

Student Organization Finances & Fundraising

EMPLOYER IDENTIFICATION NUMBER

What is an EIN?

An Employer Identification Number (EIN) is a nine-digit number that IRS assigns in the following format: 00-0000000. The IRS uses the number to identify taxpayers who are required to file various business tax returns. Employers, sole proprietors, corporations, partnerships, nonprofit associations, trusts, estates of decedents, government agencies, certain individuals, and other business entities, use EINs.

Note: Student organizations are NOT considered nonprofit associations.

Why does the student organization need one?

Every student organization must have an EIN in order to attain an on-campus cost center account or off-campus bank account. Only organizations who have on-campus cost center accounts may request funds from LeaderFund.

How to apply for an EIN?

- **On-line:** Go to the website (irs.gov) do a search for "apply EIN online". Follow the directions outlined on the website to apply on-line for an EIN.
- **Telephone (option available to international applicants only):** Go to the website (irs.gov) do a search for "Form SS-4". Print and complete the form (Form SS-4), then call (267) 941 – 1099 (not a toll-free number). They will walk through the remaining steps in the process.
- **Mail:** Go to the website (irs.gov) do a search for "Form SS-4". Print and complete the form (Form SS-4), then mail to EIN Operation, Cincinnati, OH 45999. The IRS will send your EIN via mail within four weeks.
- **Fax:** Go to the website (irs.gov) do a search for "Form SS-4". Print and complete the form (Form SS-4), then fax it to the EIN Operation (Fax Number: (855) 641-6935. IRS will respond with EIN within five days.

How to Complete Form SS-4, Application for EIN

The following is what a normal student organization would need to complete on the form. The other sections are not needed to complete.

Line 1	Enter the name of the organization
Line 2	Enter the name of the organization only if different from line 1.
Line 3	N/A, if for banking purposes only
Line 4a/b	Enter your mailing address (normally it is One UTSA Circle, San Antonio TX 78249)
Line 5a/b	Enter only if different than mailing address
Line 6	Bexar County, Texas
Line 7a/b	Most student organizations mark N/A
Line 8a	Most student organizations mark No
Line 9a	Other nonprofit organization, specify "Student Organization"
Line 9b	N/A
Line 10	Check one box. Most student organizations mark "banking purpose" and specify "Open Account"
Line 11-17	N/A
Line 18	Check "Yes" if you previously applied for an EIN. Otherwise, check "No".

For questions regarding how to register for EIN number or any tax related questions, please contact the IRS at the available contact information located on the irs.gov website.

NON-PROFIT STUDENT ORGANIZATIONS (501(C) (7))

Note: Student organizations are not automatically assigned the non-profit status through the internal revenue service. In order to become a non-profit organization, the organization must file to become a 501(c) (7).

To be exempt, a social club must meet the following requirements:

- The club must be organized for exempt purposes.
- Substantially all of its activities must further exempt purposes
 - If the club exceeds safe harbor guidelines for nonmember and investment income, the facts and circumstances must show that it is organized substantially for exempt purposes.
 - The club has *de minimis* income from nontraditional sources (*i.e.*, from investments or from activities that, if conducted with members, would further the club's tax-exempt purposes).
 - For a discussion of the effect of nonmember and "nontraditional" income on the tax-exempt status of social clubs under section 501(c)(7), see Nonmember Income.
- The club must provide an opportunity for personal contact among members, and membership must be limited.
- The club must be supported by membership fees, dues, and assessments.
- The organization's net earnings may not inure to the benefit of any person having a personal and private interest in its activities.
- The club's governing instrument may not contain a provision that provides for discrimination against any person on the basis of race, color, or religion.
- The club may not hold itself out as providing goods and services to the general public.

Social Clubs: Required Filings

Although they are exempt from income taxation, social clubs are generally required to file annual returns of their income and expenses with the Internal Revenue Service. If a club has unrelated business income, it must file an unrelated business income tax return. In addition to filing an annual exempt organization return, social clubs may be required to file other returns and pay employment taxes. Some clubs may be required to file certain returns electronically.

More information can be found at <http://www.irs.gov/Charities-&-Non-Profits/Other-Non-Profits/Social-Clubs>

COST CENTERS

A student organization has the option of opening an on-campus Cost Center with the University. UTSA services available to student organizations that require an On-Campus Cost Center include:

- Room fees – including set up and house cleaning
- Police services
- Mail services
- LeaderFund
- Best Fest
- Fiesta UTSA

Note: The Office of Student Activities highly recommends that student organizations who wish to hold events on campus and use on-campus facilities get a cost center.

TO OPEN A COST CENTER

(1) Obtain an EIN

(2) Once the organization has obtained the EIN for your organization, please log into www.utsa.edu/rowdyink to submit a request to create a cost center. The Cost Center request form can be found at: <https://rowdylink.utsa.edu/submitter/form/start/8559>

Under forms – click on **Cost Center - New Set-up - Request Form**.

Once you have completed the form, press submit. Once the form is submitted it will be directed to a Student Activities staff member and you will get a message in RowdyLink when your cost center is set up and ready to use. Your cost center information will also be updated on your organization's RowdyLink profile for your quick reference and convenience.

Note: Please note that the new cost center can take up to 2 weeks to receive.

A cost center account will have two letters followed four numbers, the Office of Student Activities assigns in the following format: AG####.

Using A Student Organization Cost Center

Account Transactions

To deposit or withdrawal money, you must complete the appropriate form at RowdyLink, under Organizations, Student Activities', then Forms. Once Student Activities completes the paper form with all signatures, the organization will be notified; in most cases within 24-48 hours. The student organization would then take the form and their deposit to Fiscal Services (JPL 1.03.06, MS 1.02.32 or FS 1.508).

Should your organization become negative in your cost center any deposits made into that cost center will revert to cover any balance owed.

Note: Only the authorized representatives on file with Student Activities will be allowed to authorize any withdrawals from an on-campus account. Anytime there is a request for over \$99 in the form of a Petty Cash, our office will confirm the transaction with three other authorized representatives. Anytime there is a request for over \$999 in the form of a Petty Cash, our office will confirm the transaction with three other authorized representatives and the organizations advisor.

Cost Center Balance Inquiry

The student organization may request the current balance in cost center account via RowdyLink. The balance is as of the date and time submitted. It may not include any outstanding deposits or withdrawals.

Note: From September 1st – October 31st all Cost Center Balance Inquiries will be frozen due to end of year fiscal deadlines and reports may not reflect updated transactions.

Cost Center Transaction Report

The student organization may request a Cost Center Transaction Report through RowdyLink (<https://utsa.campuslabs.com/engage/submitter/form/start/151764>). Transaction reports will share an organizations deposits and withdraws.

Responsibilities

The student organization is responsible for maintaining financial records for the account. Funds must be in the account before charges can be made. If charges are made to the account without the appropriate funds being available, the student organization's privileges may be revoked until funds have been deposited.

Note: If the student organization is inactive for three consecutive semesters, the funds in the account will be disbursed to the organizations choice, noted in the constitution.

Note: Any deposits made into a Cost Center will first go towards any outstanding balances.

BANKING INSTITUTIONS

A student organization may choose to open a checking or savings account at a local bank or credit union. A bank account gives the student organization the option to write checks and have instant access to account funds. Most financial institutions will require the organization to have an EIN.

Caution should be taken if a checking account is used. Systems should be put in place by the student organization to ensure that no member has the ability to withdraw funds from the account without approval from the student organization and/or the Advisor. Some suggestions are: have dual signers on all checks, not having a debit/credit card and not utilizing on-line banking.

The student organization should also determine from the outset what would happen with the funds if the organization becomes defunct.

LEADERFUND

Leaderfund is a reimbursement program. It is designed to provide financial support for Registered Student Organizations (RSOs) that host events or participate in activities that provide leadership or learning opportunities for students or contribute to an increased sense of campus community. Reimbursement is allocated at the discretion of the Student Government Association finance committee.

The Student Government Association (SGA) operates LeaderFund. For information on how to request funds, deadlines, and hearing dates, contact the Student Government Association at 210.458.4597, visit their page in RowdyLink or stop by their office in the University Center (HSU 1.214).