

01 NCAC 35 .0205 AGREEMENTS

- (a) Following acceptance into the SECC, federations and independent charitable organization(s) shall execute a contract with the State. The parties shall agree to abide by the terms and conditions of the rules. The contract shall be signed by the State Chair, the SECC Executive Director, the organization's board chair and the organization's chief executive officer.
- (b) Each federation shall be responsible for the accuracy of the distribution amount to their member charitable organizations. Each federation shall have a policy to deduct no more than 10% of gross receipts. Each federation shall justify amounts deducted from their disbursements to participating charitable organizations based on this policy. Each federation shall verify a bond or proof of insurance in an amount that covers the total amount of designated and undesignated funds to be allocated to each of the respective member charitable organizations.
- (c) Each federation is expected to disburse on the basis of actual funds received, both designated and undesignated, rather than the amount pledged. Each federation shall disburse contributions quarterly to participating member charitable organizations.
- (d) The SECC Advisory Committee may discontinue distribution of funds to any charitable organization(s) that ceases to comply with the criteria and procedures as set forth in these Rules. The remainder of the charitable organization funds shall be distributed as the SECC Advisory Committee may designate.
- (e) In the event a federation ceases to comply with the criteria and procedures as set forth in these Rules, the SECC Advisory Committee shall distribute the funds contributed to the federation, designated and undesignated, equally among the SECC charitable organizations under said federation.
- (f) In the event a SECC charitable organization in a federation ceases to comply with the criteria and procedures as set forth in these Rules, the SECC Advisory Committee shall distribute the funds contributed to that organization, designated and undesignated, to the federation for distribution in accordance with federation policy, notwithstanding 01 NCAC 35 .0306(c).
- (g) In the event a SECC charitable organization or any of its directors, officers or employees are the subject of any investigation or legal proceeding by any federal, state or local law enforcement authority based upon its charitable solicitation activities, delivery of program services, or use of funds, the organization shall disclose the same to the SECC within 10 days of its learning of the investigation or proceeding. It shall also disclose within 10 days the outcome of any such investigation or proceeding.

*History Note: Authority G.S. 143-340(26); 143B-10;
 Eff. December 1, 1994;
 Temporary Amendment Eff. February 15, 2002;
 Amended Eff. March 1, 2006; August 1, 2004.*