

GSRs and ALT-GSRs vote on the Area 57 budget at the meeting of the Area Assembly each September. The documents below describe:

- 1) [The Area 57 Budget Process](#)
- 2) [The voting process for our budget](#)
- 3) [FY 2017 Budget Worksheet](#)

Several groups and members have asked questions regarding what federal forms and / or identification numbers were needed at the group level. The basic question is how to handle the money at the group level.

### **Handling Group Contributions:**

AAWS has issued two pamphlets, "[The AA Treasurer](#)" and "[Self-Support: Where Spirituality and Money Mix](#)". They have also issued '[AA Guidelines on Finance](#)'.

### **Do we need to be a 501 ( c ) 3 non-profit to open a bank account?**

The short answer is NO! The Oklahoma AA State Committee is classified as a 501(c)3 organization. Because of this, we are required to file an annual return called a Form 990.

### **Opening a Bank Account for a Group:**

Due to the Patriot Act, anyone wishing to open a bank account must use a federal ID number or social security number. Using someone's personal SSN has several dangers. The main one is that the account is inaccessible to anyone else in case of death or incapacitation. Also, the funds are vulnerable to that individual's personal situation in case of judgments, levies, bankruptcies, garnishments, etc.

### **Obtaining a Federal ID Number for your group to open a Bank Account:**

To obtain a federal identification number for your group, you will need to complete an SS-4 form. This form and instructions can be found on the IRS website: [www.irs.treas.gov](http://www.irs.treas.gov). There are specific instructions for those needing a number for banking purposes only. For small groups, this is all that is necessary. There are no other forms or annual filings to worry about. You can [follow this link for a fillable PDF](#) that has the required fields highlighted.

### **Is My group a tax-exempt charitable organization?**

The confusion has been whether or not a group needs to be classified as a tax-exempt charitable organization. This is a much more complicated process. The form 1023

Application for Tax-Exempt Status is 28 pages long and requires back up documentation such as articles of incorporation, names and addresses of officers, etc. Our little groups of AA don't really qualify. I talked to two different IRS customer service agents about us. The local guy referred me to an 800 number. That agent was concerned about all income being reported by someone. I explained that a typical group will generally split the money, and one half will be given to a clubhouse (for rent) and the other half will be given to AA (national or state). Each of these entities do report the income on their annual returns.

**Since my group is 'Non-Profit' aren't we exempt from sales tax? Can we use the State AA Office's tax exempt status number or Intergroup/Central Office's when we purchase things for the group?**

None of our offices is sales tax exempt. Not OKC Intergroup, Not Tulsa's Central Service and not our AA State Committee Office. This is a misunderstanding most people have – assuming that if you are “non-profit” you are also tax exempt.

***If your group receives more than \$5,000 annually, I would strongly encourage you to keep good records just in case, the Dept of Homeland Security comes knocking. Apparently, terrorists have used fake non-profits to sneak money into the U.S.***

***Disclaimer: This is my personal interpretation of the regulations at this time and in no way is intended to represent any legal or financial entity. If you have concerns or additional questions, please discuss them with the appropriate Tax Accounting and Govt professionals.***