

Form FC-4 is the annual return of foreign contribution in cash or in kind (material or securities).¹ This form has been revised on 7-Mar-19. The form now asks for a lot more information, and in a different format. This issue of AccountAble explains some of the key aspects of filling and filing this form.

Who should file it?

All NGOs with a valid FCRA registration or prior-permission should file this form.² You should file this even if you didn't receive or spend any foreign contribution during the year.

Due Date

Last date for filing the form is 31-December, following your year-end of 31-March. In case you don't file your FC-4 by 31-December, you will have to pay a penalty³ of Rs. 1,00,000 or 5% of the FC received during the year, whichever is higher.⁴ If you haven't received or spent any foreign contribution during the year, the penalty for late filing is nil.⁵

Filing the Form

The form has to be filed online. You should login using the FCRA login ID and password that you received at the time of FCRA registration/prior-permission/renewal.⁶ If you create a new login ID (or use one that is not on FCRA record), you will not be able to file your FC-4.

Unable to file?

If you are unable to file the form online due to a technical glitch, you should write to support-fcra@gov.in. If the problem is not solved, send a paper copy of form FC-4 to Ministry of Home Affairs, FCRA Wing, 1st Floor, Major Dhyan Chand National Stadium, Near Pragati Maidan, New Delhi - 110001. Send this by registered post, with a covering letter explaining that you were not able to file the return online, and a copy of the email you had sent as above.

¹ For foreign contribution received in the form of stores, supplies, fixed assets, you should also separately file form FC-1, part B online. The same form should be filed for any securities (bonds, shares, etc.) that you received as a contribution in kind.

² Those with prior-permission need not file the form after all the foreign contribution is used up.

³ You can check the amount of penalty through the 'penalty calculator'. The penalty, if any, has to be paid online before submitting the return.

⁴ MHA Notification Number S.O. 2291(E) dated 5-Jun-2018

⁵ MHA Notification Number S.O. 2291(E) dated 5-Jun-2018, as amended by Corrigendum Number S.O. 3716(E) dated 27-Jul-2018

⁶ If you don't have the login ID or password, you should send an email to support-fcra@gov.in from your email ID on record of FCRA department. If this email ID is no longer working, prepare a request on your organisation's letterhead, sign and stamp it, and then attach a scanned copy of the letter with the covering email. Please make sure you give your FCRA registration number in the email and the letter.

Filling the Form

The FCRA web-site now has a detailed guide, with step-by step process for filing form FC-4. You should study this guide and follow the steps. The online utility contains multiple screens. You should save data in each screen before you move to the next.

Form FC-4 must be prepared using the audited FCRA financial statements for the year. The consolidated financial statements (which include both FC and local contribution) must not be used for filling up FC-4. Also, use FCRA Receipts & Payments Account as the base, not the FCRA Income & Expenditure Account.

Welcome Screen

After logging in, you will see a screen with the organisation's details as per FCRA records. Check to see that these are for your organisation, and whether address and bank information are updated. If not, you may need to file form FC-6A, FC-6C for C-6D separately.

You can also check whether your past returns are in FCRA database or not. If you have already started filling up the return for the current year, it will show at the bottom of the list. Click the link to continue filling up the return.

In case you are filing the return after due date, the welcome screen also helps you calculate the compounding fee. You will be

asked to pay this online when you submit the return.

Section 2: Details of Receipt of Foreign Contribution

(i): Summary of Foreign Contribution

(a) Opening Balance

Include both contribution in kind as well as in cash. This figure may not tally with closing balance of your previous FC-4, if you had any unused foreign contribution in kind. The figure is not auto-populated from the previous return. This allows you to add the opening unspent foreign contribution in kind (if any) to your FC-4 closing balance for 2017-18.

(b) Income during the Year

Under FCRA, all income derived from foreign contribution is also treated as foreign contribution.

(i) Interest:

This includes interest on savings account, fixed deposits, and investments only.

Interest on micro-credit activities should be included in 'Other receipts from projects/activities'.

(ii) Other Receipts from projects/activities:

Include the following kind of receipts in the Other Receipts table:

1. Money received against sale of FC-assets or foreign contribution in kind⁷ (e.g., religious books, blankets, food, etc.)

Other Receipts Table

S. No.	Name and location of project/activity	Year of commencement of the project / activity	Income during the year (Rs.)
1			
Total			

⁷ If you had included the value of these items in your FC-4 earlier, then it already forms part of your opening balance. In such a case, you should not show sale receipts here — but make an adjustment in the Utilisation table [3(a)].

2. Recovery of FC-funded micro-credit loans
3. Interest on micro-credit loans
4. Project recoveries for use of FC-funded infrastructure (training hall, vehicles, equipment, etc.)
5. Income from projects such as a dairy, or a school, where the infrastructure was funded with FC, even if running costs are met with local funds (or partly with FC and partly with local).⁸

All the above income/receipts should be summarised project-wise in the Other Receipts table, and should match your FCRA Receipts & Payments Account.

(c) Foreign Contribution Received during the year

Give only the total amount of foreign contribution here. This is sub-divided into two:

(i) Received Directly from a Foreign Source:

This includes all foreign contribution received directly from foreign sources, who don't have FCRA registration:

- a. Funds/material received directly from outside India
- b. Funds/material received from foreigners (including foreigners living in India). PIOs and people holding OCI cards are treated as foreign source under FCRA.
- c. Funds/material received from foreign NGOs, bilateral agencies, embassies, aid agencies from outside India or from within

India - unless the funds come from an FCRA-registered entity

d. Funds/material received from foreign companies or their subsidiaries in India

You should report all direct FC receipts here, even if these are in rupees. Value of foreign contribution in kind should also be included here.

(ii) Received from a Local Source:

This includes all foreign contribution received through local sources, which have FCRA registration.⁹ Value of foreign contribution in kind should also be included here.

(d) Total Foreign Contribution

This includes opening balance of foreign contribution, receipts/income from FC-supported projects, and fresh foreign contribution (directly or through FC-registered organisations) received during the year.

(ii) Details of Foreign Contribution Received

(a) Donor-wise Details

In the Donor-wise table, list all the donors from whom you have received any foreign contribution during the year. This includes money as well as material (value of any items or securities received in kind). Give one consolidated amount for each donor, instead of listing each remittance (or donation in kind). However, if a donor has given funds for two different projects or

⁸ Only the net income attributable to foreign contribution should be reported here, after setting off expenses.

⁹ These are NGOs who have received foreign contribution under FCRA registration (or prior-permission). When they give part of this foreign contribution to you, you have to report the amount in FC-4.

Donor-wise Table

Sl. No.	Name of donor(s)	Institutional/ Individual	Details of the donor: official Address; e-mail address; Website address	Purpose(s) for which received (Social, Cultural, Educational, Economic, Religious)	Specific Activity/ project	Amount (Rs.)
(1)	(2)	(3)	(4)	(5)	(6)	(7)

purposes, then list the donor twice, once for each project.

Give this information both for direct FC receipts, as well as FC received through another FC-registered organisation.¹⁰

Beginning 2018-19, you must give details of all donations, even if these are less than Rs. 20,000 each. For adding a new donor, you should use a separate screen which allows you to add and delete donors from your database. While adding donors:

1. Give the correct legal name of the donor. Avoid using acronyms unless these are publicly known.
2. Make sure the address and other information for each donor is correct.
3. Some donor agencies often have liaison or local offices in India. However, your funds are received mostly from abroad. Choose the donor's home country in such cases.
4. For individual donors, avoid disclosing private information such as phone number, email ID, passport number, home address, etc. Giving the name and donor's nationality is enough.

For each donor, mention the name of the specific activity/project which they are supporting. This is in addition to the CREES purpose, which is selected from the drop-down list. The project name should match the donor agreement, if there is one. Avoid giving vague or unclear information

here as this creates doubt. Match this information with the information given in the project-wise Utilisation table.

Value of foreign contribution in kind should also be included here. Interest and other receipts should not be reported in the Donor-wise table.

Contd. in AccountAble 20B

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.

Interpretation of law: Interpretation of law given here is of a general nature and is based on law as of 30-Sep-2019. This interpretation may not be accepted by Income Tax Department or courts. Please consult your auditors or tax advisors before taking any important decisions.

Questions and doubts: AccountAid provides complimentary 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.

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

Text © AccountAid™ India: विक्रम संवत् 2076 कार्तिक August 2019 CE. Published for private circulation only by Ms. Renu Agarwal for AccountAid India, New Delhi (Ph. 26343128) and printed at PRINTWORKS, F-25, Okhla Industrial Area, Phase 1, New Delhi 110 020

Content: Shri Sanjay Agarwal, with inputs from Shri Aditya Agarwal, Delhi **Design:** Ms. Moushumi De

¹⁰ In case of donations from FC-registered organisations, please ask them how they are reporting the grant given to you in their own FC-4. You can also add their FCRA registration number with the name.