

# OFS BANKING AND INSURANCE ISSUES

## TIPS FROM THE NATIONAL TREASURER

by Claudia Kauzlarich, OFS

*In this article, National Treasurer Claudia Kauzlarich addresses some of the frequently asked questions concerning insurance, Employer Identification Numbers, and other banking issues.*

### **How do I provide proof of liability insurance?**

The National Fraternity maintains a general liability insurance policy with Christian Brothers that covers all fraternities – local, regional, and national. Many retreat centers, parishes, and dioceses require proof of such insurance before allowing our members to use their facilities. Some may require proof of insurance, while other facilities require that they be named as an additional insured. In this case, some parishes and dioceses are very specific about how the additional insured clause must be worded.

To make the request for an insurance certificate, you need to fill out the form “Request for Insurance Certificate,” which can be found on the National website [www.secularfranciscansusa.org](http://www.secularfranciscansusa.org). (From the main menu select Resources, then select Guidelines Forms and Other Resources, and then choose Treasurer Forms and Guidelines.)

Please complete the form and email it to the National Treasurer ([claudiakauz.sfo@gmail.com](mailto:claudiakauz.sfo@gmail.com)), who will submit the request to Christian Brothers. The certificate of insurance will then be sent directly to the parish, diocese, or retreat center. A copy is sent to the National Treasurer, who will forward a copy to the contact person for the fraternity making the request.

When a venue requires that they be named as an additional insured, Christian Brothers requests a copy of your proposed agreement or contract with the venue. (It is preferable, although not required, that you acquire the certificate of insurance prior to signing or entering into an agreement with a venue.) You will need to provide a copy of that agreement to the National Treasurer (you may attach it to an email), or, if you do not have a written agreement, you can provide a copy of the correspondence from the venue in which they requested the additional insured clause. The

National Treasurer will follow through with Christian Brothers to obtain what is needed.

If you have difficulty completing the form, you may provide all the information requested in the form and send it by email to [claudiakauz.sfo@gmail.com](mailto:claudiakauz.sfo@gmail.com). Any other questions concerning insurance can also be sent to this email address.

### **Federal Identification Numbers (EIN):**

I have received many requests for assistance with EIN numbers. First, I will give some information about EIN numbers. In the next section, I will explain how to obtain one.

For new accounts, banks require a copy of the federal letter from the IRS assigning the Employer Federal Identification Number (EIN). You may also need to provide this letter when changing signers on bank accounts if the name on the account doesn't match the EIN number on file.

In the past, groups of fraternities would share an EIN number, but this should no longer happen. Each local fraternity and each regional fraternity *must* have its own Federal Identification Number. We currently have local fraternities and some regions that do not have an EIN number, or they had a number, but they no longer have the IRS letter which assigned the EIN. It is important to get this resolved.

NOTE: The letter from the IRS assigning the EIN number is a valuable piece of paper and should be kept in the permanent files of the fraternity along with a copy of your application (SS-4.) Until now, most Regions have not had a policy of maintaining copies of the IRS letter of local fraternities. However, after hearing of numerous incidents when these letters have been lost, I believe it would be a good policy for each Region to keep a copy of the IRS letter for each of their local fraternities in the permanent files.

## How to apply for an EIN?

The Federal form SS-4 Application for Federal Employer Identification number (EIN) and instructions on applying for the EIN number have been on the National website for some time, along with a Q & A sheet. You can also go directly to [irs.gov](https://www.irs.gov) to find the form and apply online. It is a FREE service. There is never a cost for receiving an EIN number, so beware of websites that want to assist you and then charge for the assistance. Applying for an EIN is an easy process.

On the SS-4 form, questions 7a and 7b ask for the name of the responsible person and their social security number. Some have expressed concern about providing this information, however, General Constitution Article 51(2)(c) states a duty of the minister is to represent the fraternity in all its relations with ecclesiastical and civil authorities. This information gives the IRS a contact should it be needed for any reason. This information can be updated with the IRS in the event the person is no longer a member of the fraternity. However, I would not suggest updating this information with each election as long as the listed member can be counted on to pass on any correspondence to the fraternity minister in a timely manner.

## Opening a New Bank Account or Updating Signatories on Accounts

When someone wants to open a new bank account, I advise them to call the branch where they plan to open the account and find out exactly what is necessary from that banking location. Some banks and/or locations are much easier to work with than others. I have found Catholic credit unions to be most accommodating.

As you gather the necessary paperwork, please contact the National Treasurer to request a letter explaining how the OFS is formed as a legal entity. The National Treasurer will send you a customized letter, signed by the National Treasurer. This letter will eliminate much confusion. (Note: this letter explains that local and regional fraternities are not legal entities, but

rather fall under the National Fraternity, which is the legal entity. The letter also references the Official Catholic Directory, which shows our tax-exempt status through the United States Conference of Catholic Bishops (USCCB).

When you open a new bank account or update signatories, most banks require at least the following:

1. Letter from IRS assigning the EIN number that matches the name on the bank account.
2. Copy of the certification of the last election of officers.
3. Minutes from the particular Council meeting, signed by the Council Secretary, giving authority to open an account at the specific bank, and listing the authorized signers on the account. In lieu of minutes, a letter from the Secretary, printed on the fraternity letterhead and ideally signed by both the Secretary and the Minister, which gives the authorization for the account and lists the authorized signers may also work.
4. Letter from the OFS National Treasurer stating the fraternity is part of the National Fraternity, which is tax-exempt under the USCCB.
5. The presence of all individuals that will be signing on the account. (Note: physical presence of ALL signers is usually required any time an account is opened or for a change of signatories.) Each of these individuals should be prepared to show their driver's license. If a member does not have a driver's license, then check with the bank about what other form of identification they will accept.

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I'm happy to help you with any other questions you may have, so feel free to contact me at [claudiakauz.sfo@gmail.com](mailto:claudiakauz.sfo@gmail.com)