

Solicitor Surety Bond/Certificate of Deposit License Requirement Information

1. Where may I obtain a surety bond that meets solicitor licensing requirements?

Call a property/casualty insurance company to get information regarding the surety bond you will need to obtain a solicitor license pursuant to N.C.G.S. §131F-16(d).

2. What value surety bond must I obtain to qualify for a solicitor license?

It depends on the amount of contributions received by the solicitor in the prior fiscal year.

- a. If contributions received by the solicitor in the last fiscal year were less than one hundred thousand dollars (\$100,000), a Twenty thousand dollars (\$20,000) surety bond must be obtained; or
- b. If contributions received by the solicitor in the last fiscal year were at least one hundred thousand dollars (\$100,000) but less than two hundred thousand dollars (\$200,000), a Thirty thousand dollars (\$30,000) surety bond must be obtained; or
- c. If contributions received by the solicitor in the last fiscal year were at least two hundred thousand dollars (\$200,000), a Fifty thousand dollars (\$50,000) surety bond must be obtained.

3. Who must the surety bond be payable to?

The surety bond must be payable to the State and to any person who may have a cause of action against the principal obligor of the bond for any liability arising out of a violation by the obligor of any provision of the Charitable Solicitation Act or any related administrative rule.

4. What type of surety bond language is required?

Here is surety bond policy language acceptable to obtain a solicitor license:

“Bond Number _____

Know to all men by these present, that we, _____,
(insert name of solicitor)

Inc. as principal and _____ as
(insert name of surety bond insurance company)

Surety, authorized to do business in the State of North Carolina are bound unto the State of North Carolina, Department of the Secretary of State, and to such persons as are specified in the General Statutes of North Carolina, Section 131F-16(d), as obligees in the amount of \$ _____,
(insert dollar amount of surety bond)

cause of action against the Principal for any liability arising out of a violation by the Principal of any provision of Chapter 131F or any rule adopted under 131F.

The Principal has applied, or will apply, to the State of North Carolina for a license to act as a “Solicitor” on behalf of a charitable organization or sponsor pursuant to 131F of the General Statutes of North Carolina.

The condition of the obligation shall be specified in the General Statutes of North Carolina Section 131F-16(d). In no event shall the aggregate liability of the Surety for any and all claims under this bond exceed the amount of \$_____.
(insert dollar amount of surety bond)

The Surety may cancel this bond at any time by filing with the obligee thirty (30) days written notice of its desire to be relieved of liability; provided however, the Surety shall not be discharged from any liability already incurred under this bond.

This surety bond is in effect from _____ until _____.
(beginning date) (ending date)

Signed, Sealed and dated this _____ day of _____, 20_____.

Principal

Signature of Principal

Surety

By: _____ ”

5. Must the solicitor maintain the surety bond after obtaining a license?

Yes. The solicitor must maintain the bond **at all times** as long as the solicitor license is in effect. If the surety bond is suspended or revoked, the Department will automatically suspend or revoke the solicitor’s license. Insurance companies typically send notice to the Department prior to the effective date of a surety bond’s suspension or revocation.

6. Is there an acceptable alternative to the surety bond that I may provide to obtain a solicitor license?

Yes. Pursuant to N.C.G.S. §131F-16(d1), a solicitor may submit a certificate of deposit in the same amount as would be required for a surety bond based on contributions received by the solicitor in the prior year. The certificate of deposit shall be payable to the State and unrestrictively endorsed to the Department; or, in the case of a negotiable certificate of deposit, unrestrictively endorsed to the Department; or, in the case of a nonnegotiable certificate of deposit, assigned to the Department in a form satisfactory to the Department. Access to the certificate of deposit in favor of the State is subject to the same conditions as for a bond under subsection (d) of this section and shall extend for a period not less than four years after the solicitor ceases activities that are subject to this Chapter. The Department shall deliver to the State Treasurer certificates of deposit submitted under this section.