

**Question:** How do I comply with the reporting requirements for money laundering ?

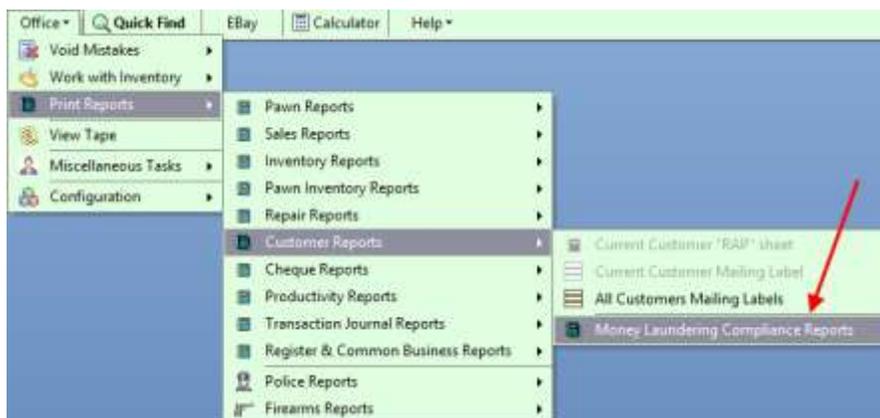
**Answer:** The law is a bit ambiguous but as we understand it, a report should be made to the IRS about any customer who pays you \$10,000 or more cash, in any 12 month period. This amount should be all on one transaction, or spread out over a series of related transactions.

A 12 month period does not mean a fixed calendar year such as January to December. It means exactly what it says –ANY- 12 month period (or less) during which the customer pays \$10,000.

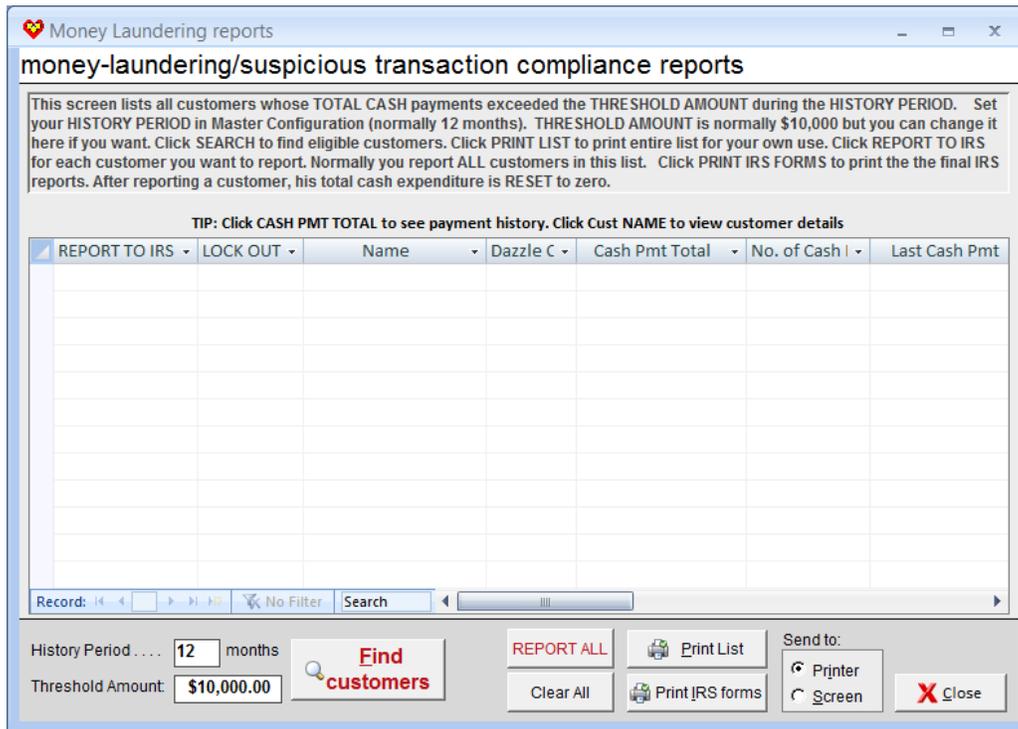
When a customer reaches or exceeds the limit, you have a limited window of 15 days in which to report the customer to the IRS. This should be done by completing an IRS form 8300 for each customer that reaches this limit. When you do this, the customer also should be notified that form 8300 has been filed concerning him. For more complete information visit the IRS web page [here](#).

Dazzle can accomplish all of this for you in the following way,

- Every time the customer pays with cash it is added to a cumulative total for that customer.
- When that total reaches the \$10,000 limit, Dazzle stops and asks for the customers SSN, as required by the IRS. This is called a “notification” event.
- The social security number can be entered by clicking on the “Edit Customer” button and clicking the small blue icon next to SSN. Click OK when done.
- After such a notification event, you know you have at least one customer to report to the IRS.
- Within 15 days, click on Office-> reports -> customer reports -> money laundering reports.
- 



- The money laundering report screen will appear.



- The default limit amount on the screen is \$10,000 but you can change this if needed (for example if the law changes). The 12 month history period is standard, but can also be changed in Master Configuration -> Money Laundering.
- Dazzle will examine each customer's cash payments for the previous 12 months, unless that customer has already been reported in the last 12 months: in which case it will only examine that customer's history back to the date he or she was last reported.
- Any customer exceeding the limit during the history period will appear as a line in your report.
- Each line will show the total cash amount, the count of cash transactions, and other details.
- YOU must decide if each customer should or should not be reported; merely having a total greater than \$10,000 does not make it automatically reportable. The IRS is only interested if the \$10,000 was spent on one transaction or several related transactions.
- You can find out if this is the case by clicking on the red CASH PMT TOTAL number for each customer. A screen will pop up showing all the transactions that contributed to this cash total. (see picture below)

Money Laundering reports

### money-laundering/suspicious transaction compliance reports

This screen lists all customers whose TOTAL CASH payments equalled or exceeded the THRESHOLD AMOUNT during the HISTORY PERIOD. Set your HISTORY PERIOD in Master Configuration (normally 12 months). THRESHOLD AMOUNT is normally \$10,000 but you can change it here if you want. Click SEARCH to find eligible customers. Click PRINT LIST to print entire list for your own use. Click REPORT TO IRS for each customer you want to report. Normally you report ALL customers in this list. Click PRINT IRS FORMS to print the the final IRS reports. After reporting a customer, his total cash expenditure is RESET to zero.

Click this column to select  
Click again to de-select

TIP: Click Cust NAME to view customer details. Click CASH PMT TOTAL to see payment history.

REPORT TO IRS	LOCK OUT	Name	Dazzle Cust I	Cash Pmt Total	No. of Cash Pmts	Last Cash Pmt
No	<input type="checkbox"/>	JONES, APRIL	162840	\$12,600.00	1	4/21/2014 18
No	<input type="checkbox"/>	MADONNA, JERRY M	212402	\$11,276.00	2	1/29/2014 60
No	<input type="checkbox"/>	JONES, JERRY	216563	\$11,271.00	1	12/10/2013 52
No	<input type="checkbox"/>	SMITH, LARRY D	215083	\$10,321.00	3	10/22/2013 27
No	<input type="checkbox"/>	MADONNA, JERRY M	212150	\$10,162.00	5	10/25/2013 34

Click these numbers to see a breakdown of where the cash came from

Record: 1 of 5

History Period: 12 months

Threshold Amount: \$10,000.00

Find customers

REPORT ALL

Print List

Send to: Printer, Screen

Clear All

Print IRS forms

Close

- You can also click on the customer name, to see more details.
- If you decide you must report this customer, click in the REPORT TO IRS COLUMN, which will then turn red. Click again to clear it if needed.
- If you don't want to report this customer, you need not click anything; by default a customer will not be reported.
- To print a list for yourself of all the customers on the list, reported or not reported, click the PRINT LIST button.
- To print the actual IRS 8300 forms, click the PRINT IRS FORMS button. Plain white paper is required in your laser printer.
- Customers who ARE reported will have their cash total reset to zero, where it will start accumulating again.

**Disclaimer:** Dazzle Systems Inc does not give legal advice, and this document should not be construed as legal advice. Please consult your own legal counsel and/or CPA about correct IRS reporting, and correct money-laundering policies and procedures