

North Carolina Department of the Secretary of State

NEWS

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Elaine F. Marshall
Secretary of State

For Immediate Release

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NC Secretary of State Helps Thousands of Businesses to Reinstate During COVID-19 Crisis

RALEIGH -- The NC Department of the Secretary of State helped more than 5,200 businesses become reinstated in April, eliminating a potential barrier to qualify for federal COVID-19 stimulus packages. Under current North Carolina law, companies that need reinstatement may still conduct certain business activities, but generally face a tougher time with securing loans and other credit from financial institutions.

“Our job at the Secretary of State’s Office is to help North Carolina business. We learned stimulus loans would not be processed if a company wasn’t in good standing, so our staff worked overtime and on the weekend to make sure no business was denied stimulus loan money solely because it wasn’t current on its filings,” said Secretary of State Elaine Marshall. “We are aggressively working, during the COVID-19 crisis, to help North Carolina businesses survive and be ready for the recovery and revival of the economy that we are all eager for.”

A reinstatement of a business is necessary when an entity fails to submit one or more Annual Reports as required by North Carolina law. Last year the Agency processed 2,030 requests for business reinstatement between January 1 and April 30. This year the Agency has processed 11,091 reinstatements during the same period, a rate more than five times that of the previous year. There are more than 736,000 active entities in the state.

The last few weeks have been a crucial time-period. Some lending institutions were suspending or holding applications for COVID-19 Paycheck Protection Program loans because businesses were not in “good standing.” Businesses that are current through 2019 are in good standing and should not have experienced this issue with their lenders.

“The staff and I were determined that we do our part to help North Carolina’s businesses survive the economic fallout from this unprecedented public health emergency,” Secretary Marshall added. Agency staff individually inspects every application for reinstatement.

By law, most annual reports and fees are due April 15 for corporations, limited liability companies (LLCs), and other business entities. Any Annual Reports and fees due on April 15, 2020, however, will not be considered delinquent until after June 15.

The Secretary of State has detailed instructions and tutorial videos at www.sosnc.gov to help businesses with annual report filing obligations, as well as the steps to take in order to reinstate their businesses.

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www.sosnc.gov