



Your Exam Rights

The BSA Mission

To provide business owners top-quality service by helping them understand and comply with IRC Section 60501 and to protect the public interest by applying the law with integrity and fairness to all.

The IRS 8300 Examination Process

1. Introduction

The goal of a Form 8300 examination is to promote voluntary compliance by reviewing the cash transaction of businesses identified as having a potential filing requirement per IRC Section 60501.

2. Exam selection

A business can be selected several ways for examination. Selection methods include, but are not limited to, an initiative, project or referral, because of a questionable or unusual cash deposits. We use a centralized case selection and review process to enhance consistency of enforcement activities and to focus resources on the areas that have the most positive impact on Form 8300 filing compliance. Our tasks include identifying areas of noncompliance, developing corrective strategies and assisting with those strategies.

Repeat examinations. If we examined your business for Form 8300 compliance in either of the two previous years and proposed no change to the information reported, please contact us as soon as possible so we can see if we should discontinue the examination.

3. The examination

A specially trained examiner will notify you by letter that your business has been selected for examination. It will include a list of items that you or your representative must provide for the examination. We may request that you provide some items before the initial appointment and we may request additional items later.

You can authorize someone to represent you if the person is eligible to practice before the IRS. If you have someone represent you in your absence, you must furnish written authorization. You may use Form 2848, *Power of Attorney and Declaration of Representative*, for this authorization.

a. Initial interview. You'll be asked to explain how your business operates and how it receives and records cash. This will help the examiner understand your business and records to allow them to focus the review and complete the examination in a shorter time.

b. Information review. The examiner will analyze your information, perform tests and sample data. The examiner may expand the analysis to include additional details and larger samples until it's reasonably certain that the business is in compliance with IRC Section 60501.

c. Requests for additional information.

The examiner may require additional information or corrective action prior to concluding the examination. If so, the examiner will explain the reason for the request, describe the information and provide a reasonable response time.

d. Closing interview. When the initial field work is concluded, the examiner will explain the findings of the examination and inform you of any proposed penalties.

e. Closing letter. The final step in the examination process is a letter explaining the examiner's conclusions. A Form 8300 examination can result in a liability for penalties under IRC Sections 6721 and/or 6722.

f. Appeal rights. If you don't agree with the examiner's proposed penalties you may provide a written response to the proposed penalties to the examiner **and request a meeting with the examiner's supervisor**. If your position is not accepted you may file a claim for refund in court after you have paid the penalty amount in full. There is a pre-assessment appeals process for cases involving the Intentional Disregard Penalties described in IRC Sections 6721(e) and 6722(e).