

Tax ID Numbers (TIN) & Non-Profit Status

Student Activities will not help with these processes and will have no access to the information. RSO student leaders must pass the information on during officer transition.

Tax ID Numbers

Typically, an RSO wants a tax identification number (TIN) because the group is looking to open a bank account or being asked for the information by some business they are partnering with for fundraising purposes. A couple things an organization should consider before making a decision on getting a TIN.

Applying for TIN or EIN

Any group, regardless of how structured they are, can apply for a TIN. This is what may be required in order to set up a bank account in the RSO's name. **If an RSO gets one, it is important to keep this information with an advisor or someone who will be around long-term.**

- Having more than one Taxpayer ID/EIN can be problematic, especially if the group is doing things like opening bank accounts through Wells Fargo, Affinity Plus, or other banks.
- Keep in mind that the individual applying for an EIN in the group's name is required to provide their own Social Security Number during the application process, which can impact your financial health if the RSO has mismanaged finances connected to the Taxpayer ID.
- Several organizations on campus have acquired EINs, but very few become 501c3 or Nonprofit status.
- If your RSO decides to proceed with applying for a tax id, here is where you can learn more about the process:
 - [Taxpayer Identification Numbers \(TIN\)](#) on IRS site
 - [Federal Employer Identification Number \(EIN\)](#) on IRS site

Applying for 501(c)3 Status

501(c)3 is the status granted to non-profit, tax-exempt organizations. Getting recognized as a tax-exempt non-profit has annual IRS reporting and filing requirements.

The Student Activities staff do not recommend that RSOs do it because the transition from one officer group to another often fails to include instruction on the importance of keeping up with IRS filing requirements. This results in the loss of 501 status. Also, the documentation required to prove 501(c)3 status is significant. It can involve the need for attorney or accountant assistance, in some cases.

Some groups may provide an EIN to organizations they are doing fundraisers with, but most RSOs don't have 501(c)3 status. **An RSO that has not gone through the process of applying for and being granted 501(c)3 status cannot legally claim to be one, and an EIN is not all that is needed to do so.** Where this could get troublesome is if an RSO states that they are granted tax-exempt non-profit status without really having it. Any company that donates to a group without 501(c)3 status should not be able to deduct that as a charitable contribution for tax purposes. They may be able to find some way to write it off as a business expense, but that would need to be determined by the business. This is precisely why a business will want to know whether or not you are, in fact, a 501(c)3.

Our Recommendation

- If your RSO is affiliated with a national organization, which may already have non-profit status, check with them to see if they allow affiliated groups to fundraise using the already established status and EIN.
- If not, we recommend explaining to the group you're wanting to do fundraising with that you're a student-run organization on campus and that, like most others, you don't have the paperwork filed for 501(c)3 status.
 - Ask how they may have worked with RSOs in the past and see if there is any way to work out a process.
 - If verification or recommendation is needed, Student Activities can provide a letter verifying the RSO is recognized by the campus.
- You might also make contact with someone in the MNSU Foundation or your college's development officer to see if there's an account at the Foundation that your RSO could have funds filtered through. Then, the Foundation's EIN can be used.