

FREQUENTLY ASKED QUESTIONS FROM A.A. GROUPS ON HOW TO OPEN A BANK ACCOUNT FOR OUR GROUP

These are general and may change according to evolving tax law.

	Question	Answer
1	Why do we need a checking account?	Your group may feel more comfortable having group contributions deposited instead of depending on one member to keep the funds safe at home.
2	Do we need a checking account?	Some businesses prefer to receive cash; others prefer checks, credit card, or online payments.
3	Does it matter if we use a debit card or pay our bills with checks?	That is a matter of convenience.
4	How can we choose a bank?	Ask your local bank what they can offer that will best suit your needs.
5	How many signers should we have?	It is recommended that a group has two signers, to protect both the signer and the group.
6	Do the signers have to be over 18?	Ask the bank what they require.
7	How do we change signers?	Usually the new signers appear together in person, with a copy of the minutes from the business meeting that state they have been chosen to sign on the account.
8	Are there any fees, or is there a minimum balance?	Many banks will offer low or no fees to a community or volunteer group
9	What documents do we need to open a bank account?	Banks often need organizing documents and an Employer Identification Number (EIN), as well as meeting minutes showing who has been chosen to sign on the new account. Some banks ask for a notarized letter stating that your group is exempt from tax reporting. A bank may ask for a copy of your Oregon Articles of Incorporation.
10	The bank wants to know who the owner of the company is. What do we tell them?	They just want to know who is taking responsibility for the bank account. An officer of the group is usually adequate to represent the group's right to own an account.

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11	What kind of bank account should we ask for?	Don't ask for a nonprofit account unless you have applied for and received federal tax-exempt status. Ask for a small business account or a community or association account. Tell them your group is a small local community group and will not be having much activity in the account. Using the term "volunteer association" instead of "nonprofit" may have more relevance
12	Can we use the word "volunteer" instead of "nonprofit?"	A bank may be familiar with volunteer associations or some other description of a local community group and using their terms may enable them to more accurately assess what type of account you need.
13	Aren't all A.A. groups nonprofit?	For federal status, "nonprofit" is a specific name for a group that has applied for and received tax exempt status. In Oregon statutes, "nonprofit" is often used as a generic name for a community or volunteer committee.
14	The bank says we should get "Tax Exempt 501(c)3 Status." How do we do this?	File an application for tax-exempt status with the IRS using Form 1023.
15	How much does it cost to become tax exempt?	The fee is \$850. If gross receipts are generally under \$10,000, the user fee can be \$400.
16	How do we get a nonprofit ID?	If a group has applied for and received 501(c)3 Status, the group will get a letter stating that fact. No number is issued.
17	What is the difference between nonprofit status and tax-exempt status	A group may apply for nonprofit status in Oregon by filing articles of incorporation with the Secretary of State. After that, a group may apply for federal tax-exempt status from the IRS.
18	Do we need a 501(c)3 status?	501(c)3 status gives donors the ability to claim a tax deduction for all contributions given by check or for which a receipt is given by the group. Cash contributions to a passed basket are not tax deductible.
19	Do we need to file taxes?	Tax status varies from group to group depending on income. 501(c)3 status means that profit is exempt from taxes. If contributions are under \$50,000, application can be made to file an e-postcard annual return.

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20	Do we need a Tax ID number?	Most references to a Tax ID number are really referring to a Federal Employer Identification Number (FEIN). A FEIN is necessary to open a bank account.
21	How do we get a FEIN number?	Apply for an employer FEIN on Form SS-4, available online.
22	Can a District use the Area's Tax ID number?	No. Each group, district, and area is autonomous.
23	Can a group use the District Tax ID number for our bank account?	No. Each group, district, and area is autonomous.
24	Does our group fall under the nonprofit umbrella of A.A.?	No. Each group is autonomous and must obtain its own tax-exempt status if needed.
25	How separate are we from district, area, and GSO?	Each group, district, or area is autonomous.

Also see "Guidelines on Finance" published by A.A. General Service Office