

01 NCAC 35 .0202 CONTENT OF APPLICATIONS

(a) All organizations seeking inclusion in the State Employees Combined Campaign shall submit an application to the state campaign. The application shall include a completed State Employees Combined Campaign Certificate of Compliance, provided by the Statewide Campaign Organization. Included in or attached to the Certificate of Compliance shall be:

- (1) A letter from the board of directors requesting inclusion in the campaign. The letter shall be on organization letterhead and signed by a voting member of the board of directors.
- (2) A complete description of services provided; the service area of the organization; and the percentage of its total support and revenue that is allocated to administration and fund-raising or copies of its annual report, newsletters, brochures or fact sheets as long as they include the required information.
- (3) The most recent audited financial statement prepared within the past three years.
- (4) A completed and signed copy of the organization's IRS 990 form exclusive of other IRS schedules regardless of whether or not the IRS requires the organization to file the form, to indicate program services, administrative and fund-raising expenses. The form shall be signed by an authorized agent of the organization. If the organization is not required to file the form with the IRS, the organization shall submit pages 1 and 2 of the completed form with a note at the top of page 1 that the document is for SECC purposes only.
- (5) A statement that assures compliance with all applicable State and Federal laws. The policy shall be board approved, in written form, and available to the SECC.
- (6) A copy of articles of incorporation and bylaws.
- (7) A list of the current members of the board, including their business or home addresses.
- (8) A letter from the board of directors certifying compliance with the eligibility standards listed in Paragraph (d) of this Rule.

(b) A federation may submit applications on behalf of its member charitable organizations; however, the application shall include a completed and signed Certificate of Compliance for each member charitable organization. If any member charitable organization is new to the federation, or did not participate in the SECC during the previous year, the federation shall provide a completed application and sufficient documentation to show that the member charitable organization is in compliance with all eligibility criteria. By the submission of such, the federations shall certify that all of its member charitable organizations comply with all the SECC rules, unless there are exceptions. If there are exceptions to the rules, the federations shall disclose such. The SECC Advisory Committee shall accept or reject the certifications of the eligibility of the member charitable organizations of the federations based upon criteria in these rules. If the Committee requests information supporting a certification of eligibility, that information shall be furnished promptly. Failure to furnish such information within 10 days of the notification postmark date constitutes grounds for the denial of eligibility of that member charitable organization.

(c) The SECC Advisory Committee may elect to decertify a federation or independent organization which makes a false certification, subject to the requirement that any federation or independent organization that the Committee proposes to decertify shall be notified by the Statewide Campaign Organization of the Committee's decision stating the grounds for decertification. The federation or independent organization may file an appeal to the Committee within 10 days of the notification postmark date. False certifications are presumed to be deliberate. The presumption may be overcome by evidence presented at the appeal hearing.

(d) Organizations shall meet the following criteria to be accepted as participants in the Combined Campaign:

- (1) Shall be licensed to solicit funds in North Carolina if a license is required by law and provide written proof of the same. All organizations applying as domestic or foreign nonprofit corporations shall also submit a certificate of existence (for domestic corporations) or a certificate of authorization (for foreign corporations) issued by the office of the North Carolina Secretary of State pursuant to G.S. 55A-1-28.
- (2) Shall provide written proof of tax exempt status for both federal income tax under section 501(c)(3) of the Internal Revenue Code and state tax purposes under Sections 105-125 and 105-130.11(3), respectively, of the North Carolina General Statutes, but the organization shall not be a private foundation as defined in section 509(a) of the Internal Revenue Code. Organizations shall certify that contributions from state employees are tax deductible by the donor under N.C. and federal law.
- (3) Shall prepare and make available to the general public an audited financial statement prepared by a CPA within the past three years. The SECC Advisory Committee shall permit organizations with annual budgets of less than three hundred thousand dollars (\$300,000) total support and revenue to submit an audited financial statement or review prepared by a CPA. Total support and revenue is

determined by the IRS 990 form covering the organization's most recent fiscal year ending not more than three years prior to the current year's campaign date. The CPA opinion rendered on the financial statements shall be unqualified. The year-end of such audited financial statement or review shall be no more than three years prior to the current year's campaign date. The SECC Advisory Committee may grant an exception to this requirement if an organization has filed its Articles of Incorporation with the Secretary of State's Office since March 1 of the preceding year of the current campaign.

- (4) Shall provide a completed and signed copy of the organization's IRS 990 form exclusive of other IRS schedules regardless of whether or not the IRS requires the organization to file the form, to indicate program services, administrative and fund-raising expenses. The form shall be signed by an authorized agent of the organization. If the organization is not required to file the form with the IRS, the organization shall submit pages 1 and 2 of the completed form with a note at the top of page 1 that the document is for SECC purposes only. The IRS 990 form and CPA audit or review shall cover the same fiscal year and, if revenue and expenses on the two documents differ, these amounts shall be reconciled on an accompanying statement by the CPA who completed the financial audit or review. The SECC may reject any application from an organization with fund-raising and administrative expenses in excess of 25 percent of total revenue, unless the organization demonstrates to the Committee that its actual expenses for those purposes are reasonable under all the circumstances of the case and specifies steps the organization shall take to accomplish a reduction within the next fiscal year. The percentage shall be computed from the information on the IRS 990 form by adding the amount spent on management and general expenses to the amount spent on fundraising and dividing the resulting total by total revenue.
- (5) Shall certify that all publicity and promotional activities are truthful and non-deceptive and that all material provided to the SECC is truthful, non-deceptive, includes all material facts, and makes no exaggerated or misleading claims.
- (6) Shall agree to maintain the confidentiality of the contributor list unless otherwise required by law.
- (7) Shall not permit payments of commissions, kickbacks, finders fees, percentages, bonuses, or overrides for fund-raising, and permit no paid solicitations by a fund-raising consultant or solicitor in the SECC.
- (8) Shall have a written board policy that assures compliance with all applicable State and Federal laws. Nothing herein denies eligibility to any organization which is otherwise eligible because it is organized by, on behalf of or to serve persons of a particular race, color, religion, sex, age, national origin or physical or mental disability.
- (9) Shall provide benefits or services to state employees or their families within a solicitation area and be available through a telephone number to respond to inquiries from state employees. However, an international organization which provides health and welfare services overseas, whose activities do not require a local presence and which meet the other eligibility criteria in these Rules, may be accepted for participation in the campaign.
- (10) Shall not use SECC contributions for lobbying activities.
- (11) Shall have an active board of directors that contains no less than three persons who meet at least three times a year. The board of directors shall maintain records of all decisions made and these decisions shall be made available for SECC inspection.

*History Note: Authority G.S. 143-340(26); 143B-10;
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