

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 the bank demands a federal tax number to open the account. You would not want to use your social security number for this purpose because all financial transactions are attributed to the individual unit leader providing his or her 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 your 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 your chartered partner does not feel they can help you in this fashion, don’t worry. 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 you are 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). Attached are specific instructions and a sample to follow for units (Packs, Troops, Posts...) to complete IRS form SS-4 (Application for Employer Identification Number (EIN)). If you are opting for this approach it is important for this SS-4 Form to be carefully completed according to the sample and IRS instructions.

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

Instructions: Please review the IRS instructions completely and follow the sample instructions as attached:

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.

Your 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 your unit 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

If you are filing by regular mail it will take 30 days turnaround.

You may Fax the SS-4 you will probably experience a 5-day turnaround. Be sure to request a Fax back. The Fax number is 859-669-5760.

"Complete" Form SS-4 over the phone, and receive your EIN immediately. Call 1 (800) 829-4933.

Additionally, there is an online option of the SS-4 available that also offers immediate filing and approval capability. For more information and a copy of the most current Form SS-4, please visit the IRS website, www.irs.gov, or go to the SS-4 form online application https://sa2.www4.irs.gov/sa_vign/newFormSS4.do

We have the EIN but the Bank wants more! What do we do?

Banks offer commercial accounts and individual accounts. Your unit account would not be personal so therefore it falls under a commercial classification. The bank employee working in setting up your account is probably accustomed to commercial accounts but probably has not 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 all that should be needed is the EIN. 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.

Thank you for all you do on behalf of Scouting in your community!