

### **Establishing an Account**

It is recommended that your student organization have a business checking account. You may establish a business checking account at the UW Credit Union or any bank of your choosing. You will need at least two signature holders and an Employer Identification Number (EIN) in order to set up a new account. The Credit Union may ask you to prove verification of who the officers of the organization are, and you can get this from Student Involvement.

### **EIN Numbers**

In order to request a new Employer Identification Number, go to the U. S. Internal Revenue Service (IRS) website and complete the Online Application for Employer Identification Number ( [http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Apply-for-an-Employer-Identification-Number-\(EIN\)-Online](http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Apply-for-an-Employer-Identification-Number-(EIN)-Online)). The application form (SS-4) can also be downloaded from this website and completed manually. For more information, or to verify your existing EIN Number, please call the IRS at (800) 829-1040. In general, an organization with less than \$25,000.00 in gross income (fundraising, donations, interest from checking account, etc.) and has an IRS issued EIN will need to submit a Form 990-N to the IRS. **Student Organizations should research the specifics of their unique situation to insure that they are addressing appropriate filing obligations with the IRS.**

### **Maintaining Your Student Organization Account**

#### *Deposits*

Record all deposits as they are made. For all deposits one person should prepare the deposit and another should verify the amount. This procedure helps reduce the possibility of mistakes or theft.

#### *Withdrawals*

Record all activities in the checkbook register or savings ledger as they are made. Note the reason of the withdrawal. It is extremely important to keep all receipts from these distributions.

### **Reconciling the Bank Statements**

When you receive a bank statement, go through each withdrawal/deposit and place an asterisk (\*) in front of each entry listed in your register. For business checking accounts, note outstanding checks written. Verify the ending balances. For business checking accounts remember to deduct the outstanding checks.

### **Reconciling Problems**

#### *Business Savings Accounts*

Double check the calculations in the savings account register. For discrepancies, verify the bank statement to the ticket deposit slips. If a problem still exists, compare the ticket deposit slips to the receipts of purchases and cash on hand. When it is determined that the error cannot be found, contact the financial institution. If the error still cannot be determined, reconcile the bank statement by making an adjusting entry in your savings account register.

#### *Business Checking Accounts*

First verify the math in the checking account register. If there is still a discrepancy, double check the outstanding items. For further error detection, verify the amount the checks are written for against the bank statement amounts. When it is determined that the error cannot be found, contact the financial institution. If the error still cannot be determined, reconcile the bank statement by making an adjusting entry in your checking account register.

### **Changing the Authorized Signatures**

Each time there is an officer change, update the bank records for the authorized users. Most banks require the old officers to be present to sign over the account to the new officers. If this is not done before the old authorized users leave, the UW Credit Union will accept a letter from Student Involvement verifying the change of officers (banks and credit unions are not required to accept such letters, so not all will allow this). In addition to having the letter, you must have the organizations EIN number.