

Fund raising by NPOs : Process & Prospects



The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)
New Delhi

Fund Raising by NPOs Process & Prospects

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Committee for Co-operatives & NPO Sectors (CCONPO)
The Institute of Chartered Accountants of India
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Foreword

A key challenge facing Indian economy is to have inclusive growth and welfare of deprived people in the society. It is important that all persons in the country have equal opportunity in education, health, hygiene and other basic amenities. While Government takes a number of initiatives for the upliftment of needy people, the not-for-profit organizations effectively complement the efforts of the government. These organizations easily reach the remote areas where there are problems. The not-for-profit sector is providing aid to poor, aged, disabled, sick, and others in the society with special needs.

Although, as the name suggests that these organizations are not-for-profit, they still need surpluses and funds to survive and render their socially beneficial services. I am pleased that Committee for Cooperatives & NPO Sectors (CCONPO) of the Institute of Chartered Accountants of India (ICAI) has come up with a book on fund raising by not-for-profit organizations for assistance of members and other stakeholders. The book contains the prerequisites of making effective funding proposals and other important related issues. It contains pertinent details about fund raising for NPOs such as eligibility criteria for funding, submission of funding proposal, fund utilization & documentation requirements, and so on.

I congratulate CA. Vijay Kumar Garg, Chairman, CA. V. Murli, Vice-chairman, and other members of the CCONPO for publishing this book. The Committee has been taking initiatives to update the knowledge of the members and other stakeholders through various publications and conducting of seminars, workshops, etc. This publication is another step towards imparting knowledge in the field. I also compliment Dr. Amit kumar Agrawal, Secretary to the committee for drafting this document and CA Badarinath Rao, Special Invitee to the committee for valuable comments.

I wish all the readers a fruitful, professionally enriching experience from this publication. I hope readers will be greatly benefitted by this book.

Date: Jan 12, 2012
Place: Delhi

CA. Jaydeep Narendra Shah
President, ICAI

Preface

India has a long history and tradition of voluntary action. In the contemporary time the role of Not-for-profit organizations, commonly known as NGOs has been recognized as indispensable in the process of overall development of the economy.

Owing the growing importance of this sector, Committee for Co-operative & NPO sectors of the Institute bring this book on funding of NPOs for the benefit of members and other stakeholders who are engaged with these sectors. This book contains almost all the important information about fund raising for NPOs such as eligibility criteria's for funding, submission of funding proposal, fund utilization & documentation requirement, some important portals for registration as expert in NPO sector.

I appreciate the efforts of Dr. Amit Kumar Agrawal, Secretary to the Committee Cooperatives & NPO sectors for drafting the basic document and CA Ashish Tiwari, CA. Aakansha Nigam (Management Trainee) and CA. Deepika Agrawal (Management Trainee) for contributing in this publication.

I compliment the members of Committee for Co-operative & NPO sectors, especially CA Badarinath Rao for their valuable comments.

I also thank CA Jaydeep Narendra Shah President, ICAI and CA Subodh Kumar Agrawal, Vice President, ICAI for their able guidance.

I firmly believe this publication would be of great help for those engaged with NPO Sector and benefit the readers at large.

Date: Jan 12, 2012

Place: Delhi

CA. Vijay Kumar Garg,

Chairman

Committee for Co-operative & NPO sectors (CCONPO)

Table of Contents

S.No	Particulars	Page No
1	INTRODUCTION	1
2	ELIGIBILITY CRITERIA'S FOR FUNDING:	4
3	IDENTIFY AGENCIES WHICH FUND ACTIVITIES SIMILAR TO YOUR NPO's MANDATE	8
4	SUBMISSION OF PROPOSAL	16
5	FUND UTILIZATION & DOCUMENTATION REQUIREMENT	20
6	PROFESSIONAL OPPORTUNITIES	21
7	SOME IMPORTANT PORTALS FOR REGISTRATION AS EXPERT IN NPO SECTOR	23
8	SOME OTHER REFERENCE POINTS	25
	Appendix: Sample Profile of the NPO.	27

Chapter 1

Introduction

All fund-raising campaigns must begin with a realization that the organization needs money; once it is accepted by fund raiser it becomes the Goal. A nonprofit organization which wants to raise funds, needs a coherent, executable development plan, a plan that has a viable communications strategy-“how and what it does to present itself to the public at large.” Fundraising is extremely important for an organization’s success. Here are some of the reasons:

- **Survival:** Every organization needs enough money to survive. It has to meet its project costs and develop its programmes for the future, pay the wages and salaries of its staff plus all its administrative overheads, keep its buildings and vehicles in a good shape, and pay for any new equipment that it needs. The list is endless. And the stark truth is that if the money is not raised, the organization will not be able to carry out its work. And if the work is not done, all those pressing needs will remain unmet.
- **Expansion and development:** If the Organization is to meet the challenges of the future, it has to expand the work, improve the quality of service, extend activities into other areas, carry out research, add campaigning and advocacy to basic service delivery, and continue to innovate. All this requires more money – money that will need to be raised.
- **Reducing dependency:** Many organizations have one or perhaps several major donors who provide most of the funds they are spending. This situation can lead to a state of dependency. If one of your large grants is withdrawn, this could create a financial crisis. Not only this, this dependency can make it difficult for your organization to determine its own agenda since it will constantly have to adapt to the priorities of its donor organizations.

Basic Philosophy of fundraising: While raising funds, one should keep the following things in mind:

- **First understand your own organizations:** Someone who intends to raise funds for an organization, must first become involved with the organization. That’s when you begin to acquire knowledge about an

organization, and acquisition of knowledge is the first step in preparing to raise money. The persons charged by their non-profit organizations with that responsibility of funds raising often ask for a plan a template, thinking that such models could be directly and wholly adapted to their situation.

- **Understanding the donor's viewpoint:** When a donor decides to give, they may be motivated by a wide range of feelings and thoughts. It is important for the fundraiser to understand a donor's thought process.
- **Answer how you are helping him in his viewpoint:** People give to help other people or to do something positive to create a better world. The job of a fundraiser is to show how you are helping do this. One way of showing this is by using case studies – illustrating your work with actual examples of the people you have been able to help, showing how you have been able to change their lives, showing what you have done to create a better environment and so on. In this way you can demonstrate to donors how their money can make a difference.
- **The return to the donor:** People support charity without the expectation of any material return. But they do want something for their money, even if it is intangible. It may be a feeling of having done something worthwhile, and perhaps of having made a difference to someone else's life, recognition from other people and from the public of their generosity – although some people prefer to give anonymously.
- **Marketing:** The fundraiser should know how to show that there is an important need which you can help to meet. If they agree that the need is important, and that something should be done, and if they agree that your organization is doing something significant to address that need, and if you can show them how some extra support could enable you to do even better, then asking for money becomes easy.
- **Credibility:** People prefer to give to organizations and causes that they have heard of. This means that the organization's credibility and good public relations are both extremely important. If they are confident you are doing something both worthwhile and successful, they are much more likely to support you.

Fund Raising Process

A successful fund-raising campaign is a concise process of executing well-defined components arranged in a step-by-step sequence. In the following sections, an attempt has been made to describe the process for fund-raising and prospects available nationally and internationally.

Chapter 2

Eligibility Criteria for Funding

Although every funding agency has its own criteria for funding, we are describing here the general eligibility criteria for NPOs seeking funds:

1. **NPO should have been registered for charitable purposes and not for profit purpose:** There are various ways of getting registered as NPO. A very popular mode of getting registered as NPO is described as below:
 - Under the Societies Registration Act, 1860 or a State amendment thereof, or,
 - The Indian Trust Act, 1882 or the Religious and Charitable Institutions Registration Act, 1920.
 - Companies registered u/s 25 of Companies act 1956.

To help you choose an appropriate mode, salient features and an easy-to-understand registration process of such a mode of NPO is given below:

Salient features on various forms of NPOs

Particulars	NPO		
	Sec.25 companies	Society	Trust
Statute	Companies Act, 1956	Societies Registration Act 1860	Indian Trusts Act 1882
Jurisdiction	Registrar of companies	Registrar of societies	Charity commissioner
Objects	Non-profit activities	literacy, scientific and charitable	Charitable, socially beneficial
Main documents	Memorandum and articles of association	Memorandum of association and articles, rules and regulations (by laws)	Trust deed
Number of members	Minimum two and no upper limit	Minimum seven and no upper limit	Minimum two and no statutory limit

Registration Procedure

Section 25 companies	Society	Trust
<p>Registration Procedure</p> <ul style="list-style-type: none"> • An application has to be made for Name Availability -Form 1A. • MOA & AOA -Signed by at least two subscribers. • Apply to jurisdictional Regional Director, Company Law Board - Form 24A. • Within a week of making application to Regional Director a notice is required to be published in one, English and one vernacular newspaper. • For incorporation-Form 1,Declaration of compliance application for registration of a company • Form 18, For Notice of the situation/change of situation of registered office • Form 32, Particulars of appointment of managing director, directors, manager and secretary. 	<p>Registration Procedure varies from state to state. However generally the application should be submitted together with:</p> <ul style="list-style-type: none"> • Covering Letter requesting for registration. • MOA in duplicate • Rules & Regulation in duplicate. • An affidavit of the President/Secretary of the society, on a non-judicial stamp paper. • Address proof in respect of the registered office. • An authority duly signed by all members of the managing committee. • A declaration by the members of the managing committee that the funds of the society shall be used only for the purpose of furthering the aims and objects of the society. 	<p>Registration Procedure</p> <ul style="list-style-type: none"> • The application for registration should be made to the official having jurisdiction over the region in which the trust is sought to be registered. • After providing details In the form regarding designation by which the public trust shall be known, names of trustees, mode of succession, etc. • The application has to affix a court fee stamp and pay registration fee depending on the value of the trust property. • The application form should be signed by the applicant before the regional officer or superintendent of the regional office of the charity commissioner or a notary.

Fund Raising by NPOs Process & Prospects

		<ul style="list-style-type: none"> • Form should be submitted together with the copy of the trust deed.
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2. NPO should have completed 3 years from the date of registration on the date of application filed with the funding agency.
3. NPO should have a bank or post office account for at least three years preceding the date of filing of application to the funding agency.
4. Registration Under Income Tax Act 1961 as Charitable Institution Application is made in Form-10A for registration of charitable or religious trust or institution under {clause (aa) of sub-section (1) of Section 12A} of the Income Tax Act, 1961
5. NPO should have Audited Accounts for at least three years preceding the date of filing of application to the funding agency. Audit report is given in form No 10B under Section 12A (b) of the Income Tax Act, 1961, in the case of charitable or religious trusts or institutions.
6. NPO should have working experience in the field related to funding agency. NPO should have Annual Report on Experience for at least three years preceding the date of filing of application with the funding agency. It includes Vision, Mission statement of the NPO, its' thrust areas, major activities undertaken during the year, its managing committee, etc
7. **Registration under FCRA Act 2010 for seeking foreign funds:** Any NPO wishing to receive foreign contribution (FC) must have approval from FCRA department. Procedure for receiving foreign fund is described as below:

Application for permanent registration under FCRA: Following documents must be filed.

- Form FC-3 duly filled up in triplicate.
- DD or Cheque for payment of fees.
- Audited statement of accounts of the past three years.
- Certified copy of the Registration Certificate.
- Certified copy of the Bye-laws and Memorandum and Articles of Association.
- A copy of the PAN, if issued by Income Tax authorities.

Obtaining Prior Permission for Receiving Foreign Contribution: A NPO who do not have registration with FCRA then may follow following procedure:

- Form FC4, duly filled up in triplicate.
- DD or Cheque for payment of fees.
- Copy of the project report for which foreign Contribution is solicited/being offered;
- Certified copy of the Bye-laws and Memorandum and Articles of Association
- Certified copy of the registration certificate under the Societies Act/ Companies Act.
- The resolution of governing body by which the Chief Functionary is authorized to submit FC4.
- A copy of the PAN, if issued by Income Tax authorities.

Chapter 3

Identify Agencies which Funds Activities similar to your NPO's Mandate

A brief list of funding agencies with their mandate is given below:

Funding Agency	Address	Contact Information	Focus Areas
Action Aid International	Action Aid International (Asia Regional Office) 13th floor regent house building 183 Rajamri Road Lumpini Pathumwan Bangkok 10330 http://www.actionaid.org	Tel: 00 66 2 651 9066 Fax: 00 66 2 651 9070 Email (Asian office): mail@actionaidasia.org Email (headquarters): mail.jhb@actionaid.org	- poverty - social justice - education - healthcare - rights-based - HIV/AIDS
American India Foundation	American India Foundation Ground Floor 15/11 Sarva Priya Vihar New Delhi 110016 http://www.aifoundation.org	Tel: +91-11-4182- 8801/02/03/04 Fax: +91-11-4182-8805 Email: gurvinder.singh@aifoundation.org	- education - livelihood - public health
Bill & Melinda Gates Foundation	Bill & Melinda Gates Foundation PO Box 23350 Seattle, WA 98102 http://www.gatesfoundation.org	Tel: (206) 709-3140 Email: info@gatesfoundation.org	- health - development (agriculture, financial services, global libraries)
CAPART	http://capart.nic.in		-
CARITAS Internationalis	Caritas Internationalis General Secretariat: Palazzo San Calisto 00120 Vatican City http://www.caritas.org	Tel: (+39) 06 698 797 99 Fax: (+39) 06 698 87 237 Email: caritas.internationalis@caritas.va	- emergency relief - advocacy - empowerment - peace building - human rights - environmental stewardship

Identify Agencies which Funds Activities similar to your NPO's Mandate

			- poverty
Centre for Environment Education (CEE)	CEE West Nehru Foundation for Development, Thaltej Tekra, Ahmadabad - 380 054 www.sgpindia.org	Tel: 079-26858002-09 Fax: 079- 26858010 Email: ceewest@ceeindia.org or sgpwest@ceeindia.org	- biodiversity conservation - climate change mitigation - protection of global waters - prevention of land degradation - organic pollutants
Christian AID	http://www.christianaid.org	Email: info@christian-aid.org	- poverty - social justice - women and children - natural/man-made disaster relief - discrimination
Canadian International Development Agency (CIDA)	http://www.acdi-cida.gc.ca	Tel: (819) 997-5006 Toll free: 1-800-230-6349 Fax: (819) 953-6088 Email: info@acdi-cida.gc.ca	- poverty - good governance - health - environmental sustainability - education - gender equality
David & Lucile Packard Foundation	300 Second Street Los Altos, California 94022 USA http://www.packard.org	Tel (650) 948-7658 Email: inquiries@packard.org	- Children, family, & - community programs - Population Programs - Conservation & - Science Programs
Diana, Princess of Wales	The Diana, Princess of Wales Memorial Fund The County Hall	Tel: +44 (0)20 7902 5500 Fax: +44 (0)20 7902	- HIV/AIDS - Youths - Mental Health

Fund Raising by NPOs Process & Prospects

Memorial Fund	Westminster Bridge Road London http://www.theworkcontinues.org	5511 Email: memorial.fund@memfund.org.uk	- Palliative Care - Post-conflict
Eficor	Eficor 308, Mahatta Tower 54 B Block Community Centre, Janakpuri, New Delhi - 110058	eficorhq@vsnl.com	- Plans to become active in Rajasthan
Elton John AIDS Foundation	http://www.ejafuk.com	Email: grants@ejafuk.com	- HIV/AIDS
Ford Foundation	Ford Foundation 55 Lodi Estate New Delhi 110 003, India http://www.fordfound.org	Tel: 91-11-2461-9441 Fax: 91-11-2462-7147 Email: ford-delhi@fordfound.org	- democratic values - poverty - peace & social justice - knowledge, creativity, freedom
Feed the Minds	36 Causton Street London SW1P 4AU United Kingdom http://www.feedtheminds.co.uk	Tel: +44 (0)20 7592 3901 Fax +44 (0)20 7592 3939 Email: info@feedtheminds.org	- Education
Gems of Hope (and CIDA)	675 King Street W., Suite 304 Toronto ON Canada M5V 1M9 http://www.gemsofhope.org/index.html	Tel: 416-362-4367 Fax: 416-362-4170 Email: gems@gemsofhope.org	- women's development (micro-credit, skills development, health, sanitation, education)
Global Fund	Global Fund to Fight AIDS, Tuberculosis & Malaria Geneva Secretariat Chemin de Blandonnet	Tel: +41 22 791 17 00 Fax: +41 22 791 17 01 Email Inquiries: info@theglobalfund.org	- AIDS - Tuberculosis - Malaria

Identify Agencies which Funds Activities similar to your NPO's Mandate

	8 1214 Vernier http://www.theglobalfund.org		
Global Fund for children	http://www.globalfundforchildren.org	region1@globalfundforchildren.org	<ul style="list-style-type: none"> - Education - Micro enterprises - Human rights - health
Government of Japan (GAGP)	GAGP Programme, Economic Section Embassy of Japan 50-G, Chanakyapuri, New Delhi-110021	Tel: 2687 6564 Fax: 2611 0752	<ul style="list-style-type: none"> - primary health care - primary education - poverty alleviation - public welfare - environment - disabilities & other
Hindu-Society of Ottawa-Carleton, Inc. (and CIDA)	P.O. Box 72017 Kanata, Ontario K2K 2P4 Canada www.hindu-society.ca	Phone/Fax: 613-592-8978 Email: hindusociety@canada.com	<ul style="list-style-type: none"> - poverty - youth - residential /educational medical facilities
Hivos	Hivos Raamweg 16 P.O. box 85565 2508 CG The Hague Netherlands http://www.hivos.nl/english	Tel: +31 70 376 5500 Fax: +31 70 362 4600 Email: info@hivos.nl	<ul style="list-style-type: none"> - poverty - women's empowerment - civil society building - sustainable economic activities/ production
ICCO	Address	Email: India@icco.nl	<ul style="list-style-type: none"> - poverty - housing/living conditions - social justice
Indo Global Social Service	Main Office: Mr. Gratian Vas Executive Director	Tel : 011-24692192/93 Fax No. 011-24626259	<ul style="list-style-type: none"> - sustainable livelihoods - health

Fund Raising by NPOs Process & Prospects

Society (IGSSS)	Indo-Global Social Service Society 28, Institutional Area, Lodi Road, New Delhi - 110 003 www.igsss.org	Email: ed@igsss.org	- local governance - human rights - disaster mitigation
International Fund for Agricultural Development	International Fund for Agricultural Development Via del Serafico, 107 00142 Rome, Italy http://www.ifad.org	Tel: 39-0654591 Fax +39-065043463 E-mail ifad@ifad.org	- rural poverty - natural resource/ technology access - access to financial services
Levi Strauss Foundation	-	-	- HIV/aids - Income generation - Gender issues
MacArthur Foundation	MacArthur Foundation India India Habitat Centre Core C, First Floor Lodhi Road New Delhi 110 003 India www.macfound.org.in	Phone 1: (91-11) 2464-4006 Phone 2: (91-11) 2461-1324 Fax: (91-11) 2464-4007 Email: info@macfound.org.in	- human rights - conservation/sustainable development - education - migration - peace & security - population/reproductive health
Michael & Susan Dell Foundation	P.O. Box 163867 Austin, Texas 78716 USA http://www.msdf.org	(Submit project proposals online)	- urban children's health, education & safety - youth development - early childhood care
Misereor	MISEREOR-Geschäftsstelle Bischöfliches Hilfswerk	Tel: 0241/442-0 Fax: 0241/442-188	- HIV/AIDS

Identify Agencies which Funds Activities similar to your NPO's Mandate

	MISEREOR e.V Mozartstraße 9 52064 Aachen		
Oxfam- Novib	Oxam Novib Postbus 30919 2500GX Den Haag Netherlands http://www.oxfamnovib.nl/eCache/ONN/3/734.bGFuZz1lbg.html	Tel. 31-70-70 3421777 Fax: +31 70 3614461	- poverty - income and trade - education (for girls) - women's rights - social/political participation
Plan International	Plan International Headquarters Chobham House, Christchurch Way Woking, Surrey GU21 6JG United Kingdom http://www.plan-international.org	Tel (+44)1483 755 155, Fax (+44)1483 756 505 Email: info@plan-international.org	- child protection - food security - children and poverty - children and HIV/AIDS - Birth registration
Paul Hamlyn Foundation	18 Queen Anne's Gate London SW1H 9AA England www.phf.org.uk	Tel. 020 7227 3500 Fax. 020 7222 0601 Email: information@phf.org.uk	- disabilities - education - health - livelihoods
Sir Dorabji Tata and Allied Trusts	Sir Dorabji Tata Trust, Bombay House, 24, Homi Mody Street, Mumbai 400 001, India http://www.tata.com/index.htm	Phone: +91 (22) 5665- 8282 Fax: +91 (22) 2204- 5427 Email: sdt@tata.com	- management of natural resources - livelihood - education - health - social development initiatives
Swedish International Development Cooperatio	http://www.sida.se/ngo	Tel: + 46 8 698 50 00 Fax: +46 8 20 88 64 E-mail: sida@sida.se	- poverty - social justice - peace & security

Fund Raising by NPOs Process & Prospects

n Agency (SIDA)			
Sir Ratan Tata Trust	<p>The secretary, Sir Ratan Tata Trust, Bombay House, 24, Homi Mody Street, Mumbai 400 001, India</p> <p>http://www.tata.com/index.htm</p>	<p>Phone: +91 (22) 5665 8282 Fax: +91 (22) 5665 8013</p> <p>Email: srtt@tata.com</p>	<ul style="list-style-type: none"> - land & water development - micro-finance - education (elementary, nutrition) - health - arts and culture
UNDP	www.undp.com	<p>Tel: +1(212) 906-5317 Fax: +1(212) 906-5001</p>	<ul style="list-style-type: none"> - democratic governance - poverty reduction - crisis prevention/recovery - energy & environment - HIV/AIDS
UNIFEM	<p>UNIFEM South Asia Regional Office Chandni Joshi Regional Programme Director 223 Jor Bagh New Delhi 110 003, India</p> <p>http://www.unifem.org http://www.unifem.org/in</p>	<p>Tel: 91-11-2469-8297 Fax: 91-11-2462-2136</p> <p>Email: chandni.joshi@unifem.org</p>	<ul style="list-style-type: none"> - reducing feminized poverty - violence against women - HIV/AIDS (women & girls) - gender equality - democratic governance
UNICEF	<p>UNICEF JAIPUR United Nations Children's Fund B-9 Bhawani Singh Lane C-Scheme Opp. Nehru Sahkar Bhawan Jaipur 302 001</p>	<p>Email: jaipur@unicef.org</p>	<ul style="list-style-type: none"> - child survival & development - education - gender equality - children and HIV/AIDS - child protection - policy

Identify Agencies which Funds Activities similar to your NPO's Mandate

	Rajasthan, India http://www.unicef.org		advocacy
WFP	WFP Mailing Address Via C.G.Viola 68 Parco dei Medici 00148 - Rome – Italy http://www.wfp.org/english	Tel: +39-06-65131 Fax: +39-06-6513 2840 Email: wfpinfo@wfp.org	- Food aid to support social/ economic development and meet emergency needs
Aqua for All	Aqua for All Het Waterhuis Groningehaven 7 3433 PE Nieuwegein Netherlands Post address: Postbus 1072 3430 BB Nieuwegein Netherlands www.aquaforall.nl	Tel: +3130 606 96 21 Fax: +3130 606 94 31 Email: info@aquaforall.nl	- Clean drinking water and sanitation for the poorest - Gender equality - Rural area
Wells for India	Wells for India The Winchester Centre 68 St George's Street Winchester SO23 8AH, United Kingdom www.wellsforindia.org	Tel: +44(0)1962 848 043 Email: office@wellsforindia.org	- Human rights - Ecology - Justice

Chapter 4

Submitting the Proposal

Major funding agencies have their own structure of application. Here we are describing the general desired contents of a proposal for seeking fund:

- **Title:** It should be very specific and should be summing up the whole proposal in one line
- **How it is relevant to the mandate of Funding agency:** In this section describe the relevance of the proposal to the objectives and priorities of the funding agency.
- **Qualifications of the Organization:** This section describes the applicant agency and its qualifications for funding and establishes its credibility. The programs and accomplishments of the organization will be examined in the light of how they address current demographics, social issues, specific constituencies, etc. In addition to convincing the founder of the extent of the need for the proposed project, the agency must also demonstrate that theirs is the appropriate agency to conduct the project. In this section, the organization should demonstrate that it has the means and the imagination to solve the particular problem or meet the need.
- **Problem statement:** When seeking funds, a specific problem area or need should be addressed. This is a critically important section of the proposal. Information based on objective research, not subjective impressions, should be provided to justify the need or problem. This data, however, should not be voluminous, but sufficient to demonstrate that a problem or need exists. A problem statement or needs assessment should meet the following criteria:
 - Describes the target population to be served
 - Defines the community problem to be addressed and the need in the geographical area where the organization operates
 - Is related to the purposes and goals of the applicant agency
 - Is of reasonable dimensions - not trying to solve all the problems of the world
 - Is supported by relevant statistical evidence

- Is supported by relevant anecdotal evidence
- Is supported by statements from authorities
- Is stated in terms of clients' needs and problems - not the applicant's
- Is developed with input from clients and beneficiaries
- Is not the "lack of a program", unless the program always works
- Makes no unsupported assumptions
- Is as brief as possible
- **Approach:** This section of the proposal describes what the organization hopes to achieve and how. It should meet the following criteria:
 - At least one objective for each problem or need committed to in the problem statement
 - Describes the population that will benefit from the program
 - States the time by which objectives will be accomplished
- **Methodology:** This section describes the activities to be conducted to achieve the desired objectives. It also includes the rationale for choosing a particular approach. Generally, a straightforward, chronological description of the operations of the proposed project works most effectively. The methodology section should meet the following criteria:
 - Flows naturally from problems and objectives
 - Clearly describes programme activities
 - States reasons for the selection of activities
 - Describes sequence of activities
 - Describes staffing of programme
 - Describes clients and client selection
 - Presents a reasonable scope of activities that can be accomplished within the time and resources of the program me
 - Provides a timeline of activities
- **Budget:** All proposals should include a budget which clearly delineates costs to be met by the funding source, those provided by

other parties, and those proposed to be borne by the entity (NPO) itself, and outline both administrative and program costs. Budget expense information should delineate personnel costs such as salary and benefit information, and non-personnel expenses such as facility costs (rent/mortgage, utilities, maintenance, taxes), fundraising expenses, travel, postage, equipment costs, supplies, and insurance. These should be reflected in both the expense and income columns. A budget should meet the following criteria:

- Tells the same story as the proposal narrative
- Is detailed in all aspects
- Includes all volunteers
- Includes all consultants
- Includes indirect costs where appropriate
- Justification for each item
- **Evaluation:** Proposals must include a plan for determining the degree to which objectives are met and methods followed. This section is extremely important as funding parties pay particular attention to evaluation methods since they need help in determining whether a proposed project represents an intelligent investment for them. The evaluation section should meet the following criteria:
 - Presents a plan for evaluating accomplishment of objectives
 - Presents a plan for evaluating and modifying methods and course of the program
 - Tells who will be doing the evaluation and how they were chosen
 - Clearly states evaluation criteria
 - Describes how data will be gathered
 - Explains any test instruments or questionnaires to be used
 - Describes the process of data analysis
 - Shows how evaluation will be used for program improvements
 - Describes any evaluation reports to be produced
- **Outcome:** This section should explain the expected impact on target groups, indicating how the project will improve the situation of target

groups. Be specific and quantify outputs as much as possible. Also state short and long-term impact on target group.

- **Enclosures:** Some attachments are recommended in all proposals, while others may be included at the author's discretion. Appendices may include:
 - Registration Certificate
 - Organization's by-laws
 - Last three years' Audited Accounts.
 - Certificate of tax-exemption status
 - Last three years' Annual Report.
 - Registration Certificate with FCRA (if foreign funds sought)
 - Organization Profile (for reference, see appendix)
- **Covering Letter:** The cover letter serves as the organization's introduction and should always accompany a proposal. A cover letter should meet the following criteria:
 - Includes funder's name, title, and address
 - Provides a brief overview of the organization and its purpose
 - Includes the reason for the funding request
 - Includes the amount requested
 - Does not exceed two pages (one page is preferable)
 - Includes the organization's name and phone number for contact
 - Is signed by the person who can speak with authority on behalf of the organization

Chapter 5

Fund Utilization & Documentation Requirement

Following documents are required to be submitted to the funding agency:

- **Periodic as well as final Report:** NPO should submit the periodic as well as final Report as per milestones stated in the proposal of the work undertaken from grant of fund duly approved by the Executive Committee.
- **Utilization Certificates and Complication Certificates:** Generally funding agency asks for Utilization Certificates for every installment of grant released and Compilation Certificates at the end of the project. The procedure adopted for release of funds to the NPO stipulates that the NPO should furnish Utilisation Certificates/ Compilation Certificates to the effect that the funds have been utilized for the purpose for which these were sanctioned and no diversion has been made.
- **Audited Project Accounts:** Generally the auditing of accounts and reports thereon are a precondition for International funding. NPO should ensure timely auditing and reporting of the project.

Chapter 6

Professional Opportunities

Audit of NPOs

NPOs are an area where Chartered Accountants can gainfully serve the society by way of auditing. In some of the States, there are Trust Acts and societies Acts, regarding the maintenance of accounts by trusts which are required to be audited by Chartered Accountants as statutory auditors.

Audit of Programme Funds

There are a number of programmes, which are funded by multilateral agencies or by the Government relating to the basic functions and objectives of the Government. In most cases, such programme funds require a precise end-use accounting and auditing in order to assure continued access to the total committed funds. Chartered Accountants are being utilized for setting up systems for programme accounting and can also develop the necessary accounting manuals so that the envisaged systems can be implemented in line with the best practices worldwide. As programme auditors, they can also provide auditing and assurance services as may be required. Also, Chartered Accountants can explore Avenues of Work for Chartered Accountants in Practice give a certificate for the end-use of funds.

Certification

Chartered Accountants can undertake certification work as required by income tax, sales tax, banks and funding agencies.

Legal support

Drafting of legal documents

Advisory services

Advisory role on various aspects of NPO entity including formation, grant, subsidies, taxation, FCRA, internal reconstruction etc.

Employment with International Agencies

With the growth in international relation, several global organizations like ADB, World Bank, IMF, DFID is looking for professionals who understand the nuances of international finance.

Research Bodies

Chartered Accountants can serve as professors / readers / lecturers in university/colleges. They can also be appointed as research associates in accountancy / financial / research bodies.

Chartered Accountants have several other opportunities in this sector like: Proposal formulation, Execution of the project, Monitoring of the project, assessing the capacity building needs, Compliances of various regulations, Governance.

Chapter 7

Some Important Portals for Registration as Expert in NPO Sector

World Bank: DACON!

DACON is a database of consulting companies maintained by the World Bank and the Inter-American Development Bank (IADB). At DACON, one can: Browse companies and access their registration profiles and information about their past projects. Right now full profiles are available to World Bank, Inter-American Development Bank and African Development Bank and are included in the dgMarket subscription. Search for companies and access their registration profiles and information about their past projects. One can search for companies by country, sector, size and keywords. Register your company with DACON for free, or update an existing profile. If you have any questions, please send an email to: dacon@dgmarket.com

Asian Development Bank

ADB engages individual consultants and consulting entities (firms, universities, NGOs, etc.) for a wide range of assignments. For example, consulting entities are retained for pre-investment, sector, or other studies, detailed design, contract preparation, and project supervision. Individual consultants, whether hired directly or through consulting entities, provide expert advice and help the ADB to prepare studies, appraisals, and reports. Details may be found at:

<http://www.adb.org/site/business-opportunities/operational-procurement/consulting>

British Council

British Council provides technical assistance, management services, and technical expertise to development projects and programmes in our areas of work. BC employs a large number of short-term and long-term consultants in the delivery of technical assistance to projects and programmes. BC is continually updating database of experts. In particular, British Council is looking for experienced consultants with experience in international

development work, preferably through one of the large donor organizations. Details may be found at:

<http://www.britishcouncil.org/about/jobs-consultants>

The DFID Supplier Portal

The DFID Supplier Portal is the online database that holds all information and financial details for individuals and organizations who supply DFID with goods or services and to whom DFID makes payments. It is the only means of access to compete for live tenders above the EU threshold. Details may be found at: <http://www.dfid.gov.uk/work-with-us/dfid-portal/>

African Development Bank

AFDB DACON is a database of Individual Consultants and Consulting Firms maintained by the African Development Bank Group. Details may be found at:

<http://dacon.afdb.org/dacon/login.do?method=changeLanguage&lang=en>

Chapter 8

Some Other Reference Points

1. **Reporting to FCRA Authorities:** NPO has to submit yearly account of Foreign Contribution received and utilized in Form No FC-6 as per FCRA Act. Further if contribution is received in the form of kind, then report in form no FC-7, the entries made in FC7 should correspond with entries made in form FC-6. Interest earned on foreign funds will also be shown in FC-6.
2. **Registration with the Planning Commission of India:** The Planning Commission of India invites all NPOs to Sign Up on this system, which has been developed in consultation with the below mentioned Ministries/Departments/Government Bodies to facilitate NPOs during their interaction with the Government in connection with requests for Government Grants under various schemes of the below mentioned Ministries/ Departments/ Government Bodies, in the first phase.
 - Ministry of Culture
 - Ministry of Health & Family Welfare
 - Ministry of Social Justice & Empowerment
 - Ministry of Tribal Affairs
 - Ministry of Women & Child Development
 - Department of Higher Education
 - Department of School Education & Literacy
 - National AIDS Control Organisation (NACO)
 - Council for Advancement of People's Action and Rural Technology (CAPART)
 - Central Social Welfare Board (CSWB)
 - Department of Youth Affairs

All NPOs are requested to sign up (one time) with the Portal to help create a data base of existing NPOs and to access information on various schemes of the participating Ministries/ Departments/ Government Bodies open for grants. Later you will also be able to apply online for government grants to the participating

Fund Raising by NPOs Process & Prospects

Ministries/Departments/Government Bodies and track the status of your applications through this system.
<http://ngo.india.gov.in/auth/default>.

Appendix

Sample Profile of the NPO

Generally it should contain following:

1. Name of the Organization _____
2. Address:
 - a) Village _____
 - b) Post Office _____
 - c) Taluka _____
 - d) Police Station _____
 - e) District _____
 - f) State _____
 - g) Pin Code _____
 - h) Telephone No. _____
 - i) Fax No. _____
 - j) E-mail _____
3. In how many villages does the NGO/VO operate?
4. Objective:
5. Details of Registration:
 - a) Registration No.: _____ Date _____
 - b) Valid Up to _____
 - c) If registered under FCRA indicate the No.: _____
6. Details of Members

Sl. No.	Name Father's/Husband's	Address with Telephone No.	If members are related to each other, indicate relationship	Position

7. Activities undertaken and Experience:

Fund Raising by NPOs Process & Prospects

8. Main target group:
- a) Number of Bank Account/Accounts _____
 - b) Name of Bank Branches _____
 - c) Account Number and type of Account(s) _____
9. Has the NPO ever been placed under funding restriction by any other Funding Agency:-
10. Certificate

All the above information is true to the best of my knowledge and belief. In case at any stage it is found that any of the above information(s) is incorrect, my application for grant of financial assistance may be liable to be rejected.

Date & Place

Name

Designation

Signature of Authorized Signatory

Seal of the Organization