

AccountAble™

110: Reconciling FC-4

Dec'17

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Form FC-4 is an annual reporting requirement for NPOs receiving foreign contribution. The form must be filled on the basis of account books. However, there is no direct link between FC-4 and the way NPOs keep their accounts. This often makes it difficult to prepare and reconcile FC-4. Method of accounting for FC-4 has been discussed in AccountAble 109, which also includes a table for calculating utilisation for form FC-4. This issue of AccountAble tries to explain how FC-4 can be reconciled.

a Utilisation Worksheet (page 2). This has been explained in AccountAble 109.

After this, prepare a reconciliation worksheet (page 3), which is linked to the Utilisation Worksheet on page 2. The key here is to compare the unspent FC funds (D of Reconciliation Table) with the cash and bank balances in FCRA balance sheet as at 31-Mar. In our case, both figures are Rs. 6,60,000. This means the reconciliation is properly matched.

The reconciliation worksheet on page 3 also shows how you can deal with some common accounting problems, such as over-utilisation of funds in a particular head, or dealing with interest and other non-earmarked receipts. You can also download these templates from www.accountaid.net.



REVISING FC-4?

There is no facility for filing a revised FC-4 online. Therefore, if you make a mistake you have to continue living with it. However, if it is a critical mistake, you could prepare a revised FC-4 offline and send it to FCRA Department, with a request to make the correction. This request should be scanned and sent to by email to support-fcra@gov.in.

Send the paper copy of your request for revision to:

RECONCILIATION

Before you start filling form FC-4, try to put all the required information in an Excel Worksheet. This will help you make sure that the figures are reconciled. There are two parts to this. One is preparing

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Sample: Utilisation Worksheet for FCRA Accounting & Reporting

Figures in Rs.

	Cultural	Econ.	Edu.	Social	Admin.	F. Assets	Total
Donor X							
Honorarium - Field Workers					150,000		150,000
Doctors' Fee				120,000			120,000
Rent for Clinics				50,000			50,000
Celebration of Festival	75,000						75,000
Skill Training Program		150,000					150,000
Health Camps				70,000			70,000
Audit Fees					20,000		20,000
Computers						50,000	50,000
Ambulance Purchased						500,000	500,000
Ambulance Running				20,000			20,000
Travel Expenses					60,000		60,000
Total Donor X	75,000	150,000	-	260,000	230,000	550,000	1,265,000
Donor A							
Part honorarium of Executive Director					300,000		300,000
Salaries - Teachers			250,000				250,000
School Rent			60,000				60,000
Office Rent					12,000		12,000
Gandhi Jayanti Celebration				20,000			20,000
Counselling for Students			50,000				50,000
Village Group Meetings				36,000			36,000
PTA Meetings			12,000				12,000
Audit Fees					15,000		15,000
School Building Extension						200,000	200,000
Accountant Salary					60,000		60,000
Electricity for Schools			60,000				60,000
Total Donor A	-	-	432,000	56,000	387,000	200,000	1,075,000
Other donors / interest / own FC funds							
Eye Camps				70,000			70,000
Honorarium to Executive Director					100,000		100,000
Office Rent					30,000		30,000
Travel for GB meetings					20,000		20,000
Audit Fees					25,000		25,000
Laptop						45,000	45,000
Accountant Salary					25,000		25,000
Travel Expenses					70,000		70,000
Total Other Donors / Funds	-	-	-	70,000	270,000	45,000	385,000
Total Utilised	75,000	150,000	432,000	386,000	887,000	795,000	2,725,000

Sample: Reconciliation Worksheet for FC-4

Figures in Rs.

	Cultural	Econ.	Edu.	Social	Admin.	F. Assets	Intt. etc.	Total
A. Opening Balance	70,000	200,000	150,000	70,000	-	25,000	120,000	635,000
B. Received								-
Direct Donors > 20K								-
Donor X								
23-Jul-16	-	50,000	100,000	100,000	200,000	550,000	-	1,000,000
25-Nov-16	-	50,000	120,000	120,000	200,000	-	-	490,000
Total for Direct Donors > 20K	-	100,000	220,000	220,000	400,000	550,000	-	1,490,000
Other Direct Donors	5,000			30,000		50,000		85,000
Total Direct Donations	5,000	100,000	220,000	250,000	400,000	600,000	-	1,575,000
Local Transfer Donors > 20K								-
Donor A								-
15-May-16	-	-	150,000	-	150,000	300,000	-	600,000
07-Dec-16	-	-	150,000	-	150,000	-	-	300,000
Total for Local Transfer Donors > 20K	-	-	300,000	-	300,000	300,000	-	900,000
Other Local Transfer Donors				100,000				100,000
Total Local Transfers	-	-	300,000	100,000	300,000	300,000	-	1,000,000
Total from All Donors	5,000	100,000	520,000	350,000	700,000	900,000	-	2,575,000
Interest				-			75,000	75,000
Other Receipts							100,000	100,000
Total Received	5,000	100,000	520,000	350,000	700,000	900,000	175,000	2,750,000
C. Utilised (separate tab)								-
Donor X	75,000	150,000	-	260,000	230,000	550,000		1,265,000
Donor A	-	-	432,000	56,000	387,000	200,000		1,075,000
Other donors, Interest etc.	-	-	-	70,000	270,000	45,000		385,000
Total Utilised	75,000	150,000	432,000	386,000	887,000	795,000	-	2,725,000
Transfer from Other donors / interest etc.				12,000	187,000	→	(199,000)	-
D. Unspent balance c/f to 17-18	-	150,000	238,000	46,000	-	130,000	96,000	660,000
E. Represented by:								
- Loans / Program advances outstanding							Matched?	50,000
- Funds in FD etc. with banks								125,000
- FCRA Cash in hand								5,000
- FCRA Bank Balance								480,000
							Total Difference	660,000
								-

What is AccountAble: Each issue of 'AccountAble' covers a different topic related to NPO regulation or accounting and is posted/ emailed to about 3,000 persons in NPOs, Agencies, CSR Departments, Corporate Foundations and audit firms. AccountAid encourages re-production or re-distribution of 'AccountAble' in workshops or NPO newsletters for non-commercial use, provided the source is acknowledged.

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mentary advice to implementing NPOs and NPO auditors on matters related to accounting or financial regulation. You can send your questions by e-mail (query@accountaid.net) or letter. You can also discuss these over the phone.

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