

RSO External Accounts

Student Government Association Funds

Funds provided by SGA cannot be moved to an outside account and they cannot be used to fundraise for the organization. It is always best to have a conversation with your student org members to ensure an outside account is needed.

Self-Generated Funds

Registered student organizations will have two options regarding self-generated funds (such as membership dues and money raised through fundraising initiatives):

- hold an account at a bank or credit union, or
- deposit funds into the SGA MISCA account.
 - Funds added to this account are subject to all rules and restrictions listed in the [SGA Spending Guidelines](#)

External Bank Accounts

Before setting up an outside bank account, you'll want to be aware of a few forms:

- Form SS-4 | Apply for EIN
- Form 8822-b | Change responsible party (Each election cycle)
- Form 990-N (e-Postcard) | Annual filing

If your student organization doesn't already have an EIN, you'll want to apply for one so you can set up the bank account under this number. When applying for an EIN, you must designate a responsible party for the organization. This is where Form 8822-b comes in. This form allows you to change the responsible party for the organization (8822-b would be completed after each election cycle). Keep in mind, once an EIN exists for the organization, you must file annually with the IRS. The e-Postcard should fulfill that requirement.

Applying for an EIN. The application for applying to an EIN can be [found online](#). The process and benefits are outlined on the page. A common question faced in this process is, "what type of organization is my group?" Most organizations on campus will fall into two categories listed under View Additional Types including Nonprofit/Tax-Exempt Organizations" in the application process. The two types are: "Community or Volunteer Group" and "Social or Savings Club." The definitions for these groups are:

- **Community or volunteer groups:** groups that share a common interest and come together to provide volunteer services, such as neighborhood watch groups, preservation societies, etc.
- **Social Club:** a group organized for leisure, recreation, or other similar non-profitable purposes. Some types of social clubs include sailing clubs, hiking clubs, art groups, etc.

Selecting a bank/credit union. Research the best options for your organization, as account options can differ greatly between institutions. Questions to ask include:

- What fees are associated with the account?
- What is the minimum balance required for the account?
- What are the charges for being overdrawn?

- How many individuals may be authorized to sign checks?
- When leadership changes, how do we change the authorized signature on the account?
- What steps can be taken if the previous signer is unavailable?

Tips for students setting up an account. The individuals with signature authority on the account must go to the bank/credit union together to open the account and you should bring driver's licenses and the EIN number.

- Have 3 signature authorities on your account (and ensure there is a signer on the account who is not graduating this academic year).
- It is strongly recommended that you use a bank/credit union at which the signature authorities do not have a personal account.
- Develop organization accounting procedures for record keeping. Require receipts for reimbursements and keep them in an organized filing system.
- Create a transition pathway/exit strategy on where funds should go in the event the account is closed.

Advisors' role with an account. Since advising is a volunteer role, advisors should not be a signature authority to reduce personal liability. Students in leadership positions should be able to handle the account.

Organizations are NOT tax exempt unless they register as a tax-exempt organization.

Organizations cannot use the University's tax-exempt number for purchases. If the organization has a national affiliation, they may be able to utilize the national organizations tax-exempt number and should reach out to their organization for more information.