

AccountAble™

72: FC-1 for NGOs

Oct'19

Form FC-1 is an FCRA¹ form, filed online at fcraonline.nic.in. At present, login is not required for filing this form.

The form should be filed by NGOs with FCRA registration or prior-permission, if they receive foreign contribution in kind (as material or securities). Such NGOs should fill part B of the form and file it online by 31-December following the end of their financial year on 31-March. Value of the items included in form FC-1 is separately reported in form FC-4.

This form should be submitted only if you actually receive any foreign contribution as above. A 'nil' form need not be submitted.

Form FC-1 for NGOs: Articles

If you've received items or material, choose option 2.² The form is fairly simple and starts with name and contact details. NGOs filling the form also have to give their FCRA Registration number (or prior-permission number) and date.

You will have to file a separate form for each donor, each type of articles, and each time these are received. For example, if a donor has given you blankets and milk powder three times during the year, you will have to file six separate forms.

Receipt of Articles

Fill up the details of the articles you have received in the next section, along with donor's name, address and purpose. Also give brief description, quantity and approximate value of the articles. This value should also be reported in form FC-4.

Valuing the Articles?

How to value the articles? FCRA rules are silent on this. If the articles were imported, then the customs documents show a declared value. This amount should be given in FC-1 and FC-4.

Sometimes, donors mention a value in the covering letter,³ or other accompanying documents (such as transport documents). This value can be used, if available. If none of these are available, then you can ask the donor or use your best estimate.

Use of Articles

If you've used these up, then this should be mentioned. If you've sold these, then give the name of the buyer.⁴ Record the money received against sale in your FCRA accounts, and report it in FC-4, as shown here.

Project-wise Utilisation Table (FC-4 - Articles)

Sl. No.	Name of project/activity	Address/Location	Previous balance		Receipt during year		Utilised		Balance	
			In cash	In kind	In cash	In kind	In cash	In kind	In cash	In kind
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	ABC	Delhi	0	5,000	7,500	0	0	5,000	7,500	0
	XYZ	Delhi	0	0	10,000	10,000		10,000	10,000	0

¹ Foreign Contribution Regulation Act, 2010

² Online filing for giving intimation about foreign contribution by way of (Articles) from relative by an individual

³ In case of software and other electronic items, corporate donor often mention the list price, which is more than the street price in India. Please check with your auditors whether you should use this value or the real market price.

⁴ In case of sale, the amount should be taken to FCRA books, and reported as an adjustment in form FC-4.

Application for giving intimation about Foreign Contribution (Articles) Account from relative by an Individual

[See rule 6, 17 and 18]

DETAILS OF THE THE APPLICANT

* Full Name

CONTACT DETAILS OF THE RECIPIENT

* Address * Town/City * State * District

* Pin Code * Official Telephone No. * Official E-Mail address * PAN No. of the Recipient in India

FCRA REGISTRATION/PRIOR PERMISSION NUMBER AND DATE, IF ANY

Number Date

ARTICLES

Date	Name of Article	Person's Name	Description
<input type="text" value="dd/mm/yyyy"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

* Mode of Utilization/ Disposal (if disposed to whom) * Upload Signature

DECLARATION

* Place Date

* Enter Access Code Access Code **4YGDQGU**

I hereby declare that the above particulars furnished by me are true and correct.

1. NGO brought forward unused material worth Rs. 5,000 for project ABC. When sold this year, the NGO received Rs. 7,500. The sale is shown as utilisation in column 9, and the cash received is reported in column 6.
2. NGO received material worth Rs. 10,000 for Project XYZ, which was sold for Rs. 10,000 during the year. The sale is shown as utilisation in column 9, and the receipt is shown again in column 6, as a transfer to other NGOs.

If you've given these away to the community or beneficiaries, then mention this in the form. If you've given these to an NGO, then mention its name and FCRA number in the form. This transaction should also be reflected in your FC-4

Review and Submission

After filling the form, and uploading your signatures, click on 'save data'. This opens up a preview window, where you can recheck the form, and make any corrections. Once this is done, you should click on 'final submit'.

Once the form is submitted, print a copy before closing the window. Unlike FC-4, you cannot download your form from the FCRA database. Therefore, make sure you keep a copy for your record.

Form FC-1 for NGOs: Securities

If you've received shares or bonds as a donation, choose option 3.⁵ The form is also simple and starts with name and contact details. NGOs filling the form also have to give their FCRA

⁵ Online filing for giving intimation about foreign contribution by way of Securities

Application for giving intimation about Foreign Contribution (Securities) Account from relative by an Individual

[See rule 6, 17 and 18]

DETAILS OF THE THE APPLICANT

* Full Name

CONTACT DETAILS OF THE RECIPIENT:

* Address * Town/City * State * District

* Pin Code * Telephone No. of Association * E-Mail Address of the Association * PAN No. of the Recipient in India

FCRA REGISTRATION/PRIOR PERMISSION NUMBER AND DATE, IF ANY

Number Date

SECURITIES

* Date * Nature of Security Received * Person's Name from whom Received

* Address of the Person from whom Received * Nominal Value (Rs.) * Market value (Rs.)

* Reserve Bank of India Permission Details * Mode of Utilization/ Disposal * Upload Signature no file selected

DECLARATION

* Place Date

* Enter Access Code Access Code **4Z34Z74**

* I hereby declare that the above particulars furnished by me are true and correct.

Registration number (or prior-permission number) and date.

You will have to file a separate form for each donor, each type of security, and each time these are received. For example, if a donor has given you shares of three companies in two instalments during the year, you will have to file six separate forms.

Receipt of Securities

Fill up the date, donor's name and address in next section. Purpose is not required here, but

will have to be mentioned when you report the value of the securities in form FC-4.

Also give brief description (company/issuer's name, type), face-value⁶ and market value of the securities.⁷ Market value should also be reported in form FC-4.

Also give reference to RBI reporting under FEMA.⁸ If RBI reporting is not required, then mention N.A.

⁶ This must be given in rupees only. If the face value is in foreign currency, convert it into rupees and mention it here.

⁷ The form does not ask for number of shares or bonds. If you wish, you can mention this in the nature of securities (e.g. 1,000 equity shares of XYZ company).

⁸ If the donor is a non-resident person, then you should file Form FC-TRS online at firms.rbi.org.in. This is not necessary if the donor has resident status under FEMA (even if they are a foreign source under FCRA).

Project-wise Utilisation Table (FC-4, Securities)

Sl. No.	Name of project/activity	Address/Location	Previous balance		Receipt during year		Utilised		Balance	
			In cash	In kind	In cash	In kind	In cash	In kind	In cash	In kind
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	DEF	Delhi	0	50,000	75,000	0	0	50,000	75,000	0
	LMN	Delhi	0	0	90,000	90,000		90,000	90,000	0

Valuing the Securities?

How to value the articles? FCRA rules are silent on this. If the shares/bonds are traded on a stock exchange, then market price on date of transfer should be used. If not, then you can use the Net Assets Value (NAV) per share/bond as the valuation method.⁹

Mode of Utilisation/Disposal

Due to Income Tax and FCRA regulations, you may not be able to hold the shares or bonds for long. If you sell these, then mention 'sold to for Rs.'. Record the money received against sale in your FCRA accounts, and report it in Project-wise Utilisation table FC-4, as shown here:

1. NGO brought forward unsold securities worth Rs. 50,000 for project DEF. When sold this year, the NGO received Rs. 75,000. The sale is shown as utilisation in column 9, and the cash received is reported in column 6.
2. NGO received securities worth Rs. 90,000 for Project XYZ, which were sold for Rs. 90,000 during the year. The sale is shown as utilisation in column 9, and the receipt is shown again in column 6.

In some cases, you can hold on to the securities, because this is permitted both under FCRA and Income Tax. If so, please mention 'Held as Investment' in the 'mode of utilisation' column.

Review and Submission

After filling the form, and uploading your signatures, click on 'save data'. This opens up a preview window, where you can recheck the form, and make any corrections. Once this is done, take a screenshot and then click on 'final submit'.

Once the form is submitted, print a copy before closing the window. Unlike FC-4, you cannot

download your form from the FCRA database. Therefore, make sure you keep a copy for your record.

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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 FCRA Department or courts. Please consult your auditors or tax advisors before taking any important decisions.

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⁹ Your auditors can guide you on the best approach for valuing the shares.