

AccountAble™

108A: FCRA Questionnaire – 1

May'17

The *Yaksha Prashna* episode occurs in the famous Indian epic, Mahabharata, during Pandava's exile, about 5,000 years ago.¹ The Pandavas had been walking for a long time and were very thirsty. They rested under a tree, while Nakul, one of the brothers, went to get some water. He came to a pool, guarded by a *Yaksha* (none other than *Dharma* himself, disguised as a stork). The *Yaksha* refused him water till Nakul would answer his questions. Nakul ignored the warning, started drinking, and collapsed. The same thing happened to Sahdev, Arjun and Bheem. Yudhishtir was the last one to reach the lake. He answered all the 124 questions correctly. The *Yaksha* allowed him to drink, and also offered a boon - Yudhishtir could ask for any



one of his brothers to be revived. Yudhishtir chose Nakul, explaining that this way each of his two mothers would be left with at least one son. The *Yaksha* was pleased with his fairness, and revived the rest of the brothers as well. Move the clock to 21st century, and you can live the story again, with a few adjustments. Foreign

Contribution is the pool of water, and the NGOs are Pandavas in exile. The *Yaksha* guarding the pool is none other than the FCRA Department. Will you be able to answer his questions correctly? If you are Yudhishtir - then certainly yes. If not, you could be in serious trouble!

This issue of AccountAble, therefore, discusses the questions that FCRA people like to ask NGOs. It also explains how to make sure your answer is not wrong. It is not a cheat sheet, but a guide to living on the right side of FCRA.

THE FCRA QUESTIONNAIRE

You may receive a letter with a long list of questions from FCRA Department. This is known as the FCRA Questionnaire. The questionnaire is divided into four main sections:

- I. FCRA bank details related to foreign contribution
- II. Foreign Contribution received and utilised over the past years
- III. Matters related to assets and investments created out of foreign contribution.
- IV. Assorted questions such as amounts paid to office bearers, loans given to others, copies of correspondence with donors, details of publications, etc.

The FCRA questionnaire normally comes by post. You may also get a copy by email if your email ID is registered with the Department. You are typically expected to respond within 15-30 days from date of the letter (not the date of *receiving* the letter). This is often very difficult. If you feel that you cannot respond within time, you should write to the Department for additional time.

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In some cases, the information asked is from date of inception. This may go back 30-40 years! You should provide this information if it is indeed available. If not, you should give the information for past six years at least.

Let us now look at what the questions are, and what you need to keep in mind while giving your responses.

FCRA QUESTION	EXPLANATION
Bank Details	
1. Details of the Bank Account(s) held by the Association	List all bank accounts of NGO (bank name, branch, account number) including FC & non-FC
2. Details of the Bank Account(s) maintained exclusively for receipt of foreign contribution.	List only FC accounts here (bank name, branch, account number). Include both designated and utilisation bank accounts.
3. Whether any foreign contribution has been received in any bank account other than mentioned at Sl.No.2	Check carefully – ‘yes’ means non-compliance
4. Whether any local contributions are credited in the account(s) mentioned at Sl.No.2	Check carefully – ‘yes’ means non-compliance
5. Xerox Copies of the statements of the Bank Account(s) in which foreign contributions were credited and utilized for the period from the date of inception of the association till date.	Date of inception could be 30-40 years ago! If so, provide for at least last 6 years. Provide bank statements for both FCRA-designated as well as FCRA-utilisation bank accounts.
6. Details of cash withdrawals made out the foreign contribution receipts during last 3 years.	Date wise listing of all cash withdrawals, with amount of each, from FC bank accounts
Receipt and Utilization of Foreign Contribution	
7. FC-3 returns for the period from ____ till date, duly supported by receipt and payment account statement and balance sheet exclusively for foreign contribution, duly audited by the Chartered Accountant.	Copy of FCRA audited statements for last ten years, along with copy of FCRA annual return, and auditor’s certificate
8. Details of foreign contribution (FC) received, from the year ____ till date in the following format: a. Sl. No. b. Date of receipt of FC c. Name of the foreign donor	Details in tabular format. Business receipts from foreign sources (non-FC) should not be included. Name each foreign source donor, whether based in India or abroad.

FCRA QUESTION	EXPLANATION
<p>d. Amount of FC received (directly/by way of transfer as 2nd recipient)</p> <p>e. Mode of receipt of FC i.e. Cash, Wire Transfer, SWIFT, RTGS, NEFT or any other to be specified.</p> <p>f. Bank account in which FC credited</p> <p>g. Whether Prior Permission (PP) from MHA obtained? If yes, file no. and date, name of the foreign donor and amount of FC for which PP granted (copies of the PP letters may be enclosed)</p>	<p>Include grants received from other FC registered NGOs also</p> <p>Normally your designated FCRA bank account Mention FCRA registration if registered at the time.</p>
<p>9. Details of foreign contribution (FC) transferred, if any, to other associations from the year ____ till date in the following format:</p> <p>a. Sl. No.</p> <p>b. Date of transfer of FC</p> <p>c. Name of the associations to whom FC transferred</p> <p>d. Amount of FC transferred</p> <p>e. Bank account from which FC transferred</p>	<p>Details in tabular format. Covers all FCRA grants made to other NGOs in India/abroad</p> <p>Provide legal name; check for FCRA registration/permission</p> <p>Normally your designated FCRA bank account</p>
<p>10. The details of balances of foreign contribution (FC) and local fund till date of submission of this reply in the following format (year wise):</p> <p>a. Year</p> <p>b. Cash balance as on date of submission of this reply:</p> <p style="padding-left: 20px;"><u>FC Fund:</u></p> <ul style="list-style-type: none"> - Cash in hand - Cash with bank <ul style="list-style-type: none"> - In SB A/c - As CDRs/FDs <ul style="list-style-type: none"> - Details of each investment <p style="padding-left: 20px;"><u>Local Fund:</u></p> <ul style="list-style-type: none"> - Cash in hand - Cash with bank <ul style="list-style-type: none"> - In SB A/c - As CDRs/FDs 	<p>Not to be confused with unspent funds. Provide break down of cash, bank and FD balances, etc., for both foreign contribution and non-FC funds. Provide figure as at 31st March each year.</p> <p>Breakdown of cash in hand, bank balances, FDs, etc. Figures should be taken from FCRA Balance Sheet only. Total may not match unutilised foreign contribution at end of the year.</p> <p>In Savings/Current Bank Accounts Fixed deposits/securities, etc. Book value, date of maturity, rate of interest, FDR number, etc., for fixed deposits, bonds, scrips, etc. Please ignore maturity value in case of cumulative FDs.</p> <p>Figures should be for non-FCRA funds only.</p> <p>In Savings/Current Bank Accounts Fixed deposits/securities, etc.</p>

FCRA QUESTION

EXPLANATION

- Details of each investment

Book value, date of maturity, rate of interest, FDR number, etc., for fixed deposits, bonds, scrips, etc. Please ignore maturity value in case of cumulative FDs.

Contd. in AccountAble 108B.

¹ Van Parv, Araneya Parv (11.111.22.312-314, Geeta Press, Gorakhpur, 9th Edition, 2002, pp. 1822-37)

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Comments: AccountAid India, 55-B, Pocket C, Siddharth Extension, New Delhi-110 014; Phone: 011-2634 3128; Phone/Fax: 011-2634 3852; e-mail: query@accountaid.net

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Published for private circulation only by Ms. Renu Agarwal for AccountAid India, New Delhi (Ph. 26343128) and printed at PRINTWORKS, C-94, Okhla Industrial Area, Phase 1, New Delhi 110 020

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query@accountaid.net