

IRS Requirement for Churches

In order to obtain a EIN (Federal Employer Identification Number), organizations must apply by submitting IRS Form SS-4. Line 7 of the SS-4 asks for the name and SSN (social security number), ITIN (individual taxpayer identification number), or EIN (employer identification number) of the organization's Responsible Party, that is, the individual who has direct or indirect authority over the organization and its assets. Basically, the IRS wants the name and Social Security Number of a specific person it can contact if something is amiss concerning the organization. Many organizations submitted their Forms SS-4 long ago and the names on those forms may no longer be Responsible Parties or in some cases no longer work for the organization.

Last year, the Treasury Department issued Treasury Decision 9617, requiring each organization with an EIN to update the name of its Responsible Party by filing IRS Form 8822-B. Effective January 1, 2014 organizations have sixty (60) days to comply with the new requirement to update Responsible Parties. Going forward, whenever there is a change of Responsible Party, organizations must update that information using form 8822-B within sixty (60) days of the change. This form is very straightforward. Churches should be sure to check the "tax exempt organization" box at the top of the form, and if they are only reporting a change in Responsible Party, they should also check Box 1 ("Employment, excise, income, and other business returns").

Form 8822-B requires the "Old name of responsible party" as well as the SSN. If your organization cannot find Form SS-4 or if it was submitted without that information, it's better to leave that box blank rather than not completing the form at all.

Every organization with an EIN must comply with the new requirement to update the name of its Responsible Party, but there are not direct penalties for not complying. We quote from the instructions on Form 8822-B:

"If you are an entity with an EIN and your responsible party has changed, use of this form is mandatory. Otherwise, use of this form is voluntary. You will not be subject to penalties for failure to file this form. However, if you fail to provide the IRS with your current mailing address or the identity of your responsible party, you may not receive a notice of deficiency or a notice of demand for tax. Despite the failure to receive such notices, penalties and interest will continue to accrue on any tax deficiencies."

While an argument could be made that the bishop (at the synod level) and the pastor (at the congregation level) fit the definition of responsible parties, our (non-legal) opinion is that the individuals who best fit this definition for synods and congregations are their respective bishops or treasurers. Arguably, more than anyone else, they directly or indirectly, "control, manage or direct the entity and the disposition of its assets or funds."

- [Form 8822-B](#)
- [Form SS-4](#)
- [Instructions for Form SS-4](#)