

# AccountAble

FCRA Changes

Issue 31 for January 24 1997

## Annual Return

Annual Return (form FC-3) has been completely revised. The entire form is now in one part - earlier it was in three parts. The new form has five headings:

1. Association's Details
2. Purpose-wise receipt and utilization
3. Bank Account Particulars
4. Donor-wise Receipts
5. Country-wise Receipts

The table of utilization has been revised. The 'purpose' column now has 25 headings — some have been reclassified. New headings include theater/ films, sanitation, environment, housing and maintenance of historic/ cultural places.

All receipts have to be broken up into 'receipts as first recipient' and 'receipts as second/ subsequent recipient'.

These receipts have to be further classified as 'in cash' and 'in kind'.

Table of 'Donor-wise Receipts' has been changed. Date or month of receipt is no longer required. There are now three broad categories: Institutional Donors, Individual Donors (above Rs.1.00 lakh), and Others.

A new table showing summary of country-wise receipts has been introduced.

The Chief Functionary has now to sign the form only in one place. However, the CA certificate has remained the same.

**Last Date:** Last date for filing FC-3 has now been extended to 31st July each year. This will bring relief to many NGO's who found the earlier limit of sixty days as too short.

FCRA Rules have been revised. The changes are effective from 27th September 1996. There have been simple changes in three forms - FC-1A, FC-3 and FC-8. The last date for filing FC-3 for change of office bearers will now be extended to 31st July 1997. FCRA

## Prior Permission

Form FC-1A (for prior permission) now incorporates a lot of the information which was earlier sought as supplementary information. The request for supplementary information used to delay the permission. These changes will now hopefully help cut down the real processing time for prior permission.

Details of the persons running the association are now required in greater detail, including relationship with other office bearers. Audited accounts and activity report for last three years is also required.

Other information requested includes details of earlier applications, utilization of funds received earlier, publication activities and copy of approved project proposal.

We would welcome your views, comments and questions on this circular. Please send these to:

AccountAid India,  
55-B, Pocket C, Siddharth Extension,  
New Delhi -110 014  
Phone: 011-2634 3128  
Ph./Fax: 011-2634 6041

## Registration

Changes made in form FC-8 (for permanent registration) are broadly similar to the changes in FC-1A.

Additionally, the Undertaking (earlier mentioned in point number 3 of the form) has been expanded. This means:

There are any changes in the name, address, registration, nature, aims or objects of the Association, then the Ministry should be informed within thirty days.

- Earlier, a fresh application for registration was required if the bank account was changed. This is no longer so. You can change the account by getting simple permission for FCRA. The reasons for change should be relevant and justifiable.
- The undertaking also says, in effect, that 50% or more than half the original office bearers should continue unchanged. The change can take place only with permission from FCRA Department. Till the time the permission to replace the office bearers is given, you can accept foreign contribution only by applying in FC-1A. This may help stop 'sale' of FCRA numbers by non-functional NGO's.

However, it may also mean trouble for NGO's which hold regular elections to Governing Body. In case of trusts, which are often governed by two or three trustees, any change in the trustees may mean seeking approval from the Ministry. The 'embargo' on foreign contribution till the time changes in office bearers are approved will cause real operational problems for such NGO's.

Properly speaking, these new requirements would apply *only to fresh applicants* who give this undertaking.