

### How to Obtain a FinCEN identifier

- Review FinCEN ID Step-by-Step Instructions-20240104.pdf to review the steps that will be involved in obtaining the FinCEN ID. ([FinCEN ID Step-by-Step Instructions](https://fincenid.fincen.gov/assets/helpContent/FinCEN-ID-Step-By-Step-Instructions-20240104.pdf)) (<https://fincenid.fincen.gov/assets/helpContent/FinCEN-ID-Step-By-Step-Instructions-20240104.pdf>)
- Be prepared to provide:
  - Email address
  - Full Legal Name
  - Date of Birth
  - Address
  - Identifying Document (Must also upload image). One of the following
    - DL
    - State issued ID
    - US Passport
    - Foreign Passport
- The registration requires setting up an account with FinCEN. Be prepared to have an email and password you will want to use.

### Steps:

1. Go to: <https://fincenid.fincen.gov>
2. Select “Sign in or Create an Account with LOGIN.GOV”
3. You will be redirected to <https://secure.login.gov/>
4. Select “Create an account” where you will create an account by following the prompt. You will need to attach a scan of the front of your selected identifying document.
5. Keep record of the FinCEN number and your username and password.
6. Submit to Advance HOA Management:
  - a. [filings@advancehoa.com](mailto:filings@advancehoa.com)
  - b. Subject: FinCEN for \_\_\_\_\_ community
  - c. Include your Name, Community and FinCEN# in the email or scan and send this form with the below completed.

Board Member Name: \_\_\_\_\_

HOA Name: \_\_\_\_\_

FinCEN Number: \_\_\_\_\_

Date Submitted: \_\_\_\_\_

E-mail to [filings@advancehoa.com](mailto:filings@advancehoa.com)

## The Corporate Transparency Act and impact on HOA's

Advance HOA would like to bring to your attention Federal law that will impact community associations throughout the US, The Corporate Transparency Act (CTA). This law imposes strict reporting requirements on nearly all business entities in the US, including community associations. Compliance with this new law is mandatory and failure to comply may lead to fines, to include civil penalties of \$500 per day and criminal penalties of up to \$10,000 and up to 24 months in prison.

The purpose of the law is to make it more difficult for smaller business entities to engage in money laundering by requiring these entities to provide information about the natural persons who directly or indirectly own or operate the entity. The CTA required the United States Department of Treasury's Financial Crimes Enforcement Network ("FinCEN") to adopt regulations to implement the provisions of the CTA, to create the forms required to be filed, and the procedures for filing them.

The regulations require many types of legal entities to file a "beneficial ownership information" ("BOI") report to FinCEN. Specifically, any entity that is a corporation, limited liability company, or any entity created through a filing with a Secretary of State or any similar office under the law of any State or Native American tribe is required to submit a BOI.

A beneficial owner is:

- An individual who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise (i) exercises substantial control over the entity; or (ii) owns or controls not less than 25 percent of the ownership interests of the entity.
- The 25% ownership criterion is fairly straightforward. In practice, for a community association, this test likely will be triggered for communities under development by a declarant, for commercial condominiums or for smaller associations.
- Exercises Substantial Control – This is the standard under which HOA Directors and Officers will be required to register with FinCEN.

All homeowners associations will have until December 31, 2024, to file with the FinCEN. Below is the information needed to be filed for all Board Members:

- Full legal name
- Date of birth
- Current address
- Unique identifying number from an acceptable form of identification (e.g., unexpired passport, driver's license) or a FinCEN identifying number, along with an image of the document used.

Changes, corrections, and additions to the filing must occur within 30 days of when there is a change, (i.e., board member moves, is replaced, etc.), so continued reporting updates will be required.

We have been aware of this law and were hopeful that the Community Association Institute (a national organization dedicated to the HOA industry) would be successful in lobbying for the exclusion of HOAs from the law, but as of today, homeowners associations are still required to file. CAI has an excellent site specific

to the work they have been doing and we invite you to read more about this requirement and the work they are doing here: [caionline.org/Advocacy/Priorities/CTA/Pages/landing.aspx](http://caionline.org/Advocacy/Priorities/CTA/Pages/landing.aspx)

**So, what does this mean to your association and to you as a Board member?**

- 1) All HOA's will need to file a Beneficial Ownership Information (BOI) report.
- 2) Included with the filing is the personal information (listed above) for each board member.
- 3) Board members will be able to obtain an identifying number through FinCEN to be used for the BOI to protect your personal information.

**What is Advance HOA Management's plan?**

- 1) Advance HOA will request that Board Members obtain an identifying number directly through FinCEN (we will provide instructions). Advance HOA does not want to obtain any personal identifying information from Board members.
- 2) The FinCEN identifying number will be provided to a designated person with Advance HOA.
- 3) Advance HOA will file the BOI report on behalf of the HOA.
- 4) As new board members are elected or appointed, part of the onboarding will include instructing the new board members on how to obtain a FinCEN identifying number and Advance HOA will update the BOI.

Below are links to learn more:

[BOI E-FILING \(fincen.gov\)](https://fincen.gov)  
[Beneficial Ownership Information | FinCEN.gov](https://fincen.gov)  
[caionline.org/Advocacy/Priorities/CTA/Pages/landing.aspx](http://caionline.org/Advocacy/Priorities/CTA/Pages/landing.aspx)

If you have any questions, please direct them to [judy@advancehoa.com](mailto:judy@advancehoa.com).