



Getting an EIN from the IRS

By Carol L. Topp, CPA

A Checking Account

Many homeschool organizations find they need to open a checking account for their group expenses. Sometimes a leader opens a checking account and uses her Social Security Number (SSN). I do not recommend this. If a personal checking account is used for handling the homeschool organization's business, the cash in it could be seen as the leader's *personal* income in the eyes of the IRS. I'm sure she doesn't want that!

Instead your organization should get an Employer Identification Number (EIN) from the IRS and open a nonprofit checking account. This number is similar to a Social Security Number for a business or organization. It's actually misnamed. You don't need to be an employer to obtain an EIN. They are offered for free by the IRS.

Go to www.irs.gov/taxtopics/tc755.html for more information on the EIN.

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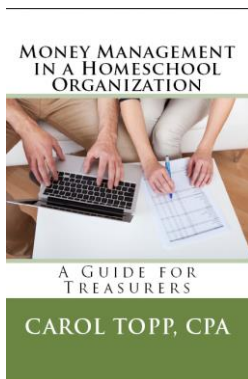
The IRS uses [Form SS-4](#). I highly recommend you look it over carefully. Keep a copy for yourself.

To get your EIN quickly, apply on line by going to www.irs.gov and search for "EIN".

EIN Tips:

- If your group became a nonprofit corporation in your state, then you need a new EIN from the IRS in the name of the new corporation. A corporation is a new legal entity and you need a new EIN to match it. Use the same name as you used when incorporating. Look on the certificate you received from your state for your official legal name.
- Under "Reason for applying", check the box "Banking purpose" or "Changed type" if you recently incorporated.

- Under “Type of Entity”, check “Other Nonprofit Organization and put “Educational Organization” in the blank.
- Pick a fiscal year end. The IRS uses a default of a calendar year (ending December 31). Most homeschool organizations run on a school year and like to use a fiscal year ending on June 30 or July 31. If you want a fiscal year end that’s other than December 31, be sure to enter the month your fiscal year ends, such as of June (06) or July (07).
- Choose your name very carefully! This may be the first time you pick an official name. Pick something unique. You can do a name search on the internet and your state’s Secretary of State’s website to see if the name is already being used.



If you have questions about applying for an EIN or the Form SS-4, read the chapter on “Checking Accounts Done Right” in my book [Money Management in a Homeschool Organization](#)

If you have questions about setting up or running your homeschool organization, visit HomeschoolCPA.com or consider a [private phone consultation](#) with me.

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