

OCDS Community Bank Accounts

Communities must have a bank account in the name of the Community. Community funds are never to be put into anyone's personal account or mixed with personal funds. Community funds are not to be held by any other organization or individual.

A minimum of two members must be authorized to write checks on the account. These are usually the president and the treasurer. The signers are to be changed as members change responsibilities in the Community.

A husband and wife are prohibited to be signers simultaneously on the community bank account. As a further safeguard, it is also prohibited for anyone living in the same household to be signers simultaneously on the bank account.

The term "bank," as used in this policy and procedure, refers to banks, savings & loan associations, and credit unions.

Recommended procedure for setting up a Community bank account (not policy)

The Community will need an employee identification number (EIN)

Before starting, you will need the social security number of a responsible community member. (The IRS now requires this to prevent money laundering for terrorist groups. Don't worry; it will not be linked to the bank account.) You must agree on what to call your Community for banking purposes. *[See endnote.]*

- When you are ready, go to the IRS website. The most recently retrieved link is
 - <https://sa.www4.irs.gov/modiein/individual/index.jsp>
- Follow the online instructions.
 - When answering the first question, "What type of legal structure is applying for an EIN?" select "view additional types."
 - Select "community or volunteer group."
 - When filling out the information about the "responsible party," choose "I am a responsible and duly authorized officer or member of this organization."
 - When filling out the Community's name, use the name you agreed to use on the bank account.
 - When you get to the "Tell us more about the Community or Volunteer Group" section, answer "no" to all the questions.
 - On the next page, for the question "What does your business or organization do?" select "other." On the next page, select "other" again and type in "prayer and study" or just "study."

- Select the option "receive letter online." Print out several copies. Also save the document as a pdf file to your computer so it can be sent as an attachment to later Presidents and Treasurers.

The Community will need to find a bank with free checking

Most local banks have free checking for small businesses or community organizations. The easiest thing is to look at the bank's website. Most have a minimum starting deposit, often \$100. The Community will likely have to pay for printed checks.

Check with the bank about what kind of documentation they require. Usually, it is a letter stating what the group is and who the officers are and a copy of the EIN certificate.

- **DO NOT** confuse the issue by telling them you are part of the Carmelite Order or part of the Catholic Church. They will want proof – letters from the Order or the parish. For banking and other financial purposes, you are best described as an "independent Christian prayer and study group," because your funds are not mingled with those of the broader Carmelite Order or other Church organizations.
- **DO NOT** tell them you are a non-profit. That implies tax-exempt status (which must be separately obtained from the IRS), which opens a whole other set of demands.
- The EIN will be used to open the account. The social security number of the "responsible party" will in no way be linked to the account.
- The president and treasurer go to the bank together to fill out the paperwork, so that either one can write a check. Some communities have the formation director able to sign checks too, as back up for the president.
- When a new president or treasurer takes office, the previous president or treasurer will need to go to the bank with them to have them added to the account. The former officers are taken off the account.

Endnote: community name for banking purposes

It is essential to include "Carmelite" or "OCDS" as part of the name on the banking documents. Members will often make checks payable to "Carmelites" or "OCDS," and the bank will not reject the check if "Carmelite" or "OCDS" is part of the official name.

The name for the bank account may be some variation of the actual name of the Community:

"Our Lady of Grace Carmelites," "Our Lady of Grace OCDS," "Our Lady of Grace Carmelite Community," or "OLG Carmelites"

Or the city and some variation of either term:

"Peoria Carmelites", "Peoria OCDS", "Peoria Carmelite Seculars" or "Peoria Carmelite Community"

This statement supersedes all previous statements on OCDS Bank Accounts.

The online document is the only one to be considered official.

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