

SASERA Guidelines for Group Finances

ESH From Bill W, October 1967 Grapevine: "A.A.'s far-flung Twelfth Step activities, carrying the message to the next sufferer, are the very lifeblood of our A.A. adventure. Without this vital activity, we would soon become anemic; we would literally wither and die.

"Now where do A.A.'s services — worldwide, area, local — fit into our scheme of things? Why should we provide these functions with money? The answer is simple enough. Every single A.A. service is designed to make more and better Twelfth Step work possible.

"Though not costly, these service agencies are absolutely essential to our continued expansion — to our survival as a Fellowship. Their costs are a collective obligation that rests squarely upon all of us. Our support of services actually amounts to recognition on our part that A.A. must everywhere function in full strength — and that, under our Tradition of self-support, we are all going to foot the bill."

One of SASERA's responsibilities is to share S.A. experiences with groups and members who request it. In these Guidelines, we are glad to provide sharing from a variety of sources, though we are aware that actual S.A. practices often vary. So, if your group has found solutions other than those cited in this Guidelines, please let us know, so that we may share your experiences with others.

Where Money and Spirituality Mix

Members celebrate sobriety by giving time, energy and money in support of our Twelfth Step — carrying the message — the basic service that the S.A. Fellowship offers. Members assure that group expenses are paid by putting money into the basket (whether a real or virtual basket) passed at each meeting. It is each member's responsibility to support the services that have been requested by the S.A. Fellowship, to help facilitate S.A.'s vital Twelfth Step. Contributions are made in a spirit of sacrifice, and they honor S.A.'s code of "love and service." Contributions also underscore the spiritual nature of our Fellowship and our mutual love and trust. We have found that these contributions are as important to each member as they are to the service centers supported.

Reasons a SA group might consider opening bank account?

1. **Accountability & Transparency** – The group treasurer takes reasonable precautions to safeguard the groups funds. A dedicated bank account ensures that contributions from members are tracked properly and not mixed with personal funds. A Group account also provides protection from loss and theft.
2. **Group Stability** – It allows ease of disbursements to cover expenses such as rent, literature, coffee, chips, and contributions to SA service structures (Intergroup, Region, SAICO).
3. **Tradition Seven Compliance** – SA groups should be **self-supporting** through their own contributions, and a bank account makes it easier to manage funds responsibly.
4. **Continuity for Trusted Servants** – If treasurers rotate out (as suggested by SA service principles), a group account prevents financial confusion when responsibilities change hands.
5. **Online 7th Tradition Donations** – A group bank account allows groups to create digital payment systems such as Zelle and Venmo to be able to accept digital 7th tradition donations.

How to Open a Bank Account for a SA Group

Each bank may have slightly different requirements, but the general process follows these steps:

1. Decide on a Group Name

- It is suggested that the name on the account be the group name (e.g., "Downtown Group" or "Rule 62 Group").
- Avoid using "Sexaholics Anonymous" officially, as SA groups are autonomous, and SAICO does not hold financial responsibility for individual groups.
- For purposes of anonymity, we suggest not to put SA or Sexaholics Anonymous in the group name.

2. Obtain an EIN (Employer Identification Number)

- While SA groups are not businesses, most banks require an EIN instead of a personal Social Security number to open a non-personal account.
- An EIN can be obtained for free from the **IRS website** ([irs.gov](https://www.irs.gov)) under "Apply for an EIN online" for a **nonprofit, unincorporated community or volunteer group**.
 - Nonprofit is different than tax-exempt, there is a separate process for becoming a tax-exempt or 5013c organization (more on that later).

3. Select Trusted Signers

- The group should elect at least **two trusted servants (usually the Treasurer and one other officer, like the GSR or Secretary)** to be signers on the account.
- Some groups require **dual signatures** on checks for added accountability.
- Note that signers on the account will be required to provide personal identification information.

4. Choose a Bank & Gather Required Documents

- Call local banks or credit unions to find one that allows small, nonprofit, unincorporated association accounts.
 - A non-profit or association account is different than a business account. Business accounts typically have higher fees and more robust documentation requirements. Call around to find a bank that offers no fees and no minimum balances.
- To establish accounts banks typically require:
 - The group's EIN (from IRS)
 - Meeting minutes stating the decision to open the account and listing authorized signers
 - Two trusted servants with proper identification (Driver's license, passport, etc.)

5. Open the Account & Establish a Financial System

- Deposit group funds (7th Tradition contributions) into the new account.
- Set up a simple bookkeeping system to track income and expenses.
- Regularly report the group's finances at business meetings to maintain transparency.

By following these steps, a SA group can manage its funds responsibly while staying aligned with SA Traditions.

More Considerations:

What is the difference between a non-profit group and a tax-exempt (5013c) organization?

- 1) Nonprofit status refers to incorporation status under state law; tax-exempt status refers to federal income tax exemption under the Internal Revenue Code.
- 2) Achieving tax-exempt status is different from getting an EIN for banking purposes. Apply for tax-exempt status usually requires rigorous documentation and ongoing reporting as well as additional associated cost.

Steps for Opening a Twelve Step Bank Account

- 1) As of 2015, the federal government requires all banks and credit unions to have a federal tax ID number from any person, business or organization opening an account.
 - a) The reason: To make sure you are not a terrorist or funding a terrorist organization.
- 2) The person applying should be someone (probably the group treasurer or GSR) who does not have a felony record. The person applying to the IRS will be asked to list their name, address, Social Security Number and name of the group on the Tax ID application.
- 3) The person who will be opening the account (or one of the people, if there will be two names on the account), should go online to www.irs.gov
 - a) Click "Charities & Nonprofits" at the top of the page.
 - b) Find the third box: "Employer Identification Number (EIN) Get an EIN to apply for tax-exempt status and file returns." Click: Apply
- 4) You must complete this application in one session, as you will not be able to save and return at a later time. Click the large blue button:
 - a) Follow these steps:
 - i) click "Begin Application >>"
 - ii) choose "View Additional Types, Including Tax-Exempt and Governmental Organizations" and
 - b) click "Continue >>"
 - c) choose "Community or Volunteer Group" and click "Continue >>"
 - d) click "Continue >>" again to confirm selection
 - e) fill in your personal information and choose "I am a responsible and duly authorized officer or member of this organization."
 - f) Now continue through the remainder of the application.
- 5) At the end of the process, the person can instantly print out a tax ID number that can then be taken to the bank or credit union.
- 6) Tell the bank you want a "club account." A club account is different than a "business account" and different than a "personal account."
- 7) It is suggested that the name on the checks be the group name. For purposes of anonymity, we do not put S.A. or Sexaholics Anonymous on the check.

Recommended Actions for Financial & Tax Compliance:

1. Determine If Filing Is Necessary

- If the group's funds **only cover meeting expenses (rent, literature, coffee, etc.) and contributions to SA service entities**, it **likely does not need to file a tax return**.
- However, if the group **holds large reserves, engages in fundraising, or generates income outside of member contributions**, it might need to file **Form 1120** as a taxable entity.

2. Consider Applying for 501(c)(3) Tax-Exempt Status (*Optional but beneficial*)

- Since your group's income is under \$50,000, you **could apply for 501(c)(3) nonprofit status**, allowing you to file **Form 990-N (e-Postcard)** instead of a regular tax return.
- This prevents future IRS inquiries about taxable income.

3. Maintain Clear Financial Records

- Even if the group does not file taxes, it should maintain a **simple financial record** showing:
 - Income from **7th Tradition contributions**
 - Expenses (rent, literature, donations to Intergroup/District, etc.)
 - Any excess funds held in the account
- Regularly reporting finances to the group (e.g., monthly business meetings) ensures **accountability and transparency**.

4. Avoid Unrelated Business Activities

- As long as the group **only collects 7th Tradition contributions and does not sell merchandise, rent space for profit, or conduct business activities**, it should not have tax liabilities.
- If the group **sells literature at cost or engages in fundraising**, it may need further tax guidance.