

CHAPTER 35 - STATE EMPLOYEES COMBINED CAMPAIGN

SECTION .0100 - PURPOSE AND ORGANIZATION

01 NCAC 35 .0101 DEFINITIONS

In addition to definitions found in G.S. 143-3.3(a), the following definitions shall apply:

- (1) "Audit" or "audited financial statement." An examination of financial statements of an organization by a CPA, conducted in accordance with generally accepted auditing standards, to determine whether, in the CPA's opinion, the statements conform with generally accepted accounting principles or, if applicable, with another comprehensive basis of accounting.
- (2) "State Employees Combined Campaign" or "SECC." The official name of the state employees charitable fund-raising drive.
- (3) "Federation" or "Federated Group" means a group of voluntary charitable human health and welfare agencies organized for purposes of supplying common fund-raising, administrative, and management services to its constituent members.
- (4) "Fund-raising expenses" (supporting activities) means expenses of all activities that constitute, or are an integral and inseparable part of, an appeal for financial support. Fund-raising expenses represent the total expenses incurred in soliciting contributions, gifts, grants, etc.; participating in federated fund-raising campaigns; maintaining donor mailing lists; preparing and distributing fund-raising manuals, instructions and other materials; and conducting other activities involved with soliciting contributions.
- (5) "Administrative expenses" (supporting activities) means expenses for reporting and informational activities related to business management and administrative activities which are neither educational, nor direct conduct of program services, nor fund-raising services.
- (6) "Program service expenses" means expenses for those activities that the reporting organization was created to conduct which fulfill the purpose or mission for which the organization exists, exclusive of fund-raising and administrative expenses, and which, along with any activities commenced subsequently, form the basis of the organization's current exemption from tax.
- (7) "Fund-raising consultant" means, a consultant as defined in G.S. 131F-2(10).
- (8) "Fund-raising solicitor" means a solicitor, as defined in G.S. 131F-2(19).
- (9) "Review" or "reviewed financial statement." An examination of financial statements of an organization by a CPA. The CPA performs inquiry and analytical procedures that provide the CPA with a reasonable basis for expressing limited assurance that there are no material modifications that should be made to the statements in order for them to be in conformity with generally accepted accounting principles or, if applicable, with another comprehensive basis of accounting.

History Note: Authority G.S. 143-3.3; 143-340(26); 143B-10;
Eff. February 1, 1984;
Amended Eff. December 1, 1994; December 1, 1993; May 1, 1987;
Temporary Amendment Eff. February 15, 2002;
Amended Eff. August 1, 2004;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 3, 2017.

01 NCAC 35 .0102 PURPOSE

The purpose of the State Employees Combined Campaign is to allow state employees the opportunity to contribute to charitable non-partisan organizations in an orderly and uniform process. The contributions are in turn granted to those charities selected by the SECC Advisory Committee. The SECC is authorized to conduct a payroll deduction fund-raising effort among state employees.

History Note: Authority G.S. 143-3.3; 143B-10;
Eff. February 1, 1984;
Amended Eff. December 1, 1993.

01 NCAC 35 .0103 ORGANIZATION OF THE CAMPAIGN

The State Employees Combined Campaign is organized as follows:

- (1) Chair. Each year the Governor shall appoint the Statewide Combined Campaign Chair "or Statewide Campaign Chair" from one of the Executive Cabinet, Council of State, System of Community Colleges, or University Administration agencies. The Statewide Campaign Chair shall serve as director of the campaign. The responsibilities of the Chair include enlisting the support and cooperation of the head of each state department and university in coordinating an effective campaign, promoting the participation of state employees, setting the dates of and approving the published materials for the Combined Campaign, contracting for the selection of the Statewide Campaign Organization as set out in these Rules, and appointing members to and serving as chair of the SECC Advisory Committee. For the purposes of selecting the Statewide Campaign Organization, the Statewide Campaign Chair shall consider the following criteria:
 - (a) The selected organization shall have the ability to manage a state-wide fund-raising campaign.
 - (b) The selected organization shall have an audit to demonstrate financial accountability.
 - (c) The selected organization shall be a tax-exempt organization under the Internal Revenue Code.
 - (d) The organization 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.
 - (e) The selected organization shall agree to comply with the terms of the State/Statewide Campaign Organization contract as determined in Subitem (4) of this Rule.
- (2) SECC Advisory Committee. This committee serves as an application point for all charitable organizations applying to participate in the SECC. The duties of the SECC Advisory Committee include the following:
 - (a) The committee shall recommend policy for the campaign to the Governor, the Statewide Campaign Chair, and state agencies and shall recommend the criteria for participation by charitable organizations. The committee shall review the recommendations made by the Statewide Campaign Organization and shall accept or reject its recommendations. Prior to each year's campaign, the SECC Advisory Committee shall approve a budget to cover all of its costs related to the campaign and shall develop an annual work plan.
 - (b) The committee shall be composed of at least 20 state employee members appointed by the Statewide Campaign Chair. Members shall serve four-year staggered terms. If a vacancy occurs, the Statewide Campaign Chair shall appoint a replacement to fill the unexpired term. No member shall serve more than two consecutive terms of four years.
 - (c) The SECC Advisory Committee shall meet at the discretion of the Statewide Campaign Chair; however, no fewer than four meetings per year will shall be held. The SECC Advisory Committee shall conduct business only when a quorum of one-third of the committee membership, including the Statewide Campaign Chair or his designee is present.
 - (d) Any State employee who serves on the SECC Advisory Committee shall not participate in any decision where that employee may have a conflict of interest or the appearance of a conflict of interest, either of a personal nature or with regard to the agency in which the employee works. Any SECC Advisory Committee member who is also a member of a charitable organization's board shall recuse himself from taking part in deliberation or voting on matters by which that charitable organization may be impacted.
- (3) Statewide Campaign Organization. The Statewide Campaign Organization shall be selected by the Statewide Campaign Chair. The entity selected to manage the campaign shall conduct its own organization operations separately from duties performed as the Statewide Campaign Organization. The duties of the Statewide Campaign Organization include the following:
 - (a) serving as the financial administrator of the SECC;
 - (b) determining if the applicant charitable organizations meet the requirements of Rule .0202 of this Chapter;
 - (c) providing centralized pledge processing services in order to process all pledge forms of state employees;
 - (d) compiling reports for the SECC Advisory Committee and notifying federations and independent organizations no later than March 1 following the close of the campaign on

- December 1 of the amounts designated to them and their member charitable organizations and of the amounts of the undesignated funds allocated to them;
- (e) transmitting quarterly to each federation and independent organization its share of the state employee's funds. When the total contribution for any federation or independent organization is two hundred fifty dollars or less, the SECC Advisory Committee may direct the contributions be made in a lump sum the first quarter to the recipient federation or independent organization. Interest earnings shall be disbursed to each participating federation and independent organization based on its proportionate share of the campaign's total gross contributions if an interest bearing account is established. Undesignated funds shall be distributed in accordance with the rules in this Chapter;
 - (f) printing and distributing the pledge form, the campaign report form and collection envelopes to state departments and universities;
 - (g) collecting pledge reports and envelopes from state department and university volunteers;
 - (h) maintaining an accounting of all funds raised and submitting an audited end-of-campaign report of the following:
 - (i) amounts contributed and pledged;
 - (ii) number of contributions; and
 - (iii) amounts distributed to each participating charitable organization;
 - (i) preparing a list of all accepted organizations and distributing them to all applicants;
 - (j) coordinating an annual statewide or regional training session for state employee volunteers;
 - (k) serving as liaison to participating charitable organizations;
 - (l) providing staff to administer the SECC in consultation with SECC Advisory Committee.
 - (m) preparing a budget of anticipated campaign and administrative expenses for the SECC;
 - (n) preparing a suggested annual work plan of goals and objectives for the SECC;
 - (o) educating state employees in the services provided through their support;
 - (p) deducting, before disbursements are made, direct costs of operating the campaign from the gross contributions and charging each federation or independent organization its proportionate share of the campaign's operational cost as determined in Subitem (4)(a) of this Rule. The Statewide Campaign Organization shall document the total actual costs of the campaign, which shall not exceed 20% of gross contributions;
 - (q) maintaining records related to campaign activities;
 - (r) providing such other central management functions as may be agreed upon as essential in its contract with the State Campaign Chair; and
 - (s) collecting pledge reports and envelopes from state department and university volunteers.
- (4) A three-year contract between the state and the Statewide Campaign Organization shall be executed in order to develop an audit trail. The contracts shall allow a charge for campaign expenses to be claimed by the Statewide Campaign Organization. All terms and conditions of this contract shall be subject to approval by the Statewide Campaign Chair. The Statewide Campaign Organization shall recover from gross receipts of the campaign its expenses which shall reflect the actual costs of administering the campaign. Total actual costs of the campaign to be recovered shall be documented and shall not exceed 20% of budgeted gross receipts. The campaign expenses shall be shared proportionately by all the recipient organizations reflecting their percentage share of gross campaign receipts. No costs associated with the campaign shall be borne by the State. All costs shall be borne by the proceeds from the campaign.
- (5) Solicitation Campaign Organization. The campaign shall be divided into no more than 15 administrative regions, and managed within each state department or university according to the following structure:
- (a) State Department Head or University Chancellor. The director or chancellor of each state department or university shall set the tone and provide leadership for the campaign in the following manner: This person shall ensure that voluntary fundraising within the department or university is conducted in accordance with these Rules, communicate support for the campaign to all employees, and appoint Department Executives and University Chairs within the agency's or university's central office.
 - (b) Department Executives or University Chairs. Department Executives or University Chairs shall manage the campaign at the agency or university level. The Department

Executives and University Chairs shall ensure that personal solicitations are organized and conducted in accordance with the procedures set forth in these Rules and shall appoint coordinators at agency institutions or local offices and universities and shall provide direction and guidance to the coordinators.

- (c) Coordinators. Coordinators shall be appointed by their respective Department Executives and University Chairs and shall manage the campaign in agency institutions or local offices and universities. The coordinators shall undertake the official campaign within their agency institution or local office and university and assist in setting campaign goals. The coordinators shall ensure that personal solicitations are organized and in accordance with the procedures set forth in these Rules and shall work with solicitors.
- (d) Solicitors. Solicitors shall work with coordinators to promote the campaign. Solicitors shall communicate the importance of the campaign to their fellow workers, encourage participation by payroll deduction, explain how to designate gifts and answer questions regarding the campaign. Solicitors shall personally solicit employees in their assigned area, report all pledges and contributions to the coordinator and ensure that pledge forms are distributed, completed and collected. Solicitors shall also assist in planning campaign strategies and events.

*History Note: Authority G.S. 143-340(26); 143B-10;
Eff. February 1, 1984;
Amended Eff. December 1, 1994; December 1, 1993; February 3, 1992; June 1, 1988;
Temporary Amendment Eff. February 15, 2002;
Amended Eff. March 1, 2006; August 1, 2004.*

SECTION .0200 - APPLICATION PROCESS AND SCHEDULE

01 NCAC 35 .0201 APPLICATIONS

- (a) To be eligible to participate in the State Employees Combined Campaign, an organization shall apply annually for consideration, either as an independent organization or as a federation.
- (b) Independent organizations or federations wishing to receive an application can do so by making a request in writing to the Statewide Campaign Organization. Such written requests may be made by letter, facsimile or email communication; however, telephone or verbal requests shall not be honored.
- (c) Any independent organization or federation which was eligible to participate in the State Employees Combined Campaign immediately preceding the campaign for which application is currently made shall be required to submit to the Statewide Campaign Organization only its most recent information, which shall specifically update the requirements of 01 NCAC 35 .0202 and include a completed Certificate of Compliance.

*History Note: Authority G.S. 143-340(26); 143B-10;
Eff. February 1, 1984;
Amended Eff. December 1, 1993;
Temporary Amendment Eff. February 15, 2002;
Amended Eff. March 1, 2006; August 1, 2004.*

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 fundraising 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;
Eff. February 1, 1984;
Amended Eff. December 1, 1994; December 1, 1993; February 3, 1992; June 1, 1988;
Temporary Amendment Eff. February 15, 2002;
Amended Eff. March 1, 2006; August 1, 2004.*

01 NCAC 35 .0203 REVIEW AND SCHEDULE

- (a) Completed applications shall be postmarked or received by the Statewide Campaign Organization by February 15 to be included in the following fall campaign. The SECC Advisory Committee (the "Committee") shall not consider incomplete applications.
- (b) The Statewide Campaign Organization and the Committee shall review the application materials for accuracy, completeness and compliance with these rules. The Statewide Campaign Organization shall report to the Committee its recommendation on each application within four weeks of the closing deadline.
- (c) The Committee may reject an application for failing to meet any of the criteria outlined in these Rules.
- (d) Failure to supply any of the information required by the application may be deemed a failure to comply with the requirements of public accountability, and the applicant may be ruled ineligible for inclusion.
- (e) The burden of demonstrating eligibility shall rest with the applicant.
- (f) If the due date in Paragraph (a) of this Rule falls on a Saturday, Sunday or a legal holiday, then the information shall be postmarked or received by the Statewide Campaign Organization by the end of the next day which is not a Saturday, Sunday or a legal holiday.

*History Note: Authority G.S. 143-340(26); 143B-10;
Eff. February 1, 1984;
Amended Eff. February 3, 1992; May 1, 1987;*

*Transferred and Recodified from 1 NCAC 35 .0301 Eff. December 1, 1993;
Amended Eff. December 1, 1994; December 1, 1993;
Temporary Amendment Eff. February 15, 2002;
Amended Eff. March 1, 2006; August 1, 2004.*

01 NCAC 35 .0204 RESPONSE

All applicants shall be notified by the Statewide Campaign Organization of the Committee's decision within 45 days of the closing deadline. An applicant who is dissatisfied with the determination of its application may file an appeal to the SECC Advisory Committee within 10 days of the notification postmark date. An applicant who is dissatisfied with either the Committee's decision or the appeal determination of the Committee may commence a contested case by filing a petition under G.S. 150B-23 within 60 days of notification postmark date of the Committee's decision.

*History Note: Authority G.S. 143-3.3; 143-340(26); 143B-10;
Eff. February 1, 1984;
Amended Eff. February 3, 1992; June 1, 1988; July 1, 1987;
Transferred and Recodified from 1 NCAC 35 .0302 Eff. December 1, 1993;
Amended Eff. January 1, 1995; December 1, 1993;
Temporary Amendment Eff. February 15, 2002;
Amended Eff. March 1, 2006; August 1, 2004.*

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.*

SECTION .0300 - GENERAL PROVISIONS

01 NCAC 35 .0301 OTHER SOLICITATION PROHIBITED

No charitable organization shall engage in any solicitation activity independent of the SECC at any state employee work site. The prohibition does not include Bloodmobiles or employee association solicitations.

*History Note: Authority G.S. 143-3.3; 143-340(26); 143B-10;
Eff. February 1, 1984;
Transferred and Recodified from 1 NCAC 35 .0401 Eff. December 1, 1993;
Amended Eff. December 1, 1993;
Temporary Amendment Eff. February 15, 2002;
Amended Eff. March 1, 2006; August 1, 2004.*

01 NCAC 35 .0302 COERCIVE ACTIVITIES PROHIBITED

(a) In order to insure that donations are made on a voluntary basis, actions that do not allow free choice or that create an impression of required giving are prohibited. Peer solicitation is encouraged. Employee gifts shall be kept confidential, unless otherwise required by law except that employees may have their designated contributions acknowledged by the recipient organizations.

(b) All activities of the campaign shall be conducted in a manner that promotes a unified solicitation on behalf of all participants. While it is permissible to individually identify, describe or explain the charitable organizations in the campaign for informational purposes, no person affiliated with the campaign shall engage in any campaign activity that is construed to either advocate or criticize any specific charitable organization.

(c) The following activities are not permitted:

- (1) The providing and using of contributor lists for purposes other than the collection, forwarding, and acknowledgement of contributions. Recipient organizations that receive the names and addresses of state employees shall segregate this information from all other lists of contributors and use the lists only for acknowledgement purposes. This segregated list shall not be sold or released to anyone outside of the recipient organization. Failure to protect the integrity of this information may result in penalties up to expulsion from the campaign;
- (2) The establishment of personal dollar goals or quotas; and
- (3) The developing and using of lists of non-contributors.

(d) Violations of these Rules by a participant organization may result in the decertification of the organization. The organization shall be given notice of and an opportunity to be heard prior to any action being taken by the Committee. Any organization that is dissatisfied with the determination of its decertification may file an appeal to the Committee within 10 days of the notification postmark date. An organization that is dissatisfied with the appeal determination of the Committee may commence a contested case by filing a petition under G.S. 150B-23 within 60 days of notification postmark date of the Committee's decision.

*History Note: Authority G.S. 143-3.3; 143-340(26); 143B-10;
Eff. February 1, 1984;
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Amended Eff. December 1, 1994; December 1, 1993;
Temporary Amendment Eff. February 15, 2002;
Amended Eff. March 1, 2006; August 1, 2004.*

01 NCAC 35 .0303 FORM AND CONTENT OF APPLICATION

*History Note: Authority G.S. 143B-10; 143-3.3;
Eff. February 1, 1984;
Amended Eff. February 3, 1992; June 1, 1988; May 1, 1987;
Repealed Eff. February 1, 1994.*

01 NCAC 35 .0304 METHODS OF GIVING AND TERMS OF CONTRIBUTION

For purposes of this Chapter, the following definitions apply:

- (1) Payment may be made by payroll deduction, cash, personal check or credit card. If an employee chooses to use the payroll deduction method of contributing, he/she shall agree to have the deduction continue for one year with equal amounts deducted from each check (monthly, semi-monthly or biweekly depending on the payroll). If the employee authorizes payroll deduction, the

minimum amount of the deduction is five dollars (\$5.00) per month. All deductions shall start with the January payroll and continue through December. If the employee discontinues employment, or chooses to discontinue payment, the state shall not be responsible for the collection of the unpaid pledge. No deduction shall be made for any period in which the employee's net pay, after all legal and previously authorized deductions, is insufficient to cover the allotment. No adjustments shall be made in subsequent periods to make up for deductions missed. An employee who wishes to participate in a subsequent campaign shall file a new pledge form valid for the subsequent campaign.

- (2) The State of North Carolina shall provide new employees the opportunity to contribute to the SECC when any State or university human resources office is reviewing the details of employment with each new employee. There shall be no implication that a contribution is a requirement for employment, but material and an interpretation of the state policy and SECC shall be provided.
- (3) An employee transferred from one state agency to another shall request a copy of the employee's payroll deduction authorization form from the first state agency and submit the copy to the second state agency or complete and submit an additional form if required by the second state agency.
- (4) Temporary, contract and retired state employees shall be eligible to participate in the SECC.

History Note: Authority G.S. 143-3.3; 143-340(26); 143B-10; Eff. February 1, 1984; Amended Eff. February 3, 1992; May 1, 1987; Transferred and Recodified from 1 NCAC 35 .0403 Eff. December 1, 1993; Amended Eff. December 1, 1993; Temporary Amendment Eff. February 15, 2002; Amended Eff. March 1, 2006; August 1, 2004.

01 NCAC 35 .0305 CAMPAIGN LITERATURE

- (a) Each charitable organization accepted as a part of the campaign:
 - (1) Shall provide information about its services including administrative and fund-raising costs, to the Statewide Campaign Organization for use in the campaign;
 - (2) Shall not be listed more than one time in the campaign literature unless the SECC Advisory Committee and the Statewide Campaign Organization, each determines the following:
 - (A) It is in contributors' interests to more specifically direct their gifts to separate geographic locations; and
 - (B) The organization maintains records that determine that gifts so designated to that geographic area accrue only to the benefit and purposes of the organization in that designated area;
- (b) The State Employees Combined Campaign shall provide a campaign resource guide designed by the SECC Advisory Committee and all publicity shall be subject to the State Chair's approval. Publicity shall not favor one charitable organization or federation over another.
- (c) The State Chair shall approve, prior to distribution, the content of any campaign pledge or distribution card to ensure that the information contained is accurate and complies with the State Controller's requirements for format and substance.

History Note: Authority G.S. 143-340(26); 143B-10; Eff. February 1, 1984; Amended Eff. May 1, 1987; Transferred and Recodified from 1 NCAC 35 .0404 Eff. December 1, 1993; Amended Eff. December 1, 1994; December 1, 1993; Temporary Amendment Eff. February 15, 2002; Amended Eff. March 1, 2006; August 1, 2004; Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 3, 2017.

01 NCAC 35 .0306 DESIGNATION CAMPAIGN

- (a) Each employee may designate which agency or group of agencies shall benefit from his or her contribution to the State Employees Combined Campaign. The SECC shall provide each employee with a list of the approved agencies in the campaign in order to help them make the decision. The state employee may designate only the federations and agencies that are listed. Write-ins are prohibited.
- (b) Designations made to organizations not listed are invalid, but shall be treated as undesignated funds and distributed accordingly.
- (c) Contributions designated to a federation shall be shared in accordance with the federation's policy unless the federation has failed to comply with the criteria and procedures as set forth in these Rules. In the event of non-compliance by the federation, funds shall be distributed pursuant to Rule .0205(e) of this Chapter.
- (d) All designated contributions shall be a minimum contribution of ten dollars (\$10.00) annually per agency designated. If a designation does not comply with the minimum required, the designation is invalid, and shall be treated as undesignated funds and distributed accordingly.
- (e) An employee shall not change the designated agency or group of agencies designated to receive amounts pledged outside the time the campaign is being conducted.

History Note: Authority G.S. 143-3.3; 143-340(26); 143B-10;
Eff. February 1, 1984;
Transferred and Recodified from 1 NCAC 35 .0405 Eff. December 1, 1993;
Amended Eff. December 1, 1994; December 1, 1993;
Temporary Amendment Eff. February 15, 2002;
Amended Eff. August 1, 2004.

01 NCAC 35 .0307 DISTRIBUTION OF UNDESIGNATED FUNDS

Any monies not designated to a particular recipient shall be deemed as undesignated funds. The local SECC shall communicate in campaign literature how the undesignated funds will be allocated in their local campaigns and shall distribute these funds to approved independent organizations and federations. Undesignated funds shall be distributed to approved independent organizations and federations based on its percentage of total designated funds during the current campaign year after actual costs of the campaign are recovered pursuant to Rule .0103(3)(p) of this Chapter.

History Note: Authority G.S. 143B-10;
Eff. February 1, 1984;
Amended Eff. January 1, 1988;
Transferred and Recodified from 1 NCAC 35 .0406 Eff. December 1, 1993;
Amended Eff. March 1, 2006; December 1, 1994; December 1, 1993.

01 NCAC 35 .0308 EFFECTIVE DATE OF AMENDED RULES

History Note: Authority G.S. 143-3.3; 143-340(26); 143B-10;
Eff. May 1, 1987;
Transferred and Recodified from 1 NCAC 35 .0407 Eff. December 1, 1993;
Amended Eff. December 1, 1993;
Temporary Repeal Eff. February 15, 2002;
Repealed Eff. August 1, 2004.

01 NCAC 35 .0309 CAMPAIGN OPERATION

- (a) The official name of the state employee giving system of North Carolina is the State Employees Combined Campaign.
- (b) The campaign solicitation period shall be conducted annually during the period between August 1 and November 30. The Statewide Campaign Chair may specify the campaign period to be uniform statewide.
- (c) The fiscal year for the State Employees Combined Campaign shall be January 1 through December 31.

History Note: Authority G.S. 143-3.3; 143-340(26); 143B-10;
Temporary Adoption Eff. February 15, 2002;
Eff. August 1, 2004;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 3, 2017.

SECTION .0400 - GENERAL PROVISIONS

Editor's Note: 1 NCAC 35 .0400, General Provisions, Rules .0401 - .0402 have been transferred and recodified as 1 NCAC 35 .0301 - .0302 and 1 NCAC 35 .0403 - .0407 have been transferred and recodified as 1 NCAC 35 .0304 - .0308 effective December 1, 1993.