

Education Exemption under N. C. Gen. Stat. § 131F-3(4)

N. C. Gen. Stat. § 131F-3(4) – Any educational institution, the curriculum of which, in whole or in part, is registered, approved, or accredited by the Southern Association of Colleges and Schools or an equivalent regional accrediting body, and any educational institution in compliance with Article 39 of Chapter 115C of the General Statutes, and any foundation or department having an established identity with any of these educational institutions is exempt from the provisions of this Chapter.

Elements required for qualification:

- **For an educational institution:**
 - Educational institution, the curriculum of which, in whole or in part, is registered, approved or accredited by the Southern Association of Colleges and Schools; or
 - Educational institution, the curriculum of which, in whole or in part, is registered, approved or accredited by an equivalent regional accrediting body; or
 - Educational institution in compliance with Article 39 of Chapter 115C of the North Carolina General Statutes.

- **For a foundation having an established identity with a qualifying educational institution:**
 - Qualifies as being an incorporated body which holds status with the IRS as a foundation and is authorized to receive financial support from, and render financial support to, other persons for charitable purposes.
 - The trustees of the qualifying educational institution have granted written authorization for the solicitation by the foundation; or
 - The trustees of the qualifying educational institution have final authority over the financial affairs of the foundation; or
 - The trustees of the qualifying educational institution have final authority over the disbursements of the contributions solicited by the foundation; or
 - The trustees of the qualifying educational institution have authorized the incorporation of receipts and disbursements of the contributions as a part of the educational institution's financial statement.

- **For an “instructional unit,” defined in 18 NCAC 11.0104(k) as a department or school or an educational institution:**
 - The trustees of the qualifying educational institution have granted written authorization for the solicitation by the foundation; or
 - The trustees of the qualifying educational institution have final authority over the financial affairs of the foundation; or
 - The trustees of the qualifying educational institution have final authority over the disbursements of the contributions solicited by the foundation; or

- The trustees of the qualifying educational institution have authorized the incorporation of receipts and disbursements of the contributions as a part of the educational institution's financial statement; or
- The trustees of the qualifying educational institution grant academic credit for instructional programs of the instructional unit.

Documentation required for each exemption determination:

Applicant may file a written exemption request or completed State Educational Exemption Questionnaire containing documentation set out below. A copy of the State Educational Exemption Questionnaire is provided as Exhibit A under this section of the CSL Manual.

For an educational institution registered, approved, or accredited by the Southern Association of Colleges and Schools or an equivalent regional accrediting body:

- Signed letter requesting exemption or a completed Education Exemption Questionnaire.
- Copy of accreditation document or name and location of organization's regional accrediting body.

For an educational institution in compliance with Article 39 of Chapter 115C of the North Carolina General Statutes (non-public schools below college level such as private church/religious schools, charter schools, home schools, etc.):

- Completed Education Exemption Questionnaire; or
- Letter signed by a member of the governing body of the applying educational institution requesting exemption and stating applying educational institution is in compliance with Article 39 of Chapter 115C of the North Carolina General Statutes.

For a foundation having an established identity with a qualifying educational institution:

- Signed letter requesting exemption or a completed Education Exemption Questionnaire.
- Name of qualifying educational institution and accreditation.
- Statement that applying foundation is an incorporated body which holds status with the IRS as a foundation and is authorized to receive financial support from, and render financial support to, other persons for charitable purposes.
- One of the following:
 - Documentation that the trustees of the qualifying educational institution granted written authorization for solicitation by the applying foundation.
 - Documentation that the trustees of the qualifying educational institution have final authority over the financial affairs of the applying foundation.
 - Documentation that the trustees of the qualifying educational institution have final authority over disbursements of the contributions solicited by the applying foundation.
 - Documentation that the trustees of the qualifying educational institution authorized the incorporation of receipts and disbursements of the contributions to the applying foundation as part of the educational institution's financial statement.

For an instructional unit i.e. “a department or school or educational institution”:

- Signed letter requesting exemption setting out that applying entity is an “instructional unit” or a completed Education Exemption Questionnaire.
- Name of qualifying educational institution and accreditation.
- One of the following:
 - Documentation that the trustees of the qualifying educational institution granted written authorization for solicitation by the applying instructional unit.
 - Documentation that the trustees of the qualifying educational institution have final authority over the financial affairs of the applying instructional unit.
 - Documentation that the trustees of the qualifying educational institution have final authority over disbursements of the contributions solicited by the applying instructional unit.
 - Documentation that the trustees of the qualifying educational institution authorized the incorporation of receipts and disbursements of the contributions of the applying instructional unit as part of the qualifying educational institution’s financial statement.
 - Documentation that trustees of the qualifying educational institution grants academic credit for instructional programs of this instructional unit.