

## **Bank Accounts for Non-BNI®-Related Activities**

The BNI Weekly Chapter Meeting Agenda contains all of the elements needed to conduct a BNI Chapter meeting. Additionally, there are other aspects of operating a BNI Chapter (Membership Extravaganza, for example) that are also BNI®-related activities. Meetings of the Membership Committee are BNI®-related activities as well.

Chapters meet at various times of the day, sometimes convenient to the eating of a meal. Chapters may meet in facilities that have a rental fee or other charge. From time to time, Chapters may wish to buy flowers for a sick or grieving Member or make a contribution to a local or other charity in the name of the Chapter. These, however, are not BNI®-related activities; they are not required for the conduct of BNI Meetings or ongoing Chapter activities, are not coordinated by a Director/Director Consultant and are solely at the discretion of the individual Members.

Some Chapters have decided that, for the convenience of the Members, it is useful to have a non- BNI®-related activities bank account to handle these non- BNI®-related activities. This may be used to aggregate payments for meals, make gifts to Members and others, have holiday parties for the Chapter, etc. Since these are not official or required BNI®-related activities, this is at the sole discretion of the Members of the Chapter, and they take sole responsibility for the operation of the bank account.

If you choose to have an account for such purposes, we highly recommend never accumulating more than your current needs or at most two months' worth of aggregation of expenses to be paid for non- BNI®-related activities.

Over the years, BNI Global LLC has been asked to provide information on best practices for opening and operating such accounts. While we provide such information, please bear in mind that having a bank account for non- BNI®-related activities of the Chapter is completely voluntary. It does not mean that you have formed a separate business entity. Again, we emphasize that you should only collect enough money to meet the cash outlay needs of your non- BNI®-related activities for a maximum of a month or two in advance.

### **Opening Non-BNI®-Related Activities Bank Accounts (USA)**

Note: Neither BNI Global LLC nor the BNI Franchisee will be liable for non-BNI®-related activity bank accounts. Individual Chapter checking accounts are not required. All BNI® participation fees are to be sent to the BNI Regional Office to process. BNI® does not authorize Chapters to process participation fees through these or any other accounts.

To the extent a Chapter wishes to have a non-BNI®-related activity bank account, the following example is a sample of how this may be accomplished. Accounts should be opened by a minimum of two Members who will be signatories on the account. These Members do not necessarily have to be Leadership Team Members. Remember, Secretary/Treasurers do not deposit membership and application payments; these are sent to the BNI Regional Office for further processing.

There should be two signatures required on checks for added protection. Whenever one of the signatories is no longer responsible for the account, a replacement should be selected by the Members.

The first step to opening the account is to obtain a federal Employer Identification Number (EIN) for banking purposes only. This may be done online, there is no charge for the EIN application, and you will receive your number immediately. Remember, you will fill out the form "for banking

purposes only.” The IRS makes this option available because banks usually require an EIN for opening a bank account, even if it is a casual group of people not forming a new business entity but rather opening a bank account for their convenience. Other examples include a bridge club or a church league ball team.

**Please note that the [irs.gov](http://www.irs.gov) website changes regularly! This information is valid as of IRS revisions effective March 2014. Always check the website for the most current form.**

### **How to Apply:**

Online (recommended method): <http://www.irs.gov>

Type “Apply for EIN Online” in the search box. Select the “Search” button next to the box.

The top recommendation from the search should be “How to Apply for an EIN.” Select this link. On the resulting page, click the link “Internet EIN” in the paragraph entitled “Apply Online,”

At the bottom of the page that follows, click the link “APPLY ONLINE NOW.” On the resulting page toward the bottom, click on “Begin Application.”

On the first part of the online application, you are asked to identify the type of legal structure applying for the EIN. Choose “View Additional Types” toward the bottom of the page. Select “Continue.”

On the “Additional Types” page, choose “Community or Volunteer Group.” Select “Continue.” On the next page, you will see a description of such a group—and that they generally need a bank account only for banking purposes. Choose “Continue”.

On the next page, you will be asked for your name and Social Security number. As noted on the top of the page, this is for identification purposes only. It is also so that the IRS can make sure that you only make one EIN application per day and that you are authorized to apply for this EIN. It will have no effect otherwise. Often, this page is filled out by lawyers and accountants authorized to apply for EINs on behalf of their clients. Be sure to check the button for “I am a responsible and duly authorized officer or Member of this organization. Choose “Continue.”

Continue through the rest of the application process. During the process, you will be asked “What does your business or organization do?” Select “Other,” then “Continue.” On the resulting page, select “Other—Please specify your primary business activity” and fill in the form with an appropriate description, such as “Networking meetings” or “Breakfast meetings” or similar. Select “Continue.”

You will be prompted to receive your letter online or by mail; make your choice and select “Continue.”

Telephone: Call 1-267-941-1099 to apply over the phone between 6:00 am to 11:00 pm EST

The person making the call must be authorized to sign the form or be an authorized designee. We recommend that you download a copy and complete Form SS-4 before the call, as these are the questions the IRS representative will use during the conversation. The IRS representative will also ask you to fax the completed and signed form. Please be advised the IRS representative will only speak with the designee who signed the form. Always check the website for the most current form.

### **Form SS-4: Application for Employer Identification Number**

Note: Do not use any punctuation or characters other than alphanumeric. You will complete only lines 1, 4a-4b, 8a, 9a, 10 and 18.

Line 1—Name: Enter the Chapter Name

Lines 4a-4b—Mailing Address and County: Enter the address where statements will be mailed

Line 8a—Enter “no”

Line 9a—Type of Entity: Check “other” and enter “Breakfast club” (or other as appropriate)

Line 10—Reason for applying:

Check “Banking purpose (specify purpose)”

Enter specific purpose: “Aggregate meal and other expenses”

Line 18—Prior Application: Check the “No” box

Third Party Designee: Enter the name of the primary signatory on the account and his/her phone number at the bottom. A signature will be needed only if you are faxing or mailing this form in. Remember, if obtaining the EIN by phone, this form will need to be ready for faxing.

Remember, this process does not result in creating a new “entity.” The Chapter itself belongs to either BNI Global LLC or to the BNI Franchisee. All non-BNI®-related activities that are run through the Chapter bank account are voluntary, not required by BNI®, and are solely for the convenience of the Members in paying restaurant, facilities and other incidental expenses for non-BNI®-related activities of the Members of the Chapter.

### **Open a Non-Interest Bearing Checking Account**

1. If you choose to open a Chapter checking account, it must be a non-interest bearing bank account. (Interest bearing accounts would require tax filings by the Chapter.) Banking fees, if applicable, are paid by the Chapter.
1. The name of your organization is the Chapter name (not Business Network Int'l or BNI); for example, The Emerald Valley Professionals Chapter or The Progressive Connections Chapter. In this case, BNI® should NOT be part of the checking account name. This prevents confusion at the bank in the event that the same bank holds several different Chapters' bank accounts.
2. Two signatures to sign checks are strongly recommended, typically the President and Secretary/Treasurer. When the Leadership Team changes the signatures change on the account.
3. Contact your banker to inquire about the bank's process of changing signatories.
4. They may simply allow the account to be transferred between people, or
5. They may prefer that the current account be closed, and a new account opened with the new signatories.
6. Some banks also require your Chapter to file for a business license with the State. You can do this online. Any fees are at the Chapter's expense.
7. It is recommended that bank statements are reconciled and audited before transferring to a new incoming Secretary/Treasurer.
8. It is recommended that the bank balances be kept at a minimum.
9. Chapter's should purchase carbon copy receipt books and provide a receipt for each and every payment accepted.