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eNews Headline: Multiple Businesses and Aggregating Transactions

Question: We have several related businesses in town that all bank with us – each business is operated independently of each other with their own EIN - however the deposits for all businesses are often deposited into the night drop in the same bag. Do we aggregate these separate deposit amounts for CTR purposes?

Answer: Your bank has to make a judgment call on if the businesses are operating ‘separately and independently.’ If the businesses are not operating ‘separately and independently’ the transactions should be aggregated. The fact that they are sharing a single bag makes the argument that each business is separate and independent difficult to make.

Below is from *Frequently Asked Questions Regarding the FinCEN Currency Transaction Report (CTR)*, specifically question #17. Notice the sentence underlined below.

...snip

17. Should we aggregate "multiple transactions"? What is the proper way to complete a CTR on transactions involving multiple business entities?

Yes. All the individual transactions a financial institution has knowledge of being conducted by or on behalf of the same person during a single business day must be aggregated. Debits must be added to debits, and credits must be added to credits. If cash debit or credit totals exceed \$10,000 in a business day, a CTR is required. If debits and credits each exceed \$10,000, they can each be reported on a single CTR, but financial institutions should not off-set debits and credits against one another or reconcile for reporting purposes cash-in transactions with cash-out transactions. Multiple transactions in currency must be treated as a single transaction if the financial institution "has knowledge that they are by or on behalf of any person and result in either cash in or cash out totaling more than \$10,000 during any one business day."

In this regard, institutions should refer to FinCEN Rulings FIN-2001-R002 and FIN-2012-G001. For example, the requirement to file a CTR may be triggered by an individual depositing more than \$10,000 into multiple business accounts. In that case, the filing should be completed with those entities on whose behalf the transaction(s) were conducted and on the individual who conducted the transaction (Part I). In a situation where multiple withdrawals involving several individuals have occurred throughout the day, common ownership may be relevant to a

determination that aggregation is required. If multiple businesses are not operating separately and independently, the institution may reach the conclusion that their transactions should be aggregated. A CTR would be completed indicating those entities on whose behalf the transaction(s) were conducted and those individual(s) conducting the transaction(s). Each entity and individual would be listed in a respective Part I. This reasoning has traditionally been extended to the exemption process as well.

Source [link](#).

For the Compliance Adviser *Legal Ease* archive, click [here](#).

Compliance Tip: Checking the 'Night Deposit' box on the CTR makes it unnecessary to check a series of 'unknowns' for identification information on the person conducting the transaction.

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