the customer in writing during January (but no later than January 31st) of the year following the transaction that Dealership was required to report to the IRS. If a suspicious transaction Form 8300 was filed, not notice will be provided to the customer nor will the customer be informed that the suspicious transaction box was checked.
12. Dealership will keep a copy of every Form 8300 filed for 5 years.