

Express Line

Volume Six, Issue 1 January 1, 2010



North Carolina Smoking Ban



Effective **January 2, 2010** some retailers will be required to post a 'No Smoking' sign on the entrance to their store. The North Carolina General Assembly enacted legislation in May 2009 to ban smoking primarily in Restaurants and Bars. The new law requires enclosed areas of almost all restaurants and

bars to be smoke free. Smoking is also banned in enclosed areas of hotel, motel or inn in which food and drink is prepared.

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2010 Outstanding Supplier Award

The Carolinas Food Industry Council appreciates the suppliers to our industry. Suppliers support our grocery retailers with new technology, new systems, innovative new trends and extraordinary customer service. In addition, many of our supplier members are also

unfailingly supportive of the association; they attend our convention, contribute product to the Snack Shack and are extremely generous as sponsors of both the summer convention and the fall golf tournament.

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Suddreth Scholarships Increase from \$1,000 to \$2,500



It's that time of year again, and scholarship applications for the **Everett and Trudy Suddreth Scholarship Program** are now available.

As in 2009, CFIC will again award **30 scholarships** but the amount of each scholarship has increased from \$1,000 to **\$2,500** each!

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Smoking Ban

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Some **retail establishments will be impacted** by this new law. Any retail establishment that **prepares and serves food** or **has an on-premise ABC permit** falls under the requirements set forth by this new law.

Smoking is **banned in your establishment** if any of the following permits are held:

- On-premises malt-beverage permit
- On-premises unfortified wine permit
- On-premises fortified wine permit
- On-premises mixed beverage permit
- Restaurant or Food Stand Permits – understood to be any establishment that is **inspected and permitted by a local health department** (*If an establishment holds only a State Meat and Poultry Inspection, that establishment is not subject to the smoking ban.*)

The interpretation is that any establishment that “**prepares and serves food**” is subject to the ban. If an establishment only operates a meat counter but **does not serve** food – they are **not** subject to the ban.



Signage Requirements

‘No Smoking’ signs are required to be posted in any retail establishment that maintains a **prepared meals license or on-premise ABC permit** and must:

- (1) Be **posted at each public entrance** at a height and location easily seen.
- (2) Be at least **24 square inches in size** (for example, 4 by 6 inches).
- (3) Be in **legible font type**.

(4) Display:

- (a) **The Division’s toll-free complaint line telephone number.**
- (b) **“G.S.130A-497”.**
- (c) **“www.smokefree.nc.gov”.**

Smoking **is still allowed** in:

1. **20% of guest rooms in lodging establishments;**
2. **Cigar bars** that meet specific requirements;
3. **Establishments that do not have to comply with North Carolina’s food sanitation laws;**
4. **Private clubs** and Country clubs that meet all of the following:
 - Maintains **selected membership**
 - Is **operated by the membership**
 - Food and lodging for pay is **only extended to members** or member’s guests and
 - **Have non-profit status**

North Carolina’s local Health Departments are charged with implementing and enforcing North Carolina’s Smoke-Free Statute.

Ultimately, **businesses that are not following the smoke-free law** may be issued **warnings and/or fines** for **violating the law more than two times**.

If you have questions on how the Smoke-Free Law is being implemented and enforced in your area, contact your **local health department**: <http://www.ncalhd.org/county.htm>

NCRMA encourages retailers to visit the www.smokefree.nc.gov website for more information as well as answers to “Frequently Asked Questions” available on the website.

For your convenience, these signs are available on cardstock for purchase at a price of **\$1.00** for the first sign and **10¢** each additional sign (tax and postage included). The order form is also on our website: www.cficweb.org or contact Kristin Hicks at (919) 832-0811.□

Fire-Safe Cigarette Act

Beginning **January 1, 2010**, the law requires that all cigarettes sold or offered for sale in NC meet the criteria for **reduced ignition propensity cigarettes**. **Cigarette packs will be marked with a certified Fire Safe Cigarette symbol near the UPC code.**

This legislation impacts any retailer who sells cigarettes.



Although the burden of this fire safety legislation falls primarily on the cigarette manufacturer and the distributor to make the change to this fire resistant paper and appropriate package information, the **NC Departments of Revenue, Insurance and the Attorney General** are permitted to **inspect retailers** to determine compliance and assess fines and penalties for those found to be non-compliant.

During the 2007 Session, the North Carolina General Assembly enacted House Bill 1785: NC Fire Safety Standard and Fire Fighter Protection Act (GS 58, Article 92), sometimes referred to as the **“Fire Safe Cigarette Act.”**

The goal of the legislation was to help reduce the loss of lives resulting from fires caused by **improperly extinguished cigarettes**. This legislation had the backing of the State Fire Marshall and various firemen groups who saw first-hand house fires started by smokers who fell asleep with a lit cigarette or who disposed of a cigarette that they believed to be extinguished.□

OSA Award

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Many of our supplier members are tuned-into the association's primary focus: legislative involvement. They demonstrate their support of our concern for involvement in legislative issues by reading our weekly Legislative Updates. When the General Assembly of North Carolina and South Carolina are in session, some of our suppliers make phone calls or write letters in support of our legislative positions and they support our Political Action Committee.

It is therefore only appropriate that we recognize and acknowledge the support of our suppliers. Last year the CFIC Board of Directors voted to: name an awards committee, determine criteria, and at this year's summer convention, present an award to the **Carolinas Food Industry Council's Outstanding Supplier of the Year!**

Please find on **page 4** a Nomination Form for the 2009 Outstanding Supplier of the Year. We are asking all retailers (unfortunately, the committee will not allow nominations made by suppliers) to consider carefully each of their DSD or Direct Manufactory company/ reps and (**no later than Friday, May 28**), send us (fax, email or snail mail) the name and other related information on the supplier you feel is most deserving of this award! □

Scholarships

Continued from page 1

CFIC Scholarships are offered through RCA, the charitable foundation associated with NCRMA and CFIC. These scholarships are available to **both high school seniors** as well as **undergraduate college students** (current freshman, sophomores and juniors).

Eligibility requirements include:

- Students whose parents are **permanent, full-time employees** who have been employed by a retailer, wholesaler or supplier member firm for at least **one year** as of January 1, 2010.
OR
- Students who are **part-time employees** and have been employed by a retailer, wholesaler or supplier member firm for at least **six months** as of January 1, 2010.
- Employees (parents or students) must **work in a North or South Carolina** location.

We have created a scholarship poster for you to post in your store and it is included it, along with applications, as an **insert in this newsletter**. The poster should be posted **immediately** and should be **removed by March 15**. As the poster states, scholarship applications can be downloaded from the CFIC website, www.cficweb.org.

Applications are due in the CFIC office no later than **April 1**. Scholarship winners will be selected by a panel of educators in May and all applicants will be notified in **June**.

Questions regarding scholarships may be directed to **Kristin Hicks** at the CFIC office via e-mail at kristinh@ncrma.org or via phone at **(919) 832-0811 x110**. □



Application
Deadline: April 1

NC Lottery Raises \$1.25 Billion for Education

The North Carolina Education Lottery is very pleased to announce that it has generated more than \$1.25 billion for education in the state.



"All of us here at the NCEL are so pleased that we have been able to continue to generate good sales and transfer a substantial amount to the designated education programs," said NCEL Director, Tom Shaheen. *"We were only able to accomplish this with the help of our hard working retail partners and the citizens who play our games."*

If players ask you where the money goes, make sure to hand them one of the NCEL's new FY09 Beneficiary Brochures. All NCEL retailers have been provided with copies, and players can also download one from the NCEL Web site located at: www.nc-educationlottery.org.

The brochure is a valuable resource and an easy way to see exactly how much money was received by each county this past year and in total since the NCEL began in March 2006. It includes the dollar amount each county has received for school construction, class-size reduction, and More at Four programs, as well as the **number of scholarships awarded within each county**. It is an excellent resource for staff, retailers, and players alike. □



2010 CFIC Outstanding Supplier Award

Award will be presented at the

CFIC Annual Convention

Saturday, July 24

Hilton Resort, Myrtle Beach

Who is Eligible for Nomination?

Current CFIC Regular Members (Grocers) are encouraged to nominate a supplier member company for this award. It may be either a company that supplies a retailer with **product** or with a **service**.

Please return the Nomination Form to the address below **on or before** Friday, **May 28**.

Criteria for Selection:

- I. Innovation in Support of Customers
 - Technology
 - Systems
 - Products
 - Response to New Trends
- II. Customer Service/Satisfaction
 - Service Solutions
- III. Support & Involvement in CFIC
 - Commitment to Legislative Affairs/PAC Contribution
 - Convention Attendance/Support
 - Participation in Fall Golf Tournament

I nominate: _____

Nominating **Retailer's** Name & Company: _____

Nominating **Retailer's** Phone & Email: _____

Please **write and attach a brief statement** explaining why your nominee should be considered for the 2010 Outstanding Supplier Award. You must include examples illustrating examples of Innovation in Support of Customers and Customer Service/Satisfaction (**Criteria for Selection, Sections I & II** in box above).

Mail to:
CFIC Supplier Nomination
601 Saint Mary's Street
Raleigh, NC, 27601

Or submit via **fax**: (919) 832-0812; or email: franp@ncrma.org

Tax Compliance Reminders from NC Department of Revenue

All Employers MUST File Annual Withholding Reconciliation

All employers in North Carolina must file the annual withholding reconciliation, Form NC-3, each year with the NC Department of Revenue (NCDOR). The **deadline for filing** withholding reconciliations for 2009 is **Monday, March 1, 2010**.

NCDOR does not receive withholding information from NC employers from any other source, so state withholdings must be filed in addition to any federal reconciliations.

When filing, employers must provide the total amount of state tax withheld as reflected on both the W-2s and 1099s sent to employees and contractors.

- * Employers with more than 250 employees are required to file reconciliations on a Compact Disk (CD).
- * Smaller employers may file reconciliations on CD or print and mail paper copies.

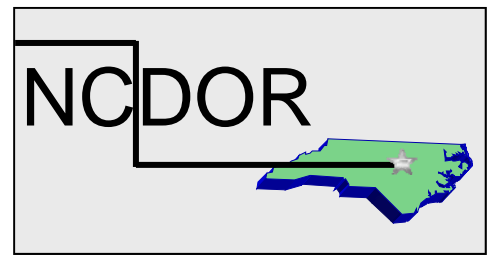
Instructions for filing can be found on the NCDOR website, www.dor.state.nc.us.

- Instructions for filing W-2s on CDs: <http://www.dor.state.nc.us/downloads/DP-43.pdf>
- Instructions for filing 1099s on CDs: <http://www.dor.state.nc.us/downloads/DP-40.pdf>

Additional information on tax filings, including a complete list of all **withholding forms and instructions** for completion, as well as list of frequently asked questions can be found on the NCDOR website: http://www.dor.state.nc.us/downloads/wh_forms.html.

We have included the instructions along with the NC-3 form on **page 7** of this issue for your review.

Once completed, the CDs may be dropped off at one of NCDOR's **12 Service Centers** across the state.



To find the nearest one to your store, use the chart below.

Retailers filing in **South Carolina** can find instructions on how to file and the necessary forms by calling the SC Department of Revenue at 803-898-5000 or by visiting their website, <http://www.sctax.org/default.htm>. □

North Carolina Department of Revenue Service Center Locations

Asheville 2800 Heart Drive Asheville, NC 28806	Charlotte 5111 Nations Crossing Rd. Bldg. #8, Suite 100 Charlotte, NC 28217
Durham 3518 Westgate Drive Suite 110 Durham, NC 2707	Elizabeth City 401 S. Griffin St. Suite 300 Elizabeth City, NC 27909
Fayetteville 225 Green St. Suite 800 Fayetteville, NC 28301	Greensboro 5 Centerview Drive, Suite 100 Lenoir Bldg., Koger Center Greensboro, NC 27407
Greenville 2995 Radio Station Rd. Greenville, NC 27834	Hickory 112 2nd St. Pl. SE Hickory, NC 28602
Raleigh 4701 Atlantic Avenue Suite 118 Raleigh, NC 27604	Rocky Mount 110 Foundation Park Dr. Suite F-1 Battleboro, NC 27809
Wilmington 3340 Jaeckle Drive Suite 202 Wilmington, NC 28403	Winston Salem 8025 Northpoint Boulevard Suite 250 Winston-Salem, NC 27106

NC Experiences Sluggish Revenue Collections Throughout 2009

Each month, the North Carolina General Assembly's Fiscal Research Division prepares an Economic Report. This information is used to analyze Budget information and chart the best course for North Carolina in the coming months.

Unfortunately, November's report contained no highlights, only "low" lights. In North Carolina, **state sales tax** collections are down and down significantly – down nearly **12%** compared to last year.

The decrease in revenue is due in large part to **reduced consumer confidence** and the **increased internet sales** on which no sales tax is collected. It is anticipated that December's report will include a boost in revenue as a result of holiday shopping, but we are unsure of just how large that boost will be, as the December numbers have not yet been posted.

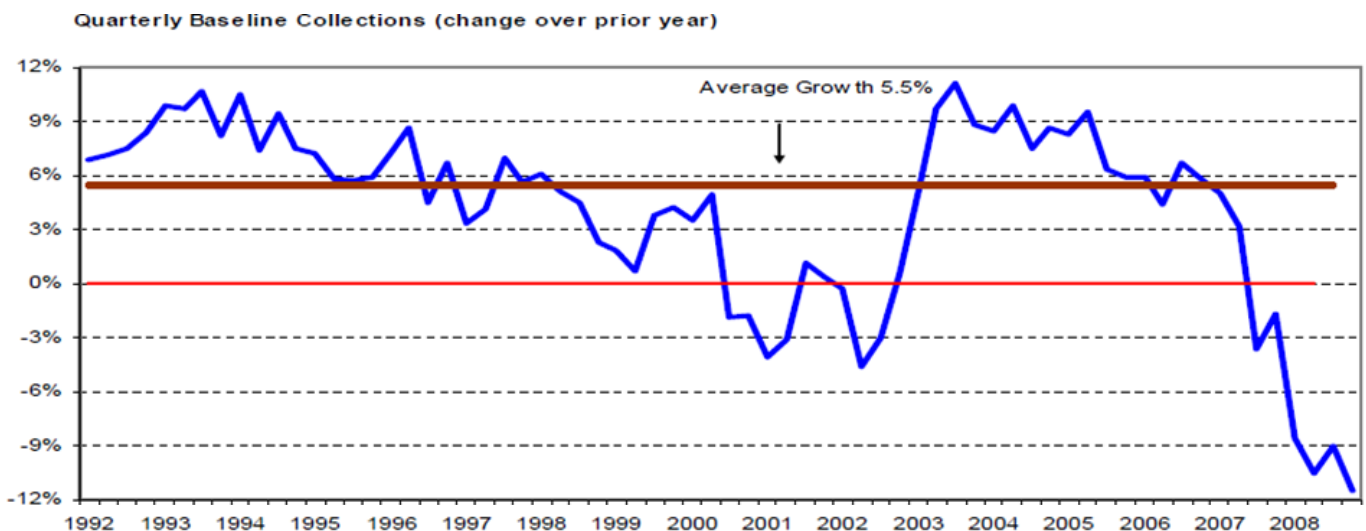
Listed below are additional "low" lights of the most recent Economic Report, which can be found on the NC General Assembly website,

http://www.ncleg.net/fiscalresearch/generalfund_outlook/generalfund_outlook_pdfs/General_Fund_Revenue_Outlook_2009_12_14_December.pdf.

- Taxes remain weak and general fund collections are 1.5% below the forecast target.
- Sales Tax collections are the **weakest component** of the economy-based taxes (**38 states** are currently **below sales tax targets**).
- General Fund Revenues are running \$110 million below a \$7.4 billion target for the period.
- Income tax withholding on **wages** and **salaries** are down **3.8%**.
- The **Corporate Income** and **Franchise Tax** is **up 6%** over last year because it includes **one-time tax payments** of **\$27 million**.
- Many of the State's industries have recently begun to increase output, resulting in a modest employment growth.

- Mounting pressures for remainder of FY 2009-10 and beyond:
 - The budget included a **1¢ sales tax increase**, more pressure on this revenue source to rebound in 2010.
 - Expenditures for Medicaid and other income assistance programs may exceed budgeted amounts.
 - The **Unemployment Insurance Fund** has borrowed **\$1.4 billion** from the Feds (projected to reach \$2 billion) by 2010 calendar year end.
 - A looming issue on the horizon will be the FY 2011-12 revenue picture. Temporary taxes are set to expire, federal stimulus money dries up, and early projections indicate insufficient revenue growth to close the gap.□

Sales & Use Tax Collections (adjusted for tax law changes)



*Source: NC General Assembly November 2009 General Revenue Report

Form NC-3

Annual Withholding Reconciliation

General Information

This report serves two purposes - to balance the total North Carolina income tax withheld as listed on the W-2 and 1099 statements with the amount required to be withheld for the year, and to act as a transmittal form for the NC copies of the W-2 and 1099 statements. This report with the copies of the W-2 and 1099 statements for the preceding calendar year must be filed on or before February 28. If your business terminates during the year, the report should be filed within thirty days of the last payment of compensation.

Instructions for Form NC-3

Lines 1-4: Enter on these lines the total tax required to be withheld from wages as reported on W-2 statements.

Line 6a: Enter on this line the NC income tax withheld from wages as reported on W-2 statements.

Line 6b: Enter on this line the NC income tax withheld as reported on 1099 statements. This includes amounts withheld from personal services compensation paid to non-residents and amounts withheld from pensions, annuities, and deferred compensation.

Line 7: Enter the total North Carolina income tax withheld as reported on all W-2 and 1099 statements and attach an adding machine tape or other listing to this report. If the total tax required to be withheld (Line 5) does not agree with the total tax withheld (Line 7), complete an amended withholding return, Form NC-5X, and send it along with any payment due. Do not mail the amended return and payment with Form NC-3. □

Annual Withholding Reconciliation		Quarter Ending	N.C. Income Tax Withheld
North Carolina Department of Revenue			
Year (YYYY)	File By: February 28	1. March 31	.00
Account ID	FEIN or SSN	2. June 30	.00
USE CAPITAL LETTERS FOR YOUR NAME AND ADDRESS		3. September 30	.00
Legal Name (First 21 Characters)		4. December 31	.00
Street Address	NOTE: If the amount on Line 5 differs from the amount on Line 7, see the instructions for Line 7.	5. Total Tax Withheld	.00
City		6a. Tax Withheld Per W-2 Statements	.00
State		6b. Tax Withheld Per 1099 Statements	.00
Zip Code (5 Digit)		7. Total Tax Withheld Per Statements	.00
Signature: _____	Date: _____	3020106004	
I certify that, to the best of my knowledge, this return is accurate and complete.		NC-3	
Title: _____	Phone: () _____	1-02	
MAIL TO: P.O. Box 25000, Raleigh, NC 27640-0001		Web	



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on FedEx Express®
and FedEx Ground®
shipments,
compliments of
CFIC**

Searching for a fast, easy way to score big on shipping charges? CFIC and FedEx have teamed up to save you money on all FedEx Express and FedEx Ground shipments. To start saving, all you have to do is open an account. Or, if you have an existing FedEx account, just give us a quick call to enroll in this program. It's that simple.

FedEx Express:

Choose FedEx Express — the expert in delivery efficiency for your time-sensitive shipping needs. Your **CFIC discount** will save you money on all of your express shipments — including overnight service, economical 2-day and 3-day delivery and service to 210 countries.

FedEx Ground:

With a money-back guarantee and delivery to every business address in North America, FedEx Ground offers reliable economical ground service to meet all of your business-to-business shipping needs. Another smart shipping option is Multiweight®, FedEx Ground's cost-effective alternative to LTL, ideal if you ship multiple packages to a single consignee.

**To have an enrollment form
e- mailed or faxed,
contact Kristin at 919-832-0811 or
kristinh@ncrma.org**



Who is FBI?

We're Your Neighbor

We know workers compensation

We know North Carolina



First Benefits Insurance Company (FBI) is a mutual insurance company providing workers compensation coverage for North Carolina employers. FBI is an association-based workers compensation program. CFIC has endorsed FBI as a member benefit based on our commitment to small and medium-sized businesses.

First Benefits Insurance is based in Raleigh with all operations handled locally. FBI combines sound underwriting with aggressive claims management performed by an experienced staff. We understand your concerns as North Carolina business owners. We have a monthly self-reporting payment option that allows businesses subject to fluctuations due to seasons, tourism or a change in the economy to pay based on actual payroll rather than annual estimated payroll.

Call your local insurance agent or call us directly at **888-393-2667** for a quick, competitive quote.