

# Checking Account Instructions

## Opening a Unit Checking Account

Every unit will eventually need to have a checking account. Sometimes this gets confusing for the newly organized unit because banks demand a federal tax number to open an account. Do not use your social security number for this purpose because all financial transactions are attributed to the individual unit leader providing their social security number. This obviously could pose problems! Here are two approaches. We will start with the fastest method "Plan A."

### Plan A

Due to the charter agreement and tax laws, Units are "subordinate" to the chartered partner. Some chartered partners are willing to allow units to use their tax number so their unit will be able to obtain a checking account. This is perfectly legal, but some chartered partners have concerns. If the chartered partner does not feel they can help you in this fashion, don't worry. (Note: in the past decade there have been one or two exceptions to this). Go to Plan B. **If your chartered partner is a business, public school or PTO go straight to plan B without presenting the Plan A concept.**

### Plan B

This is the best plan to follow when faced with the need for a checking account (the bank needs a federal tax number and your chartered partner doesn't feel they can help you accomplish the task). What follows are specific instructions for units (packs, troops, posts) to complete IRS form SS-4 ([Application for Employer Identification Number \(EIN\)](#)). The responses listed below no longer match up line for line, but do provide typical SS-4 responses for the IRS site.

**Several options are available for fast processing at the end of this document.**

#### *Line 1*

Name of chartered organization (legal name of applicant) and unit designation; e.g.: First United Methodist Church Pack/Troop 151.

#### *Line 2*

Normally not applicable

*Line 3*

"Care of" name (Unit treasurer, committee chairman, or chartered organization representative).

*Lines 4, 4a*

Mailing address, city, state, ZIP code.

*Lines 5, 5a*

Address, if different from Line 4.

*Line 6*

County and state.

*Lines 7a, 7b*

Name of the principal officer, grantor, or general partner (use chartered organization representative or committee chairperson, and their tax ID number. Please Note: If you do not have the chartered partner's tax ID number, leave it blank).

**Important.** Before filling in *Block 8a, Type of Entity*, remember that the national office issues charters directly to local chartered organizations and not to units. Units should ask their chartered organization for permission to use their EIN if at all possible.

*Block 8a Type of Entity*

Most units will check one of three boxes:

- a. "Church or church-controlled organization", if chartered organization fits this description.
- b. "Other nonprofit organization (specify)", if unit is chartered to a nonprofit organization other than a church.
- c. "Other (specify)", if the chartered organization is not a church or other nonprofit organization – just put troop, pack, etc.

If your unit's chartered organization has a GEN (Group Exemption Number) that the unit is permitted to use, put that number in this section. Note, however, that the Group Exemption Number used by BSA local councils may not be used by a unit.

*Line 9*

Check appropriate reason (one only) for applying. Most units will check banking purpose (specify) interest account, etc.

*Line 10*

Leave blank.

*Line 11*

Enter closing month of unit accounting year (most units will use charter expiration month).

*Lines 12 & 13*

Leave blank.

*Line 14*

Check "Other" and put "Youth program character development" or a similar statement.

*Line 15*

Put "N/A"

*Line 16a*

Check the appropriate box.

*Lines 16b and c*

As needed or leave blank.

*Third Party Designee*

Give the name and unit position of the contact person, such as the chartered organization representative or committee chairman.

**Important.** Remember that the tax-exempt status of a pack, troop, or post is consistent with the tax status of the chartered organization. The employer identification number does not provide tax-exempt status. It provides identification!

You will receive a letter from the IRS that includes your organization name and address, and your EIN. You also may receive other forms, such as Form 1023, Application for Recognition of Exemption, under Section 501(c)(3) of the IRS code.

Units should not use Form 1023 to apply for recognition of exemption. Among other reasons, this is due to the normally prohibitive cost, and the requirements for units to provide articles of incorporation or articles of organization with the application, annual Form 990 filings, minutes of meetings and annual audits, many other compliance items and penalties for non-compliance.

## **Filing Options**

1. **Filing by mail** the SS-4 (30-day turnaround). The mailing address is: Internal Revenue Service, Attention: EIN Operations, Philadelphia, PA 19255

2. **File by faxing** the SS-4 (5-day turnaround). Be sure to request a fax back. The fax number is (215) 516-3990.
3. **File by phone** by calling (800) 829-4933 to "complete" Form SS-4
4. **File online** [for filing the SS-4](#)

For more information and a copy of the most current Form SS-4, please visit the IRS website, [www.irs.gov](http://www.irs.gov).

## **We have the EIN - are we ready to go to the bank?**

Once equipped with your EIN you are well on your way to getting a checking account established, but the bank will want some additional documents like minutes from your committee meeting showing who was voted to accept the role of treasurer and who has signatory authority. Other items include a copy of your charter and an official print out of adults. The EIN, charter, minutes and roster are the items most frequently presented to the person establishing new accounts.

Banks offer commercial accounts and individual accounts. Your unit account would not be personal; therefore, it falls under a commercial classification. The bank employee working in setting up your account is probably accustomed to commercial accounts, but may not have dealt with unit accounts. This is why they often will request articles of incorporation, bylaws, officers, DBA and a host of other paperwork that you do not have. Don't worry.

Explain that this is a unit account for Scouts and most banks accept those items discussed in the first paragraph of this segment. If your explanation is not accepted, please ask to speak with the branch manager or officer within the bank that can help render a decision. Of course, the Great Smoky Mountain Council does not dictate bank policy, but we can help explain your situation should there be any confusion at the bank.