

Temporary Amendment Eff. January 1, 1995 for a period of 180 days or until the permanent rule becomes effective, whichever is sooner;
Amended Eff. June 1, 1995; September 1, 1982;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. September 23, 2017.

18 NCAC 11 .0105 CONTESTED CASE HEARING PROCEDURES

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Authority G.S. 131C-12; 150B-14(c);
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Repealed Eff. June 1, 1995.

Editor's Note: 18 NCAC 11 .0200 was transferred from 10 NCAC 30 .0200 effective January 1, 1999 pursuant to Senate Bill 1366 of the 1997 Session of the General Assembly.

SECTION .0200 - LICENSE NOT REQUIRED FOR CERTAIN PERSONS

- 18 NCAC 11 .0201 APPLICATION**
- 18 NCAC 11 .0202 CHARITABLE ORGANIZATIONS**
- 18 NCAC 11 .0203 FEDERATED FUND-RAISING ORGANIZATIONS**

History Note: Authority G.S. 108-75.2; 108.75.5(c); 108-75.6(f); 108-75.22(a); 108-75.7(a)(3);
Eff. January 28, 1977;
Readopted Eff. February 1, 1978;
Repealed Eff. January 1, 1982.

18 NCAC 11 .0204 EXEMPTED PERSONS

History Note: Authority G.S. 131C-12;
Eff. January 1, 1982;
Amended Eff. July 1, 1982;
Repealed Eff. November 1, 1989.

18 NCAC 11 .0205 FOUNDATIONS AND INSTRUCTIONAL UNITS

A foundation or instructional unit shall be considered to have an established identity with an educational institution if the relationship between the trustees of the educational institution and the foundation or instructional unit meets one of the following criteria:

- (1) The trustees have granted written authorization for the solicitation by the foundation or instructional unit;
- (2) The trustees have final authority over the financial affairs of the foundation or instructional unit;
- (3) The trustees have final authority over the disbursement of the contributions solicited by the foundation or instructional unit;
- (4) The trustees have authorized the incorporation of receipts and disbursements of the contributions as a part of the educational institution's financial statement; or
- (5) The trustees grant academic credit for instructional programs of the instructional unit.

History Note: Authority G.S. 131F-33;
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Editor's Note: 18 NCAC 11 .0300 was transferred from 10 NCAC 30 .0300 effective January 1, 1999 pursuant to Senate Bill 1366 of the 1997 Session of the General Assembly.

SECTION .0300 - APPLICATION FOR LICENSURE

18 NCAC 11 .0301	EXEMPT ORGANIZATIONS EMPLOYING TO SOLICIT PUBLICLY
18 NCAC 11 .0302	RELIGIOUS ORGANIZATIONS
18 NCAC 11 .0303	DIRECT MAIL FIRMS
18 NCAC 11 .0304	PROFESSIONAL SOLICITORS

History Note: Authority G.S. 108-75.3(16); 108-75.5(c); 108-75.7(a)(1);
Eff. January 28, 1977;
Readopted Eff. February 1, 1978;
Repealed Eff. January 1, 1982.

18 NCAC 11 .0305 PERSONS SUBJECT TO LICENSURE

(a) Any person subject to licensure under G.S. 131F-5, 131F-15, or 131F-16 shall file an application with the Department on forms provided by the Department prior to soliciting.

(b) If the Department identifies a person who has failed to comply with Paragraph (a) of this Rule, the Department shall send, by certified mail, to such person all forms relevant to licensure and a notice which advises the person of the unlawful solicitation.

(c) Upon receipt of an application to solicit charitable funds in North Carolina, the Department shall examine all submitted information. The Department shall retain the right to investigate any application to assure that true and full disclosure has been made.

(d) Any license issued to a charitable organization or a sponsor shall indicate the type of organization as defined by the IRS through its various exempt determination codes as follows:

- (1) 501(c)(1) - Congressional organization or federal credit union
- (2) 501(c)(3) - Charitable organization
- (3) 501(c)(4) - Civic organization
- (4) 501(c)(5) - Labor organization, union
- (5) 501(c)(6) - Business league
- (6) 501(c)(7) - Social club
- (7) 501(c)(8) - Fraternal beneficiary
- (8) 501(c)(10) - Domestic fraternal organization
- (9) 501(c)(19) - Armed forces organization; or, any other designation by the IRS.

(e) A charitable organization or sponsor which elects not to file for IRS Tax Exempt Determination may be licensed as a "Non Tax Exempt Entity" provided it meets all other requirements for licensure. In addition, the charitable organization or sponsor shall provide disclosure in its solicitations that the charitable organization or sponsor is a non tax exempt entity and that donations are not tax deductible.

(f) At least 65 days prior to the expiration of a license, the Department shall send each licensee a renewal application form.

(g) Any charitable organization or sponsor which fails to file the renewal information by the due date shall be assessed a late filing fee of twenty five dollars (\$25.00) for each month or part of a month after the due date on which the renewal information was due to be filed or after the period of extension granted for the filing.

History Note: Authority G.S. 131F-5; 131F-6; 131F-8; 131F-15; 131F-16; 131F-33;
Eff. January 1, 1982;
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18 NCAC 11 .0306 INCOMPLETE APPLICATION

An applicant who fails to respond to any question, to provide any required information, or to submit the proper fee shall not be licensed.

History Note: Authority G.S. 131F-5; 131F-15; 131F-16; 131F-33;
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18 NCAC 11 .0307 CHARITABLE ORGANIZATIONS

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Authority G.S. 131C-12;
Eff. January 1, 1982;
Amended Eff. July 1, 1982;
Repealed Eff. June 1, 1995.

18 NCAC 11 .0308 FEDERATED FUND-RAISING ORGANIZATIONS

- (a) A Federated Fund-Raising Organization (FFRO), unless exempt under G.S. 131F-3, shall file an application which identifies member agencies of the FFRO. The identification of the member agencies shall include the licensure status of the member agencies.
- (b) If a member agency is exempt from licensure under G.S. 131F-3, the FFRO shall state the name of the exempt member agency, the amount allocated by the FFRO to the member agency during the previous fiscal year, and the reasons why the member agency is exempt, based on information submitted by the member agency to the FFRO. This information shall be furnished as a part of the FFRO's application for a license to solicit.
- (c) If a member agency is subject to licensure under the provisions of G.S. 131F the FFRO shall include the name and address of the member agency, the name of the executive in charge, the phone number, and the amount allocated by the FFRO to the member agency during the previous fiscal year. This information shall be furnished as a part of the FFRO's application for a license to solicit.

History Note: Authority G.S. 131F-33;
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18 NCAC 11 .0309 ADVERTISING MATERIAL

18 NCAC 11 .0310 SIMILAR NAMES

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Editor's Note: 18 NCAC 11 .0400 was transferred from 10 NCAC 30 .0400 effective January 1, 1999 pursuant to Senate Bill 1366 of the 1997 Session of the General Assembly.

SECTION .0400 - FEES

18 NCAC 11 .0401 COMMUNITY FOUNDATION OR COMMUNITY TRUST

18 NCAC 11 .0402 EDUCATIONAL AFFILIATES

History Note: Authority G.S. 108-75.7(a)(2); 108-75.25;
Eff. January 28, 1977;
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Repealed Eff. January 1, 1982.

18 NCAC 11 .0403 SCHEDULE OF FEES
18 NCAC 11 .0404 FEE FOR SOME APPLICANTS

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Authority G.S. 131C-9; 131C-12;
Eff. January 1, 1982;
Repealed Eff. June 1, 1995.

18 NCAC 11 .0405 UNCOLLECTIBLE FEES

If any applicant remits a fee in the form of a check or other instrument which is uncollectible from the paying institution, the Department shall notify the applicant of the nonpayment. If full payment of the fee is not received within 15 days of the notice, the Department shall proceed with denial of the application or revocation of the license.

History Note: Authority G.S. 131F-5; 131F-15; 131F-16; 131F-33;
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SECTION .0500 - ACCOUNTING AND MANAGEMENT

18 NCAC 11 .0501 NON-TRANSFERABILITY OF LICENSES
18 NCAC 11 .0502 CHARITABLE ORGANIZATIONS

History Note: Authority G.S. 108-75.4(a); 108-75.5(c);
Eff. January 28, 1977;
Readopted Eff. February 1, 1978;
Repealed Eff. January 1, 1982.

18 NCAC 11 .0503 FINANCIAL INFORMATION OF CHARITABLE ORGANIZATIONS

- (a) A charitable organization or sponsor shall maintain financial records.
- (b) Any person subject to licensure under G.S. 131F-5, 131F-15 and 131F-16 shall maintain accurate financial records. The financial records shall include total support and revenue on a gross basis and an itemization of all actual fund-raising expenses. Financial records shall be retained for a period of at least three years after the license period to which they relate.
- (c) A charitable organization or a sponsor who plans no solicitation of contributions in the State upon the expiration of its license shall file, with the Department, a financial report within 90 days of the expiration date of the license.
- (d) The charitable organization or sponsor's assets shall not be commingled with those of any other person.

History Note: Authority G.S. 131F-18; 131F-32; 131F-33;
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18 NCAC 11 .0504 ACCOUNTING BY SOLICITORS

Within 90 days from the conclusion of a solicitation for which a solicitor has been retained, the solicitor shall provide to the Department an accounting of all monies received, pledged, and disbursed. The accounting shall be on a form prescribed by the Department. Solicitor's expense information is required and may be accompanied by a statement from a certified public accountant verifying its accuracy. The accounting shall be labeled as "verified" or "unverified" and shall be available for inspection in the Charitable Solicitation Licensing Office.

*History Note: Authority G.S. 131F-16; 131F-33;
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18 NCAC 11 .0505 CHARITABLE SALES PROMOTION - COVENTURE

(a) Prior to a charitable sales promotion or coventure by a charitable organization or sponsor, the charitable organization or sponsor shall obtain the following:

- (1) A license as required under G.S. 131F-5, unless exempt from licensure under G.S. 131F-3; and
- (2) An agreement with the sales promotions or coventurer which shall include the projected amounts of gross sales, the projected sales for each vending unit, the charitable organization or sponsor's share per unit, and the charitable organization or sponsor's projected total dollar share.

(b) Upon the conclusion of the charitable sales promotion or coventure, the charitable organization or sponsor shall provide to the Department an accounting of the items set forth in Subparagraph (a)(2) of this Rule. In lieu of a separate accounting to the Department, the charitable organization or sponsor may incorporate the accounting into the financial report filed pursuant to Rule .0503 (b) of this Section.

*History Note: Authority G.S. 131F-18; 131F-33;
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18 NCAC 11 .0506 SIMPLIFIED REPORTING FOR CERTAIN ORGANIZATIONS

(a) A charitable organization or sponsor which has total support and revenue for the preceding fiscal year of less than one hundred thousand dollars (\$100,000) may elect to file its financial statement as required by G.S. 131F-6(8) or 131F-6(9). A financial statement filed pursuant to G.S. 131F-6(8) shall be signed by three members of the audit or finance committee.

(b) A charitable organization or sponsor which has total support and revenue for the preceding fiscal year of one hundred thousand dollars (\$100,000) but less than two hundred fifty thousand dollars (\$250,000) shall provide a copy of a compilation performed and signed by an independent public accountant and a copy of the IRS Form 990.

(c) A charitable organization or sponsor which has total support and revenue for the preceding fiscal year of two hundred fifty thousand dollars (\$250,000) or more shall provide an audit by a certified public accountant and a copy of IRS Form 990.

*History Note: Authority G.S. 131F-6; 131F-33;
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18 NCAC 11 .0507 MANAGEMENT OF THE CHARITABLE ORGANIZATION

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Editor's Note: 18 NCAC 11 .0600 was transferred from 10 NCAC 30 .0600 effective January 1, 1999 pursuant to Senate Bill 1366 of the 1997 Session of the General Assembly.

SECTION .0600 - LICENSING

- 18 NCAC 11 .0601 FUND-RAISING EXPENSES: UNORDERED MERCHANDISE**
- 18 NCAC 11 .0602 FINANCIAL INFORMATION OF CHARITABLE ORGANIZATIONS**
- 18 NCAC 11 .0603 FEDERATED FUND-RAISING ORGANIZATION**
- 18 NCAC 11 .0604 PROFESSIONAL SOLICITORS**

*History Note: Authority G.S. 108-75.2; 108-75.3; 108-75.5(c); 108-75.6(a)(6); 108-75.12;
Eff. January 28, 1977;
Readopted Eff. February 1, 1978.*

- 18 NCAC 11 .0605 REQUIREMENTS TO BE LICENSED AS A CHARITABLE ORGANIZATION**
- 18 NCAC 11 .0606 REQUIREMENTS LICENSED PROFESSIONAL FUND-RAISING COUNSEL**

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Eff. January 1, 1982;
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18 NCAC 11 .0607 LICENSE YEAR

- (a) A license year for a charitable organization or sponsor shall begin on the 15th day of the fifth month after the end of the fiscal year. The Department shall grant a different license year upon receipt of written notification of fiscal year change.
- (b) A license shall be issued to any charitable organization or sponsor for less than a year when the charitable organization or sponsor files an application for licensure after the 15th of the fifth month of the end of the charitable organization or sponsor's fiscal year.

*History Note: Authority G.S. 131F-5; 131F-33;
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18 NCAC 11 .0608 NONTRANSFERABILITY OF LICENSE

- (a) The license issued to any person subject to G.S. 131F shall not be transferable.
- (b) Upon receipt of documentation of a name change of a licensed person, the Department shall issue, without cost to the licensee, a new license.

(c) Upon request, any charitable organization or sponsor licensed under the provisions of G.S. 131F shall be provided an additional copy of its license free of charge.

History Note: Authority G.S. 131F-33;
Eff. January 1, 1982;
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18 NCAC 11 .0609 ADDITIONAL COPIES OF LICENSES
18 NCAC 11 .0610 LICENSE DENIAL OR REVOCATION

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Editor's Note: 18 NCAC 11 .0700 was transferred from 10 NCAC 30 .0700 effective January 1, 1999 pursuant to Senate Bill 1366 of the 1997 Session of the General Assembly.

SECTION .0700 - SOLICITATION AND DISCLOSURE

18 NCAC 11 .0701 ALL LICENSEES
18 NCAC 11 .0702 CHARITABLE ORGANIZATIONS
18 NCAC 11 .0703 PROFESSIONAL FUND-RAISING COUNSEL: PROFESSIONAL SOLICITORS
18 NCAC 11 .0704 PROFESSIONAL SOLICITOR

History Note: Authority G.S. 108-75.2; 108-75.3; 108-75.5(c); 108-75.11; 108-75.20;
Eff. January 28, 1977;
Readopted Eff. February 1, 1978;
Repealed Eff. January 1, 1982.

18 NCAC 11 .0705 SOLICITATION VIOLATIONS AND REQUIREMENTS

- (a) Any person, subject to licensure under G.S. 131F et. seq., who promises to produce an event and fails to do so or has not produced the event within 60 days following the scheduled event shall offer of a full refund to the purchaser.
- (b) Any person, subject to licensure under G.S. 131F et. seq. who offers a publication or item for sale who has not produced the publication or item for sale within 60 days of the promised delivery date shall offer of a full refund to the purchaser.
- (c) Any person subject to licensure under G.S. 131F et. seq. shall avoid all acts in solicitations that would cause any person to suffer actual damages.
- (d) A charitable organization or sponsor shall issue to each unpaid volunteer solicitor or salaried employee a printed authorization or other identification and shall instruct that it be shown in all solicitations by such solicitor or employee.
- (e) When a solicitor or solicitor counsel sells tickets to an event where the seats are specifically identified, the solicitor or solicitor counsel shall not sell duplicate tickets for the same seat.
- (f) When a solicitor or solicitor counsel sells tickets for an event where the seats are not specifically identified, the solicitor counsel shall not sell tickets in excess of 10% of the seating capacity for the event.
- (g) When a solicitor or solicitor counsel has sold tickets an event and the purchaser cannot be seated at a scheduled performance of the event, the solicitor or solicitor counsel shall offer to the purchaser the option of either guaranteed seating at another performance of a full refund.

History Note: Authority G.S. 131F-18; 131F-33;
Eff. January 1, 1982;
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18 NCAC 11 .0706 GENERAL REQUIREMENTS: PUBLISH DISCLOSURE NOTICE
18 NCAC 11 .0707 SPECIAL REQUIREMENTS FOR CHARITABLE ORGANIZATIONS
18 NCAC 11 .0708 SPECIAL REQUIREMENTS FOR PROFESSIONAL SOLICITORS
18 NCAC 11 .0709 FURNISHING DOCUMENTATION

History Note: Authority G.S. 131C-12; 131C-16;
Eff. January 1, 1982;
Amended Eff. July 1, 1982;
Repealed Eff. September 1, 1982.

Editor's Note: 18 NCAC 11 .0800 was transferred from 10 NCAC 30 .0800 effective January 1, 1999 pursuant to Senate Bill 1366 of the 1997 Session of the General Assembly.

SECTION .0800 - FEES

18 NCAC 11 .0801 CHARITABLE ORGANIZATIONS
18 NCAC 11 .0802 FEDERATED FUND-RAISING ORGANIZATIONS

History Note: Authority G.S. 108-75.4; 108-75.6(a),(b); 108-75.23;
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SECTION .0900 - PROCEDURES

18 NCAC 11 .0901 ALL APPLICANTS
18 NCAC 11 .0902 CHARITABLE ORGANIZATION NOT A LEGAL ENTITY
18 NCAC 11 .0903 CHARITABLE AND FEDERATED ORGANIZATIONS AS A LEGAL ENTITY
18 NCAC 11 .0904 PROFESSIONAL FUND-RAISING COUNSEL: PROFESSIONAL SOLICITOR

History Note: Authority G.S. 108-75.3(14); 108-75.6(a),(c),(h),(1)-(4); 108-75.8; 108-75.18(1)-(3); 108-75.22(a);
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