1. **What is the SS-4?**

   The SS-4 is an application to apply to the IRS for an Employer Tax Identification Number (EIN). Once a local applies for the EIN, they will receive a letter/form CP-575 with the EIN on it. The EIN is a nine-digit number assigned to sole proprietors, corporations, partnerships, estates, trusts, and other entities for tax filing and reporting purposes. Your local Association (and any philanthropic arm to your local) must have an EIN. The EIN is like a Social Security number for your local. The information you provide on this form will establish your business tax account with the IRS. This number identifies taxpayers (Associations) that are required to file various business tax returns. There is no charge to file this application.

2. **After the local files the SS-4, what is next?**

   After your local has applied for an EIN, you will receive a letter/form CP-575, which verifies the EIN that belongs to your local Association. With an EIN, your local Association will be able to open a bank account in the name of the local Association. Bank accounts must be opened in the name of the local Association and cannot be opened in the name of individual member(s). Association funds cannot be co-mingled or juggled between accounts of members and the local Association.

3. **Does my local Association need to be incorporated as a non-profit entity/corporation with the State of NJ?**

   Yes. Instructions to file for non-profit corporation status can be found online with the State of New Jersey. NJEA can provide the link to the State of New Jersey, Division of Revenue’s website where the application can be completed and submitted online. You will need a credit card to complete the online filing, or you can use an ACH bank withdrawal. The filing fee to become a non-profit corporation with the State of New Jersey is currently $75.

   Once approved, the State of New Jersey will assign your local Association a 10-digit identification number for your non-profit corporation. This identification number is separate and different than the Federal EIN.

---

### Definitions (Revised Sept. 14, 2019)

**Active Member** – Any person who is certified where required, and who spends a major part of his or her time in direct contact with students or who performs allied work which places him or her on a local salary schedule.

**One-person, one-vote principle** – A voting procedure by which the vote of each member of the constituency has equal weight, so that in the elected legislative body, each delegate represents approximately the same number of constituents as each and every delegate.
er’s Resource book, which may be obtained from NJEA. The report by the local association’s accountant(s) must be made part of the local association’s permanent records. Said reports of the accountant(s) shall be made available to the membership and to NJEA upon request.

Associations having total annual receipts of less than $5,000 (excluding Pride Program reimbursement) may choose to have the annual procedures performed by an outside independent person(s). Associations having total annual receipts of $5,000 or more (excluding Pride Program reimbursement) must have the annual procedures performed by a public or certified public accountant(s).

E. Association bank accounts shall be reconciled by someone other than the treasurer.

F. No payments in cash (including checks made out to “cash”) shall be made from funds of the association.

G. A voucher system for payment of bills shall be instituted in each local association.

XI. The local association shall have a September through August fiscal year.

XII. The local association shall be the recognized bargaining agent for all appropriate school district employees to the full extent of the provisions of Chapter 123, Public Law of 1974, unless another organization has been officially designated as the bargaining agent.

XIII. The local association shall adhere to those NJEA policies wherein non-compliance would constitute a danger to the welfare of the members of the local association or to NJEA. The NJEA Delegate Assembly shall determine what constitutes a danger to NJEA.

XIV. Affiliation shall not legally carry any liability for damages on the local association or NJEA due to actions taken independently by either.

IV. NJEA may, at the request of the NJEA Executive Committee and 10 percent of the members of a local association, conduct an evaluation of that local association under guidelines established by the NJEA Delegate Assembly.

XVI. NJEA may intervene in an affiliate association which, by deliberate act or intent, recklessness, or gross negligence, does not comply with the NJEA Standards for Affiliation, Constitution and Bylaws, and Policy and Procedures as delineated herein and other NJEA governance documents. NJEA may intervene in an affiliate association program for (i) Correcting corruption or financial malpractice; (ii) Assuring the performance of collective bargaining agreements or other duties of a bargaining representative; (iii) Restoring democratic procedures; (iv) Or otherwise carrying out the legitimate objectives of such labor organization.

4. What EIN is your local Association using? Why is this important? Does your local Association’s name match your EIN?

A name control is established by the IRS when the taxpayer requests an EIN. The IRS creates the name control from the legal name listed on the SS-4. When a tax return or extension for filing of same is filed, the IRS checks whether the name/EIN combination is correct by matching the name against a file containing all EINs issued by the IRS. If the name under which an EIN was granted does not match the EIN, tax materials will not match the name in the IRS’s database. This can lead to confusion and misfilings with the IRS. Make sure the local Association’s name matches on all state and federal filings (NJ Certificate of Incorporation and SS-4).

5. Has your local Association’s New Jersey Annual Report and payment been filed and submitted?

The State of New Jersey requires annual reporting by every local Association. The State will issue an annual report due notice form to the registered agent of record three months prior to the due date. It is the entity’s legal responsibility to ensure that the filing office has the correct registered agent’s name and address on file. The fee for non-profit organizations is $30. If you change your registered office and/or agent address through the annual report filing, you must pay a $25 fee. Online filing is now mandatory for all annual report filings. The annual report due date for all businesses will be the last day of the anniversary month of the entity’s formation in New Jersey. Annual reports for non-profits may be signed by any authorized representative.

Annual report filing is a prerequisite for maintaining an active business status. In accordance with State law, businesses that fail to file annual reports for two consecutive years will be revoked. Revocation of the Association’s corporate status can compromise the nonprofit status of the local and lead to tax and related penalties if the annual renewals are not filed with the State.
6. When was the last time your local Association reviewed its Constitution and Bylaws?

Your local Association’s constitution and bylaws establish the rules for which the local Association, its members and its officers must abide by and operate under. Additionally, the purpose and needs of the local Association may change over time so it is important that the local Association review its constitution and bylaws on a regular basis. Your local Association’s governing documents should be reviewed every five (5) years.

7. When was your local Association’s last election?

A local Association’s constitution and bylaws require specific time periods in which officer elections are required to be held. These same documents specify how long officers may hold office. As such, elections may be required before the end of the officers’ terms. Review the local Association’s constitution and bylaws for election processes.

8. Has your local Association’s name changed recently?

If your local Association’s name changes, proper paperwork must be filed to update the government (state and federal) as a means of tracking for tax purposes. An organization that has changed its name must report the change on its next NJ Annual Report filing, and when filing the yearly IRS Form 990. Discrepancies in names leads to confusion and possible penalties with the IRS and State of New Jersey. Be sure that your local Association is using the exact same name on its bank accounts and in its business affairs that appears on all governing documents and State of New Jersey and IRS filings.

9. Do you have the correct address registered with the State of New Jersey and the IRS?

Addresses registered with the State of New Jersey, Division of Revenue and the IRS – obtained through your filed documents with the respective government agencies – are the addresses where the State of New Jersey and the IRS will send all mail. This includes mail related to deficiencies that may require prompt action on the part of local Association to rectify.
D. Every active member to have equal rights and privileges within the organization:
1. to nominate candidates;
2. to vote in elections or on referenda of the organization;
3. to attend membership meetings;
4. to participate in the deliberations and voting upon the business of such meetings, except that in voting on contract ratification only members in that unit shall have the right to vote.
E. Every member to have the right:
1. to meet and assemble fully with other members;
2. to express any views, arguments, or opinions;
3. to express his/her views at meetings regarding candidates in an election of the organization or upon any business properly brought before the meeting.
F. No increase in the rate of dues and no levy of general or special assessment except by:
1. majority vote of the members in good standing voting by secret ballot at a general or special membership meeting or with in-school balloting after reasonable notice of intention to vote upon such question or voting in a membership referendum conducted by secret ballot, or
2. a majority vote of the Representative Council, which uses the one-person, one-vote principle, in associations which have a Representative Council.
G. No limitation on a member’s right to institute action against the association in any court or proceeding before any administrative agency.
H. No member to be fined, suspended, expelled, or otherwise disciplined except for non-payment of dues without being served with specific written charges and given a reasonable time in which to prepare a defense which may be asserted at a full and fair hearing.
I. Any member whose rights as an employee are affected by a collective bargaining agreement be given – at any reasonable time – the right to inspect and to duplicate copies of such collective bargaining agreement. Copies of each collective bargaining agreement shall be maintained and be available for inspection by any member or by any employee whose rights are affected by such agreement(s).
J. Officers of the association to serve their terms so long as they ethically perform the duties of their office. Where an officer is guilty of misconduct, such an officer may be removed for cause (shown after notice and a hearing) and by a majority vote of the Representative Council.

Form 8822 is used to update your local Association’s address with the IRS. Similarly, you can complete a Form REG-C-L online with the State of New Jersey, Division of Revenue to update your address or make any identification changes.

It is important to review this information regularly and especially following a local election as the prior leadership’s names often appear and any subsequent mailings may not be properly forwarded to the correct person.

10. Are there two signers on your local Association’s checks and EFTs?

Two signatories on your local Association’s checks help to prevent fraud and is a best practice. Neither of these signers should be responsible for bank account reconciliation (see Standards of Affiliation for Local Associations at the end of this booklet). Further, checkbooks should be kept secure with limited access.

11. Does your local Association have a debit card?

Unlike checks, which establish safeguards to ensure that there is no misuse of funds, debit cards do not have the same protections. Debit cards should not be used as they compromise spending controls and expense management. This can lead to unauthorized spending and expenses that are not within the annual budget for the local Association.

12. What is a LAFAP and does your local Association file one?

The Local Association Financial Assistance Program (“LAFAP”) is an application to NJEA which essentially is a report of cash activities by Local and County Associations for the period of September 1 through August 31 of each year. If your local Association files a LAFAP, it must be filed by November 1st of every year for the prior fiscal year ending August 31. Requests for extensions can be made to NJEA as long as the request is made by October 31st. There are benefits to filing a LAFAP with NJEA, which, among other things, includes general liability insurance coverage and workers’ compensation insurance coverage to the local Association. Filing the LAFAP also allows the local Association to qualify for financial
assistance from the NJEA. There are several factors that NJEA uses to calculate the amount of financial assistance due to your local Association. For instance, the annual dues rates, the number of members within the local Association, and reported administrative expenses. Lastly, by filing a LAFAP, NJEA will file the IRS Tax Return (Form 990) on the local Association’s behalf.

When a local Association first incorporates, the IRS requests that it file a Form 1023 (and pay a fee) to qualify for tax exempt status. If a local Association opts to participate in the LAFAP filing, the local Association does not have to file Form 1023 (or pay the fee) to become tax-exempt as NJEA will automatically add them to their Group Tax Exemption.

Additional note: If a local Association does not submit a LAFAP to NJEA, it must file its own 990 tax return with the IRS and pay the fee.

13. Do you know that your local Association must abide by the Standards of Affiliation for Local Associations?

A copy of this document is included in this FAQ for your reference. It can also be found on NJEA’s website (under docs & downloads - Affiliation – https://www.njea.org/my-njea/docs-downloads/download-category/affiliations).

Under the provisions of the NJEA Constitution and Bylaws, the NJEA Delegate Assembly (D.A.), upon recommendation of the Affiliation Committee, shall authorize and recognize as local affiliates of the New Jersey Education Association (NJEA) such organizations as are established from among staff members who are in a direct employment relationship with a school system, college, university, institution, or agency operating within the State of N.J. Such local affiliates shall have among their primary purposes improvement in the terms or conditions of employment for the advancement of the welfare of their members and shall represent a unit of membership exclusive of any other unit of membership which shall be affiliated from the same school system, college, university, institution, or agency.

I. The local association shall forward to NJEA a copy of its constitution and bylaws.

A. Robert’s Rules of Order shall govern the meetings of all local affiliate associations, insofar as those rules are not inconsistent with the constitution and bylaws of the affiliate association.

II. The local association shall guarantee to its membership the following:

A. At least four (4) meetings per year of the total membership or of a representative council made up of association representatives selected on a basis of fair representation.

B. Procedures to conduct all elections of officers and representatives or governing bodies with open nominations and secret ballot.

C. Application of one-person, one-vote principle for representation on its governing bodies except that the local association shall guarantee ethnic-minority representation at least proportionate to its ethnic-minority membership, defining the term “ethnic-minority” as established in the NJEA Constitution and Bylaws. Where an all-inclusive affiliate exists, it shall provide proportionate representation between active professional members and active support members.