



DevelopAid
ACCOUNTING | AUDIT | REGULATION | FUNDING

FCRA Q&A

VANI; 19-Jun-2020



This can be FC...





And this non-FC.



AccountAble™

84: Foreigners & Foreign Companies in FCRA 2010

Aug'18

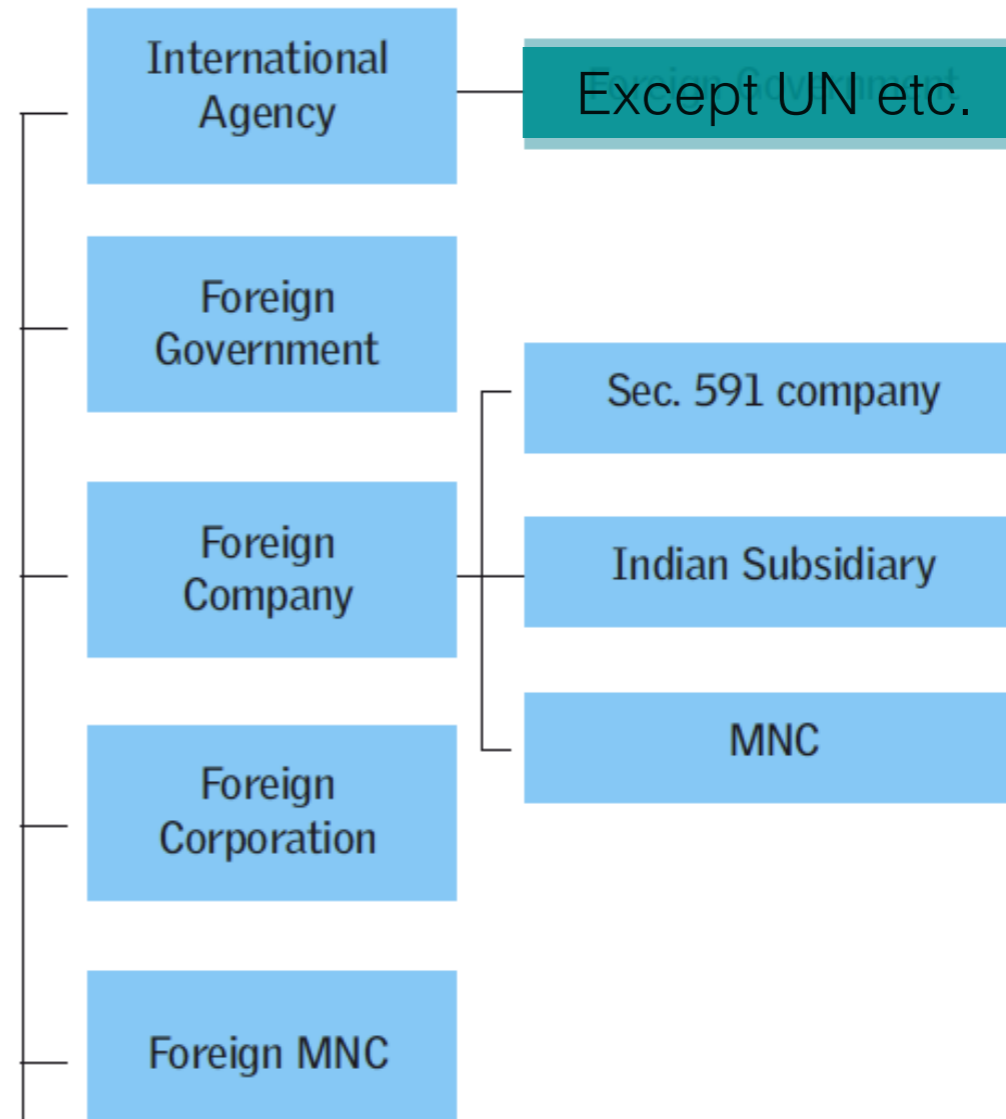
During Trojan wars (when fear of foreigners bearing gifts first arose), it was fairly easy to make out who was a foreigner and who was not. In these days of globalisation, it is much more confusing. Name, skin colour, dress or type of hair is no longer a reliable indicator of one's foreignness. The tortuous definition in FCRA also does not help.

In this issue of Accountable, we try to help by explaining what a foreign source under FCRA 2010 looks like.

Foreign Source

Foreign source is defined in sec. 2(1)(j) of FCRA 2010 (see chart). The foreignness of most of these sources is self-evident. However, people and companies pose a challenge. We discuss these below.

People: Foreigners



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Board

- **Report any Board changes within 15 days**
- **Don't keep foreigners on your Board**
- **Avoid keeping politicians, journalists, Government Officers on your Board**
- **Chief Functionary shouldn't be CF of another FCRA-NGO**

Activities

- **Avoid political or media-related activities**
- **Avoid comment on such issues in social media**
- **Keep activities restricted to your FCRA CREES**
- **Avoid payments to politicians, journalists, Government Officers out of FCRA funds**



Accounting

- **Keep only one set of books for FCRA**
- **All receipts related to FCRA treated as FC**
- **Don't pay more than Rs. 10,000 in cash**
- **Pay FC expenses directly from FC cash/bank**



Banking

- **Minimise cash withdrawals - never $>$ Rs.40,000**
- **Don't use ATM cards or debit cards on FCRA bank**
 - **NEFT payments through letter to bank**
- **Don't transfer funds from/to Indian bank**
- **Don't transfer funds between Utilisation Accounts**

Renewal

- **Talk to your Trustees about signed affidavit from each!**
- **Apply 6-12 months before renewal is due**
 - **Make sure fees is paid**
 - **Give correct mobile number and email ID in form**
 - **Keep checking status online for any questions**
- **Stop accepting FC funds if not renewed in time**



Others

- **Don't pass on FCRA funds to non-FCRA NGOs**
- **Check foreign source status carefully in case of CSR funds**
- **Update Covid-19 format every month**
- **Keep Administrative Expenses down to 50%**



Program Expenses Program Activities



<50%
Admin Expenses

Public Disclosure

- **Quarterly receipts of FC**

Within 15 days
from end of
quarter

- **own website or**

- **FCRA site**

- **FCRA audited Financial Statements**

By 31-Dec

- **own website**

Doubts/Comments?

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About DevelopAid

DevelopAid Foundation is a sec. 8 not-for-profit company, with a mission of enhancing public trust, accountability, financial literacy, governance, and understanding of relevant laws and regulations among philanthropic organisations and social enterprises in India.

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