Foreign Funding to Non-Corporate Entities

Lesson 15

KEY CONCEPTS

■ Non-Corporate Entity ■ Section 8 Company ■ Trust ■ Society ■ Foreign Contribution ■ Foreign Source

Learning Objectives

To understand:

- Receive of Foreign Grant/funds
- Permission to accept Foreign Contribution
- Eligibility criteria for grant of registration
- Eligibility criteria for grant of prior permission
- Conditions to be met for the grant of registration

Lesson Outline

- Introduction
- Application for grant of registration/prior permission
- Online application form for registration / prior permission
- Documents to be uploaded with the application
- Acceptance and Utilization of Foreign Contribution
- Utilisation of Funds
- Filing of Annual Return
- Renewal of registration
- Lesson Round-Up
- Test Yourself

INTRODUCTION

Philosophically, foreign contribution (donation) is akin to gratifying intoxicant replete with medicinal properties and may work like a nectar. However, it serves as a medicine so long as it is consumed (utilised) moderately and discreetly, for serving the larger cause of humanity. Otherwise, this artifice has the capability of inflicting pain, suffering and turmoil as being caused by the toxic substance (potent tool) – across the nation. In that, free and uncontrolled flow of foreign contribution has the potentials of impacting the sovereignty and integrity of the nation, its public order and also working against the interests of the general public. It is open to a sovereign democratic nation to completely prohibit acceptance of foreign donation on the ground that it undermines the constitutional morality of the nation, as it is indicative of the nation being incapable of looking after its own affairs and needs of its citizens. The third world countries may welcome foreign donation, but it is open to a nation, which is committed and enduring to be self-reliant and variously capable of shouldering its own needs, to opt for a policy of complete prohibition of inflow/acceptance of foreign contribution (donation) from foreign source (*Noel Harper & Ors vs. Union of India & Anr judgement dated April 08, 2022, the Hon'ble Supreme Court of India*)

Foreign Contribution (Regulation) Act, 2010(FCRA) is the law that governs foreign funding in India. FCRA has the primary objective of regulating the acceptance and utilisation of foreign contribution or foreign hospitality by certain persons or associations, with a view to ensuring that Parliamentary and political associations, academic and other institutions as well as individuals working in important areas of national life may function in a manner consistent with the values of a sovereign democratic republic. The Act prohibits acceptance of foreign contribution by election candidates, journalists, public servants, members of the legislature, and political parties or their office bearers and allows Associations having definite cultural, economic, educational religious or social programme to accept such contributions after complying with certain requirements.

Registration and Prior Permission to accept Foreign Contribution

Any "Person" can receive foreign contribution subject to the following conditions: -

(a) It must have a definite cultural, economic, educational, religious or social programme.

(b) It must obtain the FCRA registration/prior permission from the Central Government

(c) It must not be prohibited under Section 3 of FCRA, 2010.

As per Section 2(1)(h) of FCRA, 2010, "foreign contribution" means the donation, delivery or transfer made by any foreign source –

(i) of any article, not being an article given to a person as a gift for his personal use, if the market value, in India, of such article, on the date of such gift is not more than such sum as may be specified from time to time by the Central Government by the rules made by it in this behalf;

(ii) of any currency, whether Indian or foreign;

(iii) of any security as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 and includes any foreign security as defined in clause (o) of Section 2 of the Foreign Exchange Management Act, 1999.

Further, Foreign source, as defined in Section 2(1) (j) of FCRA, 2010 includes: -

(i) the Government of any foreign country or territory and any agency of such Government;

(ii) any international agency, not being the United Nations or any of its specialized agencies, the World Bank, International Monetary Fund or such other agency as the Central Government may, by notification, specify in this behalf;

(iii) a foreign company;

(iv) a corporation, not being a foreign company, incorporated in a foreign country or territory;

(v) a multi-national corporation referred to in sub-clause (iv) of clause (g) of section 2 of FCRA, 2010;

(vi) a company within the meaning of the Companies Act, 1956, and more than one-half of the nominal value of its share capital is held, either singly or in the aggregate, by one or more of the following, namely: -

(a) the Government of a foreign country or territory;

(b) the citizens of a foreign country or territory;

(c) corporations incorporated in a foreign country or territory;

(d) trusts, societies or other associations of individuals (whether incorporated or not), formed or registered in a foreign country or territory; e. foreign company; provided that where the nominal value of share capital is within the limits specified for foreign investment under the Foreign Exchange Management Act, 1999, or the rules or regulations made thereunder, then, notwithstanding the nominal value of share capital of a company being more than one-half of such value at the time of making the contribution, such company shall not be a foreign source.

(vii) a trade union in any foreign country or territory, whether or not registered in such foreign country or territory;

(viii) a foreign trust or a foreign foundation, by whatever name called, or such trust or foundation mainly financed by a foreign country or territory;

(ix) a society, club or other association or individuals formed or registered outside India;

(x) a citizen of a foreign country.

There are two modes of obtaining permission to accept foreign contribution according to FCRA, 2010:

i. Registration

ii. Prior Permission.

For grant of registration under FCRA, 2010, the association should:

(i) ***be registered under an existing statute like the Societies Registration Act, 1860 or the Indian Trusts Act, 1882 or Section 8 of Companies Act, 2013) etc;***

(ii) be in existence for at least three years and has undertaken reasonable activity in its chosen field for the benefit of the society for which the foreign contribution is proposed to be utilised.

The applicant NGO/association will be free to choose its items of expenditure (excluding the administrative expenditure as defined in Rule 5 of FCRR, 2011) to become eligible for the minimum threshold of Rs. 15.00 lakh spent during the last three years. If the association wants inclusion of its capital investment in assets like land, building, other permanent structures, vehicles, equipments etc, then the Chief Functionary shall have to give an undertaking that these assets shall be utilized only for the FCRA activities and they will not be diverted for any other purpose till FCRA registration of the NGO holds.

Eligibility Criteria for Grant of Prior Permission

An organization in formative stage is not eligible for certificate of registration. Such organization may apply for grant of prior permission under FCRA, 2010. Prior permission is granted for receipt of a specific amount from specific donor/donors for carrying out specific activities/projects. For this purpose, the association should meet following criteria:

(i) be registered under an existing statute like the Societies Registration Act, 1860 or the Indian Trusts Act, 1882 or section 25 of the Companies Act, 1956 etc;

(ii) submit a specific commitment letter from the donor indicating the amount of foreign contribution and the purpose for which it is proposed to be given; and

(iii) For Indian recipient organizations and foreign donor organizations having common members, FCRA Prior Permission shall be granted to the Indian recipient organizations subject to its satisfying the following:

   (i) The Chief Functionary of the recipient Indian organization should not be a part of the donor organization.

   (ii) At least 75% of the office-bearers/ members of the Governing body of the Indian recipient organization should not be members/employees of the foreign donor organization.

   (iii) In case of foreign donor organization being a single person/individual that person should not be the Chief Functionary or office bearer of the recipient Indian organization.

   (iv) In case of a single foreign donor, at least 75% office bearers/members of the governing body of the recipient organization should not be the family members and close relatives of the donor.

Conditions to be Met for The Grant of Registration and Prior Permission

In terms of Section 12(4) of FCRA, 2010, the following shall be the conditions for the grant of registration and prior permission:

(a) The 'person' making an application for registration or grant of prior permission-

   i. is not fictitious or benami;

   ii. has not been prosecuted or convicted for indulging in activities aimed at conversion through inducement or force, either directly or indirectly, from one religious faith to another;

   iii. has not been prosecuted or convicted for creating communal tension or disharmony in any specified district or any other part of the country;

   iv. has not been found guilty of diversion or mis-utilisation of its funds;

   v. is not engaged or likely to engage in propagation of sedition or advocate violent methods to achieve its ends;

   vi. is not likely to use the foreign contribution for personal gains or divert it for undesirable purposes;

   vii. has not contravened any of the provisions of this Act;

   viii. has not been prohibited from accepting foreign contribution;

   ix. the person being an individual, such individual has neither been convicted under any law for the time being in force nor any prosecution for any offence is pending against him;

   x. the person being other than an individual, any of its directors or office bearers has neither been convicted under any law for the time being in force nor any prosecution for any offence is pending against him.

(b) the acceptance of foreign contribution by the association/ person is not likely to affect prejudicially–

   i. the sovereignty and integrity of India;

   ii. the security, strategic, scientific or economic interest of the State;

iii. the public interest;

iv. freedom or fairness of election to any Legislature;

v. friendly relation with any foreign State;

vi. harmony between religious, racial, social, linguistic, regional groups, castes or communities.

(c) the acceptance of foreign contribution-

i. shall not lead to incitement of an offence;

ii. shall not endanger the life or physical safety of any person.

Who cannot receive foreign contribution?

As per Section 3(1) of FCRA, 2010, the following are prohibited to receive foreign contribution:

(a) candidate for election;

(b) Correspondent, columnist, cartoonist, editor, owner, printer or publisher of a registered newspaper;

(c) Public Servant, Judge, Government servant or employee of any corporation or any other body controlled or owned by the Government;

(d) Member of any legislature;

(e) Political party or office bearer thereof;

(f) organization of a political nature as may be specified under sub-section (1) of Section 5 by the Central Government;

(g) association or company engaged in the production or broadcast of audio news or audio-visual news or current affairs programmes through any electronic mode, or any other electronic form as defined in clause (r) of sub-section (1) of Section 2 of the Information Technology Act, 2000 or any other mode of mass communication;

(h) Correspondent or columnist, cartoonist, editor, owner of the association or company referred to in point (g);

(i) Individuals or associations who have been prohibited from receiving foreign contribution.

Application for Registration

Application for grant of registration and prior permission is to be submitted online in form FC-3 A and FC-3 B respectively on the website- *https://fcraonline.nic.in.*

All requisite documents are to be uploaded with the application online only and no physical copies shall be accepted by Ministry of Home Affairs under any circumstances. All physical documents, even if received, shall be returned to sender immediately.

For all FCRA services provided through online portal, Aadhar Number & Darpan ID are mandatory.

The applicant should be ready with the scanned copies of the following documents before filing the application online:

(A) Registration

(i) jpg file of signature of the chief functionary (size: 50kb)

(ii) self-certified copy of registration certificate/Trust deed etc., of the association (size:1mb) [if not in English/ Hindi, please also upload copy translated into English/Hindi].

(iii) self-certified copy of relevant pages of Memorandum of Association/ Article of Association showing aim and objects of the association. (size :5mb) [if MOA/Article of Association is not in English/ Hindi, please also upload copy translated into English/Hindi].

(iv) Activity Report indicating details of activities during the last three years (size: 3mb).

(v) Copies of relevant audited statement of accounts for the past three years (Assets and Liabilities, Receipt and Payment, Income and Expenditure) clearly reflecting expenditure incurred on aims and objects of the association and on administrative expenditure (size: 5mb).

(vi) Fee as prescribed is to be paid online through payment gateway.

(vii) Affidavit from each office bearer in Proforma AA.

(B) Prior Permission

(i) jpg file of signature of the chief functionary(size:50kb)

(ii) self-certified copy of registration certificate/Trust deed etc., of the association (size:1mb) [if not in English/ Hindi, please also upload copy translated into English/Hindi].

(iii) duly signed Commitment Letter from Donor (size:5mb).

(iv) If functioning as editor, owner, printer or publisher of a publication registered under the Press and Registration of Books Act, 1867, a certificate from the Registrar of Newspapers for India that the publication is not a newspaper in terms of section 1(1) of the said Act.

(v) Fee as prescribed is to be paid online through payment gateway.

(vi) Project Report for which FC will be received (size: 3mb).

(vii) Affidavit from each office bearer in Proforma AA.

Status of pending applications for grant of registration/prior permission/renewal may be checked on-line at fcraonline services using user ID and password created at the time of filing application. Application status can also be tracked on website https://fcraonline.nic.in.

Since the FCRA account through which foreign contribution is proposed to be received and utilised is to be mentioned in the application seeking registration or prior permission, as the case may be, the association has to open such an exclusive "FCRA Account" in the New Delhi Main Branch of SBI. This A/c number would be mentioned in the letter granting registration or prior permission to the association.

Filing of Annual Returns

The Annual return is to be submitted online at https://fcraonline.nic.in in prescribed Form FC-4, duly accompanied by balance sheet and statement of receipt and payment, which is certified by a Chartered Accountant. Submission of a 'NIL' return, even if there is no receipt/utilization of foreign contribution during the year, is also mandatory. However, in such case, certificate from Chartered Accountant, audited statement of accounts is not required to be uploaded. Annual Return are to be filed online at *https://fcraonline.nic.in*.

The return is to be filed online for every financial year (1st April to 31st March) within a period of nine months from the closure of the year i.e. by 31st December each year.

The association should file the mandatory annual return on a yearly basis, till the amount of foreign contribution is fully utilized. Even if no transaction takes place during a year, a NIL return should be submitted.

If association not filing annual return on time may face the following consequences:

(1) Imposition of penalty for late submission of return.

(2) Cancellation of registration.

(3) Prosecution for violation of provisions of FCRA, 2010.

Renewal of Registration

As per Section 16 of FCRA, 2010 every person who has been granted a certificate of registration under Section 12 thereof shall have such certificate renewed within six months before the expiry of the period of the certificate.

Associations which desire to renew their registration certificate shall apply online only in Form FC-3C within 6 months before the expiry of their existing registration certificate. After successful payment of fees only, the application is deemed to have been completed.

Documents required for renewal of registration:

(a) Darpan id of Section 8 Company/Trust/Society

(b) Verification of aadhaar number of each member

(c) Details of FCRA account of SBI, Main Branch New Delhi

(d) Signature of Chief Functionary

(e) Seal of the association

(f) Registration certificate of the association, Memorandum of Association/ Trust Deed

(g) FCRA Registration Certificate of association issued by MHA and affidavit in prescribed proforma AA to be executed by each member individually on Non- Judicial Stamp Paper of Rs. 10 attested by Notary Public or 1st Class Magistrate are to be uploaded for renewal of registration.

For seeking FCRA services [Registration, Prior Permission and Renewal)

The applicant must:

- Obtain DARPAN ID from Darpan portal of NITI AYOG
- Upload documents electronically online
- Pay application Fee electronically online
- Have a definite cultural, economic, educational, religious or social programme
- Have undertaken reasonable activity in its chosen field for the benefit of the society for which the foreign contribution is proposed to be utilized
- Open a dedicated FCRA Account in the State Bank of India, New Delhi Main Branch
- Intimate opening of additional dedicated Foreign Contribution Utilization Bank Account(s)
- Place the audited statement of accounts electronically online on receipts and utilization of the foreign contribution, including income and expenditure statement, receipt and payment account and balance sheet for every financial year beginning on the first day of April within nine months of the closure of the Financial Year in case of receipt of foreign contribution
- Maintain a separate set of accounts and records, exclusively, for the foreign contribution received and utilized and for which the registration is sought
- Apply to the Central Government six months before the date of expiry of certificate of registration, for its renewal

- To intimate any change in the designated bank account / utilization bank account / name / address / aims / objectives / key members in respect of association granted registration / prior permission under the FCRA, 2010.

Advisory for NGOs Accepting Foreign Contribution

- While accepting foreign contribution by NGOs/Trust/Societies may note that:
- Do not mix Foreign Contribution with Domestic Receipts
- Do not transfer funds from FC Bank to Non-FC (even Direct Bank Transfer)
- Books of Accounts must be separate
- Keep separate Cash Box (it shows good cash control system)
- Do not deviate from the Purpose of the Grant
- Make sure while getting FC funds that the purpose is crystal clear for what purpose it is received
- Make sure that you used these funds for the very specific purpose
- Avoid Cash Payments. This requires extra efforts on the part of the organization to develop Financial Control System in such a way to encourage Bank Payments through "Account Payee" cheques only.
- Do not invest FC funds in Mutual Funds or Speculative Investments
- Do not receive foreign contribution directly in the utilization account(s) of the association/NGO/Society
- Do not mix foreign contribution with domestic funds
- Do not hide amount, source and manner in which the foreign contribution/remittance was received
- Do not avoid filing mandatory FC annual returns in electronic form
- Do not indulge in making of false statement, declaration or delivering false accounts
- Do not act in contravention of any provision of the FCRA, 2010.

Charter For Associations Who Have Been Granted Prior Permission or Registration Under FCRA

- Registration and Prior Permission is granted for a definite cultural, economic, educational, religious or social programme under sections 11 and 12 of the FCRA, 2010. An association is granted registration for five years. The Prior permission is granted for a specific purpose/project for a specific amount from a specific source.
- Every certificate of registration shall have to be renewed before the date of expiry of its validity. The application for renewal is to be made online in Form FC-3C along with the prescribed fee to be paid through online payment gateway, six months before the date of expiry of the certificate of registration. In case, no application for renewal of registration is received or such application is not finally submitted accompanied by the requisite fee through the prescribed mode, the validity of the certificate of registration shall be deemed to have ceased from the date of completion of the period of five years from the date of the grant of registration. Such deemed to have ceased associations are not permitted to either receive or utilize foreign contribution anymore.
- An association granted prior permission or registration under the FCRA, 2010 should initially receive the foreign contribution only in the FCRA account at SBI, Main Branch located at Sansad Marg, New Delhi. This account number would be the same as has been intimated by the organisation in their application for prior permission/registration or intimated through FC-6C. Deposit of any local fund/

domestic contribution in this bank account is not allowed. One or more accounts in any PFMS enabled scheduled bank may be opened for utilizing the foreign contribution. For more clarity, Section 17 of the FCRA, 2010 is reproduced as below:

'17. (1) Every person who has been granted certificate or prior permission under section 12 shall receive foreign contribution only in an account designated as "FCRA Account" by the bank, which shall be opened by him for the purpose of remittances offoreign contribution in such branch of the State Bank of India at New Delhi, as the Central Government may, by notification, specify in this behalf: Provided that such person may also open another ''FCRA Account'' in any of the scheduled bank of his choice for the purpose of keeping or utilising the foreign contribution which has been received from his ''FCRA Account'' in the specified branch of State Bank of India at New Delhi:

Provided further that such person may also open one or more accounts in one or more scheduled banks of his choice to which he may transfer for utilising any foreign contribution received by him in his ''FCRA Account'' in the specified branch of the State Bank of India at New Delhi or kept by him in another ''FCRA Account'' in a scheduled bank of his choice: Provided also that no funds other than foreign contribution shall be received or deposited in any such account.

(2) The specified branch of the State Bank of India at New Delhi or the branch of the scheduled bank where the person referred to in sub-section (1) has opened his foreign contribution account or the authorised person in foreign exchange, shall report to such authority as may be specified, —

(a) the prescribed amount of foreign remittance;

(b) the source and manner in which the foreign remittance was received; and

(c) other particulars, in such form and manner as may be prescribed.

- Foreign contribution cannot be mixed with local/domestic funds being handled by the organisation.
- An association granted prior permission or registration is required to carry out the activities, for which foreign contribution is received, in India only and the amount should not be utilised for purposes other than for which it is received.
- The FC received by the association shall not be transferred to any other association for any other purpose.
- Any fixed asset acquired out of the foreign contribution and any article received in kind from the foreign source should be in the name of the association and not in the name of any individual in the association.
- Not more than 20% of the foreign contribution shall be defrayed to meet administrative expenses of the association. What constitutes 'administrative expenses' has been defined in Rule 5 of the Foreign Contribution (Regulation) Rules, 2011 (FCRR, 2011).
- Any foreign contribution or any income (interest, rent, enterprise or FD etc.) arising out of utilization of FC shall not be used for "speculative business". What constitutes 'speculative business' has been defined in Rule 4 of FCRR, 2011.
- An association granted prior permission or registration shall maintain a separate set of accounts, assets and records, exclusively for foreign contribution received and utilised. If the foreign contribution relates only to articles/ foreign securities, the intimation shall be submitted online in Form FC-1 and such articles/ securities shall be reflected in online Annual report FC-4.
- Every account giving details of the receipt and purpose-wise utilisation of the FC, including the interest earned on the FC amount, should be maintained on an yearly basis, commencing on the 1st day of April each year, and every such yearly account is to be uploaded online only, in the prescribed

Form FC– 4 and uploaded therewith the income and expenditure statement, balance sheet and statement of receipt and payment, duly certified by a chartered accountant, within nine months of the closure of the year, i.e., before 31st December on www.fcraonline.nic.in . A copy of a statement of account from the FCRA account in SBI, New Delhi Main Branch and utilization accounts in any scheduled bank duly certified by an officer of such bank should also be uploaded. The cash book and ledger account is to be maintained on double entry basis, where the FC relates to currency received and utilised.

- An online annual return in Form FC-4 shall reflect the foreign contribution received in the FCRA account at SBI, New Delhi Main Branch and include the details in respect of other FCRA bank accounts, if any, for utilisation. No physical copy of Annual return is accepted.
- The accounting statements shall have to be preserved by the NGO/association for a period of six years.
- Even if no FC is received during a year, a 'Nil' return is required to be filed online in Form FC-4 within the prescribed time limit. However, certificate from Chartered Accountant or Income & Expenditure statement or R&P account or balance sheet is not required to be uploaded.
- Intimation for Change of name, address, registration, nature of activities or aims and objectives of an association, bank and/or bank account number and opening of bank account for utilisation of foreign contribution should be intimated online only in Form FC-6(A to E) and uploading requisite documents within 15 days of effecting the change.
- For any change (addition/deletion) of any functionary or member, the associations shall apply online through FC-6E and seek approval from Central Government.
- All associations granted registration or prior permission under FCRA, 2010 shall be required to adhere to good practice guidelines of Financial Action Task Force (FATF).

Good practice Guidelines to the Non-Profit Organisations (NPOs) to ensure compliance with the following FATF requirements:

1. Wherever necessary, NPO shall inform the Ministry of Home Affairs (FCRA Wing) about the suspicious activities of the customer, without waiting for annual returns.
2. The Board of Directors / Chief Functionary of NPO shall issue directions regarding duties of official who shall be required to enforce these guidelines and other rules of FCRA, 2010 read with FCRR, 2011 as amended from time to time.
3. The NPO shall put its goals, objectives and activities on its website.
4. The NPO shall upload the details of key persons associated with NPOs activities on its website.
5. The NPO shall take due diligence of its employees at the time of recruitment.
6. The NPO shall maintain the information of beneficiaries of funds and upload on its website and monitor the activities of the beneficiaries. Wherever a beneficiary is a legal person, the details of beneficial owner shall also be uploaded.
7. The NPO shall ensure that the financial transactions involving more than Rs.20,000/- to be routed through Banking channels only.
8. The Board of Directors/Trustees of NPO's must ensure utilization of funds consistent with objectives as approved by MHA.

9. The Board of Directors/Trustee of NPO's shall conduct meeting once at least in six months to review the working of these instructions and shall record the minutes of these meetings.
10. The NPO shall train its staff on the FCRA and about the application of these guidelines.
11. When any transaction is under investigation by any authority, the MHA shall be informed by such NPO.

Illustrative List of Activities Permitted to Be Carried Out by Associations Having Different Nature

Associations having definite cultural, economic, educational, religious or social programme can accept foreign contribution only after obtaining either prior permission or registration from the Central Government. Following are illustrative but not exhaustive list of activities which may be permissible and may be carried out by associations of different nature:

Educational:

- Construction and maintenance of schools/colleges.
- Construction and running of hostels for poor students.
- Grant of stipends/scholarships/assistances in cash or kind to poor/deserving children.
- Purchase and supply of educational material-books, notebooks etc.
- Conducting adult literacy programs.
- Conducting research.
- Non-formal education/schools for the mentally challenged.
- Non-formal education projects/coaching classes.
- Any other activities related to the above.

Religious:

- Celebrations of religious functions/festivals etc.
- Construction/repair/maintenance of places of worship, religious schools.
- Education of priests and preachers (dissemination of the message of good will etc. from the holy books).
- Publication and distribution of religious books/ literature.

Economic:

Following but not being commercial or profit-making activities:

- Micro-finance projects, including setting up banking co-operatives and self-help groups.
- Self-sustaining income generation projects/schemes.
- Agricultural activities.
- Rural development programmes/schemes.
- Animal husbandry projects.
- Setting up and running handicraft centres/cottages and khadi industry/social forestry projects.
- Vocational training, tailoring, motor repairs, computers etc.

- Projects for income generation activities or any other developmental projects for urban slum development.
- Any other activities related to the above, not being commercial activities.

Social:

- Construction/running of hospitals/dispensaries/clinics.
- Construction of community halls etc.
- Construction and management of old age homes.
- Welfare of the old aged persons or widows.
- Construction and management of orphanage.
- Welfare of the orphans.
- Construction and management of dharamshalas/shelters.
- Holding of free medical/health/family welfare/immunisation camps.
- Supply of free medicine, and medical aids, including hearing aids, visual aids, family planning aids etc.
- Provision of aids such as tricycles, callipers etc. to the handicapped.
- Treatment/rehabilitation of drug addicts.
- Welfare/empowerment projects/schemes for women.
- Welfare of children.
- Provision of free clothing/food to the poor, needy and destitutes.
- Relief/rehabilitation of victims of natural calamities.
- Help to the victims of riots/other social disturbances.
- Digging of bore wells.
- Sanitation including community toilets etc.
- Awareness camps/seminars/workshops/meetings/conferences.
- Providing free legal aids/running legal aid centres.
- Holding sports meet.
- Promoting awareness about Acquired Immune Deficiency Syndrome (AIDS)/treatment and rehabilitation of persons affected by AIDS.
- Welfare of the physically and mentally challenged.
- Welfare of the Schedules Castes.
- Welfare of the Scheduled Tribes.
- Welfare of the Backward Classes.
- Environmental programs.
- Survey for socio-economic and other welfare programs.

- Preservation and maintenance of wild life.
- Preservation of natural resources.
- Awareness against social evils.
- Rehabilitation of victims of heinous crimes.
- Rehabilitation of beggars, bootleggers, child labour etc.
- Creating awareness of Government schemes & laws to general public.
- Any other activities related to the above

Cultural:

- Celebration of national events (Independence/Republic Day/festivals).
- Theatre/films/puppet show/road show etc.
- Maintenance of places of historical and cultural importance.
- Preservation of ancient/tribal art forms.
- Preservation and promotion of cultural heritage or literature of India.
- Cultural shows.
- Any other activities related to the above.

LESSON ROUND-UP

- Philosophically, foreign contribution (donation) is akin to gratifying intoxicant replete with medicinal properties and may work like a nectar. However, it serves as a medicine so long as it is consumed (utilised) moderately and discreetly, for serving the larger cause of humanity.
- Foreign Contribution (Regulation) Act, 2010(FCRA) is the law that governs foreign funding in India. FCRA has the primary objective of regulating the acceptance and utilisation of foreign contribution or foreign hospitality by certain persons or associations, with a view to ensuring that Parliamentary and political associations, academic and other institutions as well as individuals working in important areas of national life may function in a manner consistent with the values of a sovereign democratic republic.
- Foreign Contribution (Regulation) Act, 2010 prohibits acceptance of foreign contribution by election candidates, journalists, public servants, members of the legislature, and political parties or their office bearers and allows Associations having definite cultural, economic, educational religious or social programme to accept such contributions after complying with certain requirements.
- An organization in formative stage is not eligible for certificate of registration. Such organization may apply for grant of prior permission under FCRA, 2010. Prior permission is granted for receipt of a specific amount from specific donor/donors for carrying out specific activities/projects.
- Application for grant of registration and prior permission is to be submitted online in form FC-3 A and FC-3 B respectively on the website- https://fcraonline.nic.in. All requisite documents are to be uploaded with the application online only and no physical copies shall be accepted by Ministry of Home Affairs under any circumstances. All physical documents, even if received, shall be returned to sender immediately.

- The Annual return is to be submitted online at https://fcraonline.nic.in in prescribed Form FC-4, duly accompanied by balance sheet and statement of receipt and payment, which is certified by a Chartered Accountant. Submission of a 'NIL' return, even if there is no receipt/utilization of foreign contribution during the year, is also mandatory. However, in such case, certificate from Chartered Accountant, audited statement of accounts is not required to be uploaded. Annual Return are to be filed online at https://fcraonline.nic.in.
- As per Section 16 of FCRA, 2010 every person who has been granted a certificate of registration under Section 12 thereof shall have such certificate renewed within six months before the expiry of the period of the certificate. Associations which desire to renew their registration certificate shall apply online only in Form FC-3C within 6 months before the expiry of their existing registration certificate. After successful payment of fees only, the application is deemed to have been completed.

TEST YOURSELF

(*These are meant for re-capitulation only. Answers to these questions are not to be submitted for evaluation.*)

1. Can the fee paid by the foreign delegates/participants attending/participating in a conference/seminar etc. be termed as foreign contribution and thus require permission from FCRA?
2. Whether a Company incorporated in India under the Companies Act, 2013 having its operations in 2 or more countries is to be treated as a MNC under FCRA, 2010? Examine.
3. What are the eligibility criteria for grant of registration?
4. What are the conditions to be met for the grant of registration and prior permission?
5. Discuss the Charter for Associations who have been granted Prior Permission or Registration under FCRA.