



ILLINOIS GREEN PARTY

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ILGP FACT SHEET #5

How to Open a Bank Account for a Party Organization or Campaign Committee

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For your local party organization or campaign committee to be able to open a bank account, you will first need to secure an FEIN (Federal Employer Identification Number) from the IRS. This does not mean you are subject to taxation. Rather, the FEIN is the organization or business equivalent of a Social Security Number, and a financial institution needs such a number to be able to give you an account.

To secure an FEIN, also known as an EIN, go to this IRS web page:
<http://www.irs.gov/businesses/small/article/0,,id=98350,00.html>

Once you have your FEIN, you are ready to open an account. When searching for a financial institution, it is good to look for places that have no monthly charges, since you will likely maintain very low balances; and it is also good to bank at a place where you have a long-standing relationship, as they may waive usual minimum balances, etc. Smaller local banks and credit unions are often good bets.

When opening an account, the bank often needs the following in addition to the FEIN:

- Proof of non-profit status. For local party organizations, this might be a copy of the organization's bylaws. For candidate committees, you may have to ask the bank what they are requesting. Local organizations and candidate committees do not qualify for tax-exempt status, but even so, are formally non-profit entities.
- Proof of personal identification for signature verification. If two persons are needed to sign on the account, both will have to be present at time of opening or bring signature verification in person.

If in doubt, check with the bank that is going to be used ahead of time and they will let you know what their requirements are for a non-profit account.

Local organizations will want to have accounts so they can participate in sharing of funds from the state party, maintain a secure treasury, and have the ability to write checks when needed. Campaign committees will want accounts because it is a major error to co-mingle a candidate's personal finances with his/her campaign finances. Not only is it for the candidate's protection, for campaigns raising and spending sufficient funds, it may be legally required.

Information on ILGP local sharing is available in ILGP Fact Sheet #8.