

Political Organizations: Opening A Bank Account and Other Reporting Obligations

Political organizations include political party committees, federal state and local candidate committees and other political committees such as political action committees (PACs). Political organizations are organized and operated primarily to accept contributions and make expenditures to influence the “selection, nomination, election, or appointment of any individual to Federal, State, or local public office or office in a political organization, or the election of Presidential electors.” Political organizations need not be incorporated and, in fact, most are not.

In order to open a bank account, a political organization must have its own employer identification number (EIN), even if it does not have any employees.

How to Obtain an EIN

1. Go to the IRS Web Site and file to obtain an EIN online:

<https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>

2. When it asks you for the type of organization select View Additional Types and then select Political Organization
3. When it asks why you want an EIN select To Open a Bank Account
4. Provide your contact information and then the information about the Caucus Chapter
5. When you are finished with the process you will immediately get your EIN Number and paperwork proving that you have filed with the IRS.

Opening the Bank Account

Many banks are confused by the status of a political organization. When you go to the bank to open an account, make sure that all officers who will have signing authority on the account are there, at a minimum the Chairman and the Treasurer. Bring the following:

1. EIN (also known SS-4).
2. Copy of Bylaws of the organization.
3. Copy of Minutes Electing Officers and Approving Bylaws
4. Drivers Licenses and Social Security Numbers for all signatories on the account.
5. A Deposit.
6. A copy of your FDP Charter Certificate or other proof of approval from FDP.

In Bank Realities

When the bank officer asks what type of organization you are, tell them that you are a IRC 527 Exempt Political Organization.¹ Don't get discouraged if the bank officer does not understand. They may ask whether the organization is listed on SunBiz. It will not be, There is no requirement that, as an “unincorporated association,” that the organization be listed on SunBiz. If you continue to have problems

¹ See <https://www.irs.gov/charities-non-profits/political-organizations>

with bank officer, ask them to speak to their superiors or head office support folks. If they clearly don't get it, try another bank.

Other Reporting Obligations of Political Organizations

A political organization that has taxable income in excess of the \$100 specific deduction allowed under Section 527 is required to file an annual income tax return on Form 1120-POL. Depending on the amount of gross receipts, a political organization may need to file an annual information return (Form 990). See <https://www.irs.gov/charities-non-profits/political-organizations>