

EMPLOYMENT SECURITY COMMISSION OF NORTH CAROLINA  
RALEIGH, NORTH CAROLINA

**INTERPRETATION NO. 232**

TO: R. F. Martin, Director

FROM: D. G. Ball, Chief Counsel

RE: Interpretation of Sections 96-8(5)k, and 96-8(6)g.17(v) of the Employment Security Law of North Carolina – Nonprofit Organization and Exempt Employment

X Corporation is a nonprofit organization as set out in Section 501(c)(3) and exempt from income tax under the Internal Revenue Code of 1954 (501(a)). The purpose is to maintain a work-training program for school dropouts, age range 16 to 17. The corporation is funded by the U. S. Department of Labor and started operations in March 1966. It appears that there are five staff members employed by the corporation to operate or administer the program.

We are of the opinion that the corporation will be subject to the act under G.S. 96-8(5)k., effective January 1, 1972, if it had four or more employees (administrative staff) in twenty weeks or more in 1971. The individuals being served who receive remuneration for their services in the work-training program are exempt under G.S. 96-8(6)g.17(v).

Adopted as an official Interpretation of the Commission on December 28, 1971.