



COMPLIANCE COMPANION FOR BUSINESS ACCOUNTS

	Sole Proprietor	Corporation	Partnership
General	A business account owned by an individual business owner. If doing business under a name that doesn't include the owner's legal name, the owner must obtain a certificate of assumed name from the Secretary of State. The bank should keep a copy of the certificate.	A business account owned by a corporation. A for-profit corporation may maintain any type of account except a NOW account. Non-profit corporations established for religious, charitable, philanthropic, political or educational purposes may maintain NOW accounts. If using a trade name, the corporation should have registered the trade name with the Secretary of State. The bank should verify the trade name registration.	Held by members of a legal partnership. A partnership may not maintain a NOW account. A partnership may have a partnership agreement, or it may be a de facto partnership that conducts business without a formal partnership agreement. If there is a formal partnership agreement, the bank should obtain a copy for its file and verify that the agreement authorizes the opening of the account in the manner requested. If the partnership resists providing a copy, then the bank should insist on a partnership resolution signed by all partners. If there is no partnership agreement, the bank should obtain certification from the persons opening the account to that effect.
Access to Funds	If persons other than the individual sole proprietor are authorized signers, the account owner should sign an authorization and the signatures of those other persons should be obtained.	A corporate resolution should name the bank as the depository and specify authorized signers on the account. The account is administered by the appointed officers of the corporation. The corporate resolution should be clear that the corporation must notify the bank in writing when there is a change in authorized signers and provide a new corporate resolution in order for a change in authorized signers to be effective. Corporate officers may not access or use corporate funds for personal purposes.	A partnership resolution will name the bank as a depository and establish who may access the account. Without authorization in a resolution, an individual partner has no right to access or use partnership funds in the account for personal purposes. If no resolution, then technically any general partner could withdraw funds. For that reason, banks should require a partnership resolution signed by all partners and designating (with specimen signatures) those partners and others who may withdraw funds from the account. If more than one signature is required, this should be stated in the resolution.
Customer Identification Program	Require identifying information prior to opening an account including: Customer's legal name; date of birth; address (residential or business street address); and tax identification number (TIN) or employer identification number (EIN). Verify the identity of the customer using the information obtained.	Require identifying information prior to opening an account including: Legal name; address of principal place of business, local office, or other physical location; and TIN. Verify the identity of the Corporation using the information obtained. CIP does not apply to guarantors. Banks may choose to identify signers, especially if unable to verify corporation.	Require identifying information prior to opening an account including: Legal name; address of principal place of business, local office, or other physical location; and TIN. Verify the identity of the partnership using the information obtained.
Titling	Account should be in the name of the individual, e.g., John Smith; or the individual and the assumed name, e.g., Mary Jones dba Mary Jones Tiling; or the assumed name alone, e.g., Mary's Tiling.	The account always should be in the name of the corporation or one of its assumed names, e.g., ABC Corporation; XYZ Builders, Inc.; Western Stores Corp.	The account should be in the name of the partnership, e.g., ABC Partnership; DEF Limited Partnership.
TIN	The account should use the business owner's TIN, unless the business pays wages to one or more employees, then the business must obtain an EIN.	Bank should obtain a TIN for BSA purposes, as well as identification purposes in the event of a levy on the account. For tax reporting purposes, always use the corporation's TIN--never the social security number of an individual authorized signer.	The bank should use the partnership's tax identification number rather than an individual partner's social security number.
Creditors	There is no legal difference between the business and the individual. All funds in the account are reachable whether the garnishment is against the individual or the trade name.	A corporate account is subject to garnishment, execution, levy and the bank's own right of setoff, but only if the legal proceedings are against the corporation or the setoff involves the corporation's obligation.	As to garnishment, execution, levy and setoff, the partnership is treated the same as a corporation. The bank may not set off the debt of an individual partner against the partnership, nor may it set off the debt of the partnership against the account of an individual partner.
Documentation	Application, account agreement, signature cards, social security card or employer identification number, driver's license, credit application, credit report, certificate of assumed name (if applicable).	Application, account agreement, signature cards, TIN, credit application, credit report, certified articles of incorporation and by-laws, certificate of good standing, certificate of assumed name (if applicable), corporate resolution.	Application, account agreement, signature cards, tax identification number, credit application, credit report, certified copy of partnership agreement, certificate of assumed name (if applicable), certificate of good standing from Secretary of State, partnership resolution. Unless the name of the partnership has the full names of all partners, it should file a certificate of assumed name with the Minnesota Secretary of State. A partnership may also want to do business under more than one name, and therefore may desire accounts under different names. If so, the partnership should have filed a certificate of assumed name for each name with the Secretary of State.
Termination	Upon the death of the sole proprietor, the funds become part of his or her estate and the power of any other person to sign on the account is terminated.	When the bank receives notice that the corporation has either dissolved or merged into a new corporation, the authorized signers no longer have authority to sign on the account unless a current resolution in proper form is delivered to the bank.	Upon the death of one of the account's authorized signers, any other account signer may have access to the account. However, if one of the general partners dies, the funds in the account will be distributed by the surviving partner(s) according to the provisions established in the original partnership agreement. The bank has no responsibility for distributing the funds and may continue to allow transactions by authorized signers until it receives notice of the dissolution of the partnership.

	Non-Business Organization	Limited Liability Company	Limited Liability Partnership/Limited Liability Limited Partnership
General	An account in the name of a religious, charitable or educational organization or in the name of an association, club or tax-exempt organization is generally set up in the same manner as a corporate or partnership account. An organization that is not organized for business purposes is eligible for any type of account, including a NOW account.	LLCs have a board of governors and at least one manager. The LLCs governing documents will consist of articles of organization and may also include an operating agreement and a member control agreement. These documents serve the same function as a corporation's articles of incorporation, bylaws and shareholder control agreements. An LLC may maintain any type of account except a NOW account.	An LLP/LLLP is a general partnership whose partners are ordinarily not liable for the debts or obligations of the partnership. An LLP/LLLP may maintain any type of an account except a NOW account. The LLP/LLLP should have filed a registration with the Secretary of State. If the LLP/LLLP has a formal partnership agreement, then the bank should verify that the agreement authorizes the opening of the account. If the LLP/LLLP resists providing a copy, then the bank should insist on an LLP/LLLP resolution signed by all the partners. If there is no partnership agreement, the bank should obtain certification from the persons opening the account to that effect. Unless the name of the LLP/LLLP has the full names of all partners, it should file a certificate of assumed name with the Secretary of State.
Access to Funds	There should be an organization or association resolution, as with corporations and partnerships, naming the bank as the depository and designating the account signers.	The bank should receive a resolution naming the bank as the depository and specifying authorized signers on the account. The account is administered by the managers of the LLC. When new managers are appointed, it is the responsibility of the LLC to execute a new resolution. A bank must maintain the account according to the resolution, and may not permit access to the account by anyone other than those authorized by the resolution.	As with a general partnership, an LLP/LLLP resolution will name the bank as a depository and establish who is authorized to access the account. Without authorization in a resolution, an individual partner has no right to access or use partnership funds in the account for personal purposes.
Customer Identification Program	Require identifying information prior to opening an account including: name of organization; address of principal place of business, local office, or other physical location; and TIN. Verify the identity of the organization using the information obtained or through non-documentary procedures.	Require identifying information prior to opening an account including: legal name; address of principal place of business, local office, or other physical location; and tax identification number. Verify the identity of the LLC using the information obtained.	Require identifying information prior to opening an account including: legal name; address (residential or business street address); and tax identification number. Verify the identity of the partnership using the information obtained. CIP does not apply to guarantors.
Titling	The account should be in the name of the association, e.g., Widget Producers Association.	The account always should be in the name of the LLC or one of its assumed names, e.g., ABC Limited Liability Company, XYZ Builders, LLC; or for a professional limited liability company, ABC Accountants, Professional Limited Liability Company; Scrooge and Marley, PLLC.	The account should be in the name of the LLP/LLLP, e.g., ABC Partnership, LLP; DEF Limited Liability Partnership.
TIN	The tax identification number on the account should be the organization's, not that of an individual officer or member of the organization.	The bank should use the LLC's tax identification number. A single member LLC may choose to use the owner's social security number.	The bank should use the LLP/LLLP's tax identification number rather than an individual partner's social security number.
Creditors	Association accounts are subject to garnishment, execution, levy and set-off, provided that the action is against the association and not a member thereof.	An LLC account is subject to garnishment, execution, levy and the bank's own right of setoff, but only if the legal proceedings are against the LLC or the setoff involves the LLCs obligation. Individual members are not accountable for any obligations of the LLC.	As to garnishment, execution, levy and setoff, the LLP/LLLP is treated the same as a corporation. The bank may not set off the debt of an individual partner against the LLP/LLLP, nor may it set off the debt of the LLP/LLLP against the account of an individual partner.
Documentation	Application, account agreement, signature cards, tax identification number, credit application, credit report, certified copies of articles of incorporation for incorporated associations, copy of by-laws, association resolution. In addition, the organization must show proof of its tax-exempt status, if applicable.	Application, account agreement, signature cards, TIN, credit application, credit report, certified articles of organization, certificate of good standing from Secretary of State, certificate of assumed name (if applicable), resolution. The bank may consider obtaining personal guarantees for debts arising out of the account (overdrafts and NSF checks) as members are not otherwise personally liable for the company's debts.	Application, account agreement, signature cards, TIN, credit application, credit report, certified copy of partnership agreement, certificate of registration as LLP/LLLP, partnership resolution, certificate of good standing from Secretary of State. The bank may consider getting personal guaranties from the partners of a limited liability partnership for debts arising out of the account (overdraft charges and NSF checks), since the partners of an LLP/LLLP would not be personally liable for LLP/LLLP debts.
Termination	Termination would follow the same rules as for corporation and partnership accounts.	When the bank receives notice that the LLC has dissolved, the authorized signers no longer have authority to sign on the account unless a current resolution in proper form is delivered to the bank.	Upon the death of one of the account's authorized signers, any other account signer may continue to have access to the account. If the LLP/LLLP fails to file a renewal registration or otherwise does not continue its status as an LLP/LLLP, then the LLP/LLLP becomes a general partnership and should be treated as such. Thereafter, authorized account signers may have access to the account unless one of the general partners dies. At that point the funds should be distributed by the surviving partners according to the original partnership agreement.