

The EIN Number Handbook: Essential Information for Start-Ups and Growing Companies

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TABLE OF CONTENTS

Chapter 1	What Is an EIN Number and Why Do You Need One?
Chapter 2	Applying for An EIN Number: Step-By-Step Guide
Chapter 3	Common Mistakes to Avoid When Applying for An EIN Number
Chapter 4	How to Use Your EIN Number To Open A Business Bank Account
Chapter 5	Understanding EIN Number Requirements for Different Business Structures
Chapter 6	Changing or Updating Your EIN Number Information
Chapter 7	Using Your EIN Number to File Taxes for Your Business
Chapter 8	How to Protect Your EIN Number from Fraud and Identity Theft
Chapter 9	EIN Numbers and Hiring Employees: What You Need to Know
Chapter 10	When and Why You Might Need Multiple EIN Numbers for Your Business

“The EIN Number Handbook,” is an essential guide for start-ups and growing companies. This comprehensive resource provides the know-how and guidance needed to navigate the process of obtaining a Federal Employer Identification Number (EIN). It covers all aspects of the application, from preparing the paperwork to filing it with the IRS. Additionally, readers will learn what an EIN is and why it's important, as well as information on using EINs in business operations.

This handbook offers thorough coverage of related topics including: how to use an EIN on tax returns; which forms need to be filled out when applying for an EIN; legal implications of obtaining an EIN; and IRS rules governing business entities that require an EIN. It also explains how to amend or close a business entity after an EIN has been issued, including which forms need to be filed with the IRS.

For those who are just starting their own business, this handbook provides helpful advice on topics such as selecting a business structure (sole proprietorship, LLC, etc.), filing taxes, and understanding applicable tax laws. Information is also included about how hiring employees affects one's obligations under IRS regulations. Furthermore, readers are provided with detailed instructions on verifying their newly obtained or existing EIN numbers online.

As a bonus feature, this handbook includes sample forms related to acquiring or changing one's EIN number along with tips on improving accuracy when filling out these documents. The information within this guide is designed to assist entrepreneurs in establishing successful businesses by understanding their rights and responsibilities regarding the various features of obtaining an EIN number from the IRS.

Chapter 1

What Is an EIN Number and Why Do You Need One?

An EIN number, otherwise known as an Employer Identification Number, is a unique nine-digit code assigned by the Internal Revenue Service (IRS) to businesses for tax filing and other identification purposes. An EIN is similar to a Social Security number, but it is specifically used for business entities instead of individuals. It can be used for opening a business bank account, filing taxes and hiring employees.

For most businesses in the United States, an EIN number is necessary in order to operate legally. The requirements vary based on the type of business you have - sole proprietor/single-member LLCs may not need one if no employees are hired, but all multi-member LLCs and corporations must obtain an EIN unless they are disregarded entities.

Having an EIN also allows businesses to better protect their personal information since the EIN acts as a unique identifier in place of relying on their Social Security numbers. This makes it harder for identity thieves to target their financial information and assets. Furthermore, having an EIN may help improve credibility with customers, vendors and banks; even though it isn't legally required in certain cases, having one will provide more assurance that your business is legitimate.

Additionally, having an EIN can make filing taxes easier and simpler by eliminating paperwork associated with reporting income from various sources or being able to claim certain credits or deductions. In general, using an EIN will make your life much easier when it comes to dealing with taxes and other financial matters related to your business operations.

Chapter 2

Applying For an EIN Number: Step-By-Step Guide

Applying for an EIN number can seem daunting and overwhelming, but with the right preparation and understanding of the process, it doesn't have to be. This step-by-step guide will walk you through the essential information you need to know and what actions to take in order to successfully apply for an EIN number.

Step 1: Determine Whether You Need an EIN Number

An Employer Identification Number (EIN) is a unique nine-digit number assigned by the IRS and used to identify a business entity or organization. Generally, businesses that are required to file employment tax returns or that anticipate hiring employees will need an EIN. To determine if your business requires an EIN, consult with your accountant or contact the IRS directly.

Step 2: Gather Your Documentation

Before applying for your EIN, it's important to gather the necessary documentation so that you have everything on hand when you begin filing. This includes information about your company structure such as type of organization (e.g., corporation, partnership, sole proprietorship), date established, address and contact information as well as identifying information about any officers or directors associated with the business. Having all this ready before starting your application will make it easier and faster.

Step 3: Apply for Your EIN

Once you've determined that you need an EIN number and gathered all the necessary documentation, you can start the application process. The most common way to apply is through the Internal Revenue Service website where you can find instructions on how to complete Form SS-4 online or by mail. It's also possible to apply over the phone by calling 1-800-829-4933 between 7 AM and 10 PM EST Monday through Friday (except federal holidays). Alternatively, there are also services available online which offer assistance in filing for an EIN if needed.

Step 4: Follow Up with the IRS

After submitting your application for an EIN number, it's important to follow up with the Internal Revenue Service periodically until you receive confirmation that it has been issued. Depending on how busy they are, it can take anywhere from four weeks up to several months before they send out a confirmation letter containing your new Employer Identification Number (EIN). It's also helpful note down when exactly when sent in your application so that you can track its progress more easily if needed be at any point during this time period.

Once received, be sure keep your new employer identification number safe as it will be required for various types of filings throughout each year including income tax returns and wage statements filed with state departments of taxation or labor commissions; opening bank accounts; applying for business loans; applying for licenses; worker's compensation insurance coverage; sales tax permits; registering certain types of employee benefit plans; registering vehicles owned by businesses; obtaining alcohol licenses; managing payroll withholding taxes; filing environmental reports; etc.

Chapter 3

Common Mistakes to Avoid When Applying for An EIN Number

Common mistakes to avoid when applying for an EIN number include not verifying the accuracy of the information provided, not sending in all necessary documents, submitting a paper application without including all pieces of requested information, and not recording or tracking the EIN number for future reference. It is also important to be aware that an employer identification number is required to obtain basic business-related services and initiate certain types of transactions. This includes opening bank accounts, obtaining loans, filing tax returns and payroll taxes, as well as hiring employees. Additionally, applicants should make sure to review their application form thoroughly before submitting it in order to ensure that all data submitted is accurate and complete.

In some cases, applicants may be asked to provide additional documents such as a copy of the organization's formation papers, or other forms related to the type of business they are running. To help prevent confusion and delays in processing time due to incorrect information being submitted on the application form, it is advisable for applicants to review their submission before submitting it in order to check that all mandatory fields have been filled out correctly. Furthermore, applicants should also ensure that they have received confirmation that their application has been received by the Internal Revenue Service (IRS) by confirming their EIN number with the agency after submission.

Finally, if you are an applicant who has already obtained an EIN number from a previous organization or business venture then you must use this same number when applying for any future organizations or businesses unless you intend on closing down or liquidating your current business operations first. This will enable easier tracking between past and present organizations for tax purposes so it's important that your current EIN number be used in any new applications being made ahead of time.

Chapter 4

How To Use Your EIN Number to Open A Business Bank Account

Using an Employer Identification Number (EIN) for your business is an essential task that needs to be taken care of right away. An EIN is a unique 9-digit identification number issued by the IRS and is used to identify a business entity. It's important to know how to use your EIN number when opening a business bank account, as it's necessary in order to authenticate your identity as a business owner.

The process of using your EIN number when opening a business bank account varies slightly depending on the individual financial institution, but typically you will need to provide your EIN and other information about your business such as the type of entity, address, contact information and so on. Once this information is provided and verified against the records the IRS has on file for you, you will then be able to open up an account with that particular financial institution. Depending upon the policy of the specific bank or credit union, additional documents may be required such as articles of incorporation or other legal documents from your state or county court.

When using an EIN to open up a business bank account it is important that all information provided match what is in the IRS's records exactly – spelling errors or incorrect numbers can create issues with authentication down the line which can cause delays in opening up accounts or obtaining loans. You may also want to provide additional documentation such as proof of address or any other forms of contact information for added security and verification purposes.

An EIN must also be used if you plan on hiring employees for your company, as it will help keep track of all payroll taxes and other employee benefits that need to be administered under federal law. The same holds true when filing taxes; an EIN must always accompany any tax related documents submitted each financial year.

It's essential that entrepreneurs have their EIN number readily available when trying to open up new banking accounts for their businesses so they can get started on their journey quickly and efficiently without facing authentication issues further down the road. By providing accurate information upfront and following any additional steps set forth by each individual financial institution you should have no problem getting set up with a business bank account using your own unique Employer Identification Number!

Chapter 5

Understanding EIN Number Requirements for Different Business Structures

An Employer Identification Number (EIN) is a unique nine-digit number issued by the Internal Revenue Service (IRS) to identify businesses and organizations. Businesses must obtain an EIN if they are required to file certain forms with the IRS, such as employment tax returns, or federal excise tax returns. Certain types of organizations must also have an EIN. Depending on the type of business structure you choose the requirements for obtaining an EIN may be different.

For most businesses, obtaining an EIN is the first step towards establishing themselves as a legally recognized entity with the IRS. Depending on the type of business structure, different requirements must be met in order to obtain an EIN. Sole proprietorships, corporations, partnerships and limited liability companies all have different requirements for obtaining and using an EIN.

Sole Proprietorships: Sole proprietorships, which are businesses owned and operated by one individual, generally do not need to obtain an EIN unless they will be hiring employees, filing tax returns for excise taxes or alcohol, tobacco and firearms, or operating their business under a name other than their own. In these cases, a sole proprietor would need to apply for an EIN in order to file the necessary tax forms with the IRS.

Sole proprietorships do not require an EIN unless they plan to hire employees or operate under an assumed name other than their own legal name. For these two situations, an EIN must be obtained from the IRS before any business activity can begin. Corporations are required to have an EIN regardless of whether they hire employees or not; this requirement allows the corporation to make certain distinctions between its income and its owners' personal income taxes.

Partnerships: Partnerships are businesses owned and operated by two or more individuals. Partnerships generally need to obtain an EIN in order to file partnership income tax returns. The partnership will also use their EIN when applying for any necessary licenses or permits related to their business operations.

Partnerships also require an EIN if they intend to hire employees or file taxes as a separate entity instead of filing taxes individually through each partner's personal income tax return. Limited Liability Companies (LLCs) require an EIN regardless of whether they have employees or not; this requirement allows LLCs to pay taxes at both state and federal levels as a separate entity instead of relying on individual partners' returns.

Corporations: Corporations are separate legal entities that can sue or be sued under its own name and are liable for certain obligations and debts of its own. For these reasons corporations must obtain an EIN in order to file corporate income tax returns as well as any other required forms with the IRS. Additionally, corporations use their EIN when applying for certificates of authority or other licenses related to their business operations.

Limited Liability Companies (LLCs): Limited Liability Companies (LLCs) combine aspects of both sole proprietorships and corporations in terms of how they are structured legally, and taxes imposed upon them by the IRS. LLCs generally need to obtain at least one EIN if they have more than one member but may need multiple numbers depending on how many members there are and what type of activities they will be engaging in during each year. Furthermore, LLCs use their assigned EIN when filing income tax returns

with the IRS as well as when filing applications for any necessary licenses or permits associated with their line of work.

Nonprofits: Nonprofit organizations typically do not form a separate legal entity from its founders but instead exist under special laws that allow them certain exemptions from federal taxation due to their charitable purpose. Being classified as a nonprofit organization requires approval from both state and federal agencies including registering with the IRS using Form 1023; therefore, nonprofits must have an assigned EIN before submitting any paperwork required for establishing this status correctly.

No matter what type of business structure you decide to pursue, understanding how and when you need to obtain your employer identification number is essential for staying compliant with applicable laws and regulations and avoiding costly penalties down the road. With the proper knowledge outlined in the EIN Number Handbook: Essential Information for Startups and Growing Companies, businesses can confidently ensure that their business activities remain legally compliant throughout their growth journey.

Chapter 6

Changing Or Updating Your EIN Number Information

If you've been in business for a while, or your business has grown significantly, you may need to update or change your Employer Identification Number (EIN) information. An EIN is a nine-digit number issued by the Internal Revenue Service that identifies a business for federal tax purposes. It is important to keep this information up to date as it will help with filing taxes, opening bank accounts, and other activities related to running a successful business.

When updating or changing your EIN number information, there are some steps that should be taken:

1. Contact the IRS directly – The IRS can only answer questions regarding tax accounts associated with an EIN number and provide specific guidance on changes made to those accounts. It is best to contact the IRS directly to begin the process of updating or changing an EIN number. The IRS also provides an online portal where business owners can make certain changes themselves.
2. Complete a new application form – A new application form must be completed in order to update or change an EIN number. This can be done either through the online portal mentioned above, or via paper form SS-4 which is available from the IRS website. The form requires basic business information such as company name, address and owner names along with additional details such as owner occupation, type of entity and date of formation.
3. Notify other entities – Any entity with which you do business, such as banks and vendors supplying services or goods should be notified of changes made to your EIN number information. This will help ensure that payments are received correctly, and any financial records are up-to-date for tax purposes.
4. Keep records – It is important to keep accurate records of all changes made to your EIN number information including when these were applied for and who was notified of the change(s). Keeping these documents allows businesses owners to easily access them when needed while also providing evidence they followed proper procedures when making their updates/changes.

By following these steps when updating or changing an EIN number of businesses owners will make sure their accounts are properly identified by the IRS and any other entities they may do business with now and in the future. Being proactive in keeping this vital information up-to-date will save time spent dealing with potential issues later on down the road while helping ensure their businesses run smoothly.

Chapter 7

Using Your EIN Number to File Taxes for Your Business

Using your Employer Identification Number (EIN) to file taxes for your business is an essential part of running a successful operation. Not only does an EIN provide the government with an identifier that is associated with your company, but it also serves as the primary way to report financial information such as income and payroll or other deductions related to employment. An EIN can be acquired by filing Form SS-4 with the Internal Revenue Service (IRS). Once you receive your EIN, it is important to include it on all documents that are filed with the IRS and kept in record retention systems. Additionally, if you have employees or subcontractors who need to be paid, their W-2 forms will require your EIN number in order for them to receive payment.

When filing taxes for your business using your EIN number, there are a few important items to keep in mind. First, you must make sure that all tax forms associated with employee wages and any other related expenses are completed accurately and timely. This includes withholding taxes based on each employee's individual form W-4. You will also need to complete Form 941 each quarter and file it along with any payments due at that time. Additionally, depending on whether you have employees or subcontractors who are classified as independent contractors, you may need to complete additional forms for those individuals such as Form 1099-MISC or Form 1099-NEC respectively. Finally, when reporting wages paid out from the company's payroll account(s), make sure those figures match up exactly with the total amount of money that was reported on the quarterly Forms 941 filed during that period.

In addition to paying taxes using your EIN number, there are other ways that this number can be used when dealing with government agencies and businesses outside of your organization. For example, if you're looking for financing options from banks and/or lenders, they will likely ask for some sort of identification such as an EIN number in order to verify that you are a legitimate business entity looking for capital investment opportunities. Furthermore, when submitting documents or applications related to obtaining permits or licenses required by local governing bodies such as county health departments and building inspectors etc., they will typically want proof of identity through an issued EIN number prior to granting approval of said documents/applications/permits/licenses etc. As you can see then having an understanding of how important an Employer Identification Number is when dealing with various organizations outside of your own is invaluable knowledge; being aware then of what information needs to be reported when filing taxes utilizing this identifier can help ensure continued success down the road for any start up or growing business venture.

Chapter 8

How To Protect Your EIN Number from Fraud and Identity Theft

When it comes to protecting your EIN number from fraud and identity theft, there are a few key steps you can take to ensure that your business remains secure. First, always keep your EIN number private and confidential. This means not giving out the number to anyone other than those who need access to it in order to conduct legitimate business operations. Additionally, when using your EIN number online, make sure the website is secure with up-to-date encryption technology. Never give out the EIN number via email or text message, as these are not considered secure modes of communication.

You should also be aware of phishing scams, where an individual tries to persuade you into giving away personal information such as bank account numbers or credit card numbers for malicious purposes. Never share any sensitive data unless you are certain the person requesting it has a legitimate reason for doing so. If someone contacts you claiming to have information about your business but requests access to your EIN number before providing more details, this should be viewed with suspicion and reported immediately. It's also important to regularly review any documents or applications associated with your EIN number and report any suspicious activity as soon as possible. This includes monitoring statements and accounts associated with your business for any unexpected changes or alterations that could point towards fraudulent behavior. Furthermore, if you ever suspect that someone has gained access to your EIN number without authorization, contact the IRS immediately and alert them of the situation.

Finally, it's wise to consider setting up additional security measures such as two-factor authentication when accessing online accounts that require a login using an EIN number. This added layer of protection will decrease the chances of anyone gaining unauthorized access by entering incorrect credentials multiple times in an attempt to guess them correctly. It's also recommended that businesses use complex passwords whenever possible as well as invest in cybersecurity software solutions designed specifically for small businesses and start-ups in order ensure optimal security around their digital assets and valuable data like their EIN numbers at all times.

Chapter 9

EIN Numbers and Hiring Employees: What You Need to Know

EIN numbers and hiring employees: what you need to know. When it comes to growing your business, having a plan for managing your employees is essential - and one of the key components is having an EIN number. An EIN number is an Employer Identification Number issued by the Internal Revenue Service (IRS), and it's a unique nine-digit number that identifies your business for tax purposes. It's similar to a Social Security Number, except that it only applies to businesses.

When you hire new employees, you'll need to fill out Form W-2, which includes their name and Social Security Number, as well as your company's name and EIN number. This information must be provided so that the IRS can properly track payroll taxes like federal income tax withholding, Social Security, Medicare tax, and federal unemployment taxes. Without an EIN number, your company won't be able to pay these taxes on behalf of its employees or report them correctly.

If you're just starting up a business or have recently incorporated, you may already have an EIN if you applied for one with the IRS when setting up your business entity. If not, then you can easily apply for one online with the IRS or through third party sites like LegalZoom or TaxAct. You'll need basic information such as your company name, address, primary contact person's information (name and Social Security Number or Tax ID), type of business entity (e.g., LLC), etc. Once approved by the IRS, they will provide you with a unique nine-digit number that must be used whenever filing paperwork related to payroll tax purposes - including Form W-2s for each employee hired by your company.

In addition to obtaining an EIN number in order to hire employees legally and remit payroll taxes accurately each quarter/yearly period, there are other laws employers must abide by when hiring new staff members. These include making sure that any employee hired is legally authorized to work in the United States; verifying identity via Form I-9; filing appropriate paperwork with state labor departments; providing necessary benefits such as health insurance, vacation time/paid sick leave; paying wages according to state/federal law; offering safe working conditions; abiding by anti-discrimination laws; creating a system of record keeping regarding payroll information; submitting reports periodically such as quarterly employment tax returns (Form 941); etc.

Having an EIN is an important part of establishing a successful small business - but it's just one piece of the puzzle when it comes to managing staff members and ensuring compliance with various federal/state laws surrounding employment practices in America today.

Chapter 10

When and Why You Might Need Multiple EIN Numbers For Your Business

There are many reasons why a business may need multiple EIN numbers. The most common reason is that the business has incorporated in more than one state or jurisdiction, either due to expansion or in order to open multiple locations. A business can also require multiple EIN numbers if it operates as a partnership, with each partner having their own number for tax purposes. Additionally, businesses may require an additional number for different branches of the same organization or subsidiaries within the larger company.

In some cases, businesses may find themselves needing multiple EIN numbers for filing and reporting purposes. For example, if a company hires independent contractors who must also pay taxes on their earnings, they will require separate EIN numbers from the parent company so that these funds can be tracked appropriately. Similarly, an organization may want to keep track of specific investments or profits related to one branch of their operations separately from their other activities. In this case, they would require two distinct EIN numbers in order to differentiate between those activities' financial information.

Businesses that offer employee benefit plans such as health insurance and retirement accounts will also often require multiple EINs in order to accurately report these benefits to the appropriate government agencies and ensure compliance with applicable regulations. Additionally, different types of trusts may have separate EINs depending on how they are structured and operated.

It is important for businesses to ensure that they have all the correct documentation when requesting additional EINs from the IRS so that their filings remain accurate and up-to-date. Having multiple EINs allows businesses to keep better track of their finances and stay compliant with federal regulations, paving the way for a successful future for their organizations.