

Contd. from 20B.

Section 7: Details of FCRA Bank Accounts.

Details of your designated FCRA bank account and all FCRA utilisation accounts should be listed here, in two separate tables. This doesn't include any bank accounts closed or converted into non-FC during the year.

If you have not opened a utilisation account and are using your designated account for utilising the FC, then the same bank account will be listed in both the tables.

If you have applied for change of designated account or for opening a utilisation account, you should not list the new account here if it was not approved by 31-March.

Table: Bank Details

Name of the Bank	Branch Address (with PIN code)	Phone No.	E-mail	IFSC Code	Account No.	Date of Opening Account
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Attachments

You should also scan and upload some documents with your FC-4. While scanning the documents, make sure that the complete sets are scanned. Also check that these are legible. Illegible or partly scanned documents can be treated as not filed.

In such a case, the Department will treat your return as not filed. You may face penalties or even lose your FCRA registration.

1. FCRA Financial Statements

Your FC-4 must be accompanied by your audited FCRA Financial Statements (Balance Sheet, Income & Expenditure, Receipts & Payments Account). These should contain details of your foreign contribution only – any local contribution should not be included here. Further, your FCRA Balance Sheet or Income & Expenditure should include value of foreign contribution in kind (material or securities). However, your FCRA Receipts & Payments Account should show only money transactions – not transactions in kind.

These statements should also mention UDIN¹, now compulsory for all financial statements audited by a Chartered Accountant.

If the NGO has neither received nor utilised any foreign contribution during the year (in cash or in kind),

then financial statements are not needed with FC-4.

2. CA Certificate

The auditors will also issue an audit certificate on their letterhead, mentioning the UDIN again. The format of this certificate is included in form FC-4, and is reproduced below:

¹ Unique Document Identification Number, compulsory for all certificates issued on 1-Jul-2019 or later. This will be generated online by your auditors, and added to your audit report/FCRA audited accounts. The number is different for each audit.

Certificate to be given by Chartered Accountant

I/We have audited the account of _____

(name of Association and its full address including State, District and Pin Code, if registered society, its registration number and State of registration) for the financial year ending the 31st March _____

and examined all relevant books and vouchers and certify that according to the audited account:

- (i) the brought forward foreign contribution at the beginning of the financial year was Rs. _____;
- (ii) foreign contribution of / worth Rs. _____ was received by the Association during the financial year _____;
- (iii) interest accrued on foreign contribution and other income derived from foreign contribution or interest thereon of/worth Rs. _____ was received by the Association during the financial year _____;
- (iv) the balance of unutilised foreign contribution with the Association at the end of the financial year _____ was Rs. _____;
- (v) Certified that the Association has maintained the accounts of foreign contribution and records relating thereto in the manner specified in section 19 of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010) read with rule [11] of the Foreign Contribution (Regulation) Rules, 2011.
- (vi) The information in this certificate and in the enclosed Balance Sheet, [Income and Expenditure Account] and statement of [Receipts and Payments] is correct as checked by me/us.
- (vii) The association has utilised the foreign contribution received for the purpose(s) it is registered/granted prior permission under the Foreign Contribution (Regulation) Act, 2010 (42 of 2010).

Place:

Date:

[UDIN:]

Signature of Chartered Accountant

(Seal, Address and Registration number)

Audit Tests

The certificate covers foreign contribution in cash as well as in kind. It does not cover all the information provided in form FC-4 itself — but only certain elements, which are mentioned. Before issuing the certificate, your auditors will check the following, in addition to the normal audit of your FCRA account books:

1. Records of contribution received in kind (material or securities)
2. Investment Register maintained under rule 4(3).
3. Foreign contribution has been received and used only for the purposes for which you are registered under FCRA. The auditors may check your program records, reports, photographs to satisfy themselves about this.
4. You are maintaining one separate set of accounts and records, exclusively for foreign contribution.² If you are keeping separate project-wise books, then your auditors might add a qualification or note in their audit report.
5. The Receipts and Payments Account includes all project receipts related to Foreign contribution. For example, recoveries from sale of FC assets, foreign contribution in kind, income generated from FC assets.
6. The opening balance of foreign contribution as per FC-4 and as per CA certificate should ordinarily match.
7. The closing balance of unutilised foreign contribution as per CA certificate will not match your closing balance as per FC-4. This is because the CA certificate includes unused contribution in cash, in kind, in fixed deposits, in other investments, as well as in the form of advances or other deposits

² This requirement is given in section 19, read with rule 11. The CA certificate refers to rule 17. This appears to be an error, as rule 17 is about filing of annual returns, not about keeping account books or records.

(such as tax deducted by bank, etc.). However, form FC-4 includes only fixed deposits, cash in hand and bank balances as on 31-March. If the NGO has neither received nor utilised any foreign contribution during the year (in cash or in kind), then CA certificate is not needed with FC-4.

3. Certified Bank Statements

You should also get your entire year's FCRA bank statements stamped and verified by a bank officer. These should be scanned and uploaded with your FC-4.

Only bank statements for your designated FCRA account are needed. There is no need to provide utilisation bank statements.³

4. Seal and Signatures

Scan and create a JPG file of your NGO's seal. Similarly, create a JPG file of your Chief Functionary's signatures also. Upload both with your return.

If you have already uploaded these in the past, there is no need to upload these again. However, if there is a change in the Chief Functionary or the association's rubber seal, then fresh images should also be uploaded.

Review

Generate a PDF file first and check it for errors or missing information. If you have received funds or material from any other FCRA-registered NGO or donor agency, then share this PDF with them as well as with your auditors. This will help make sure that there are no mistakes or mismatches. Remember that wrong information or discrepancies can create a lot of trouble for you.

FC-4 Pitfalls

FC-4 is a very difficult form. It is difficult to fill because there is no clarity about many issues. The online form also doesn't provide any list of errors as is the case with ITR-7. Therefore, many NGOs make mistakes in filling up FC-4.

Some of the common errors are:

1. Wrong classification of donor as local or foreign
2. Reporting UN or other exempt bodies as foreign sources
3. Treating Indian subsidiaries of foreign companies as non-FCRA sources
4. Including fixed assets or grants in utilisation table and again in the tables for fixed assets or grants
5. Mismatch in purpose as per donor table and purpose summary
6. Excessive or too little detail in fixed assets table
7. Non-disclosure of income from FCRA land and buildings (e.g agriculture or rent)
8. Non-disclosure of receipts from sale of FCRA contribution in kind
9. Not including value of contribution in kind, such as free software
10. Not reporting foreigners associated with the NGO
11. Including local contribution in the FCRA audited accounts
12. Adding program advances or TDS recoverable etc. to closing bank balance
13. Mismatch in FC-4 of donor agency and NGO partners
14. Not attaching all the documents
15. FC-4 is filled up online, but 'final submit' button is not pressed.

³ Sec. 18(2) covers only the bank where foreign contribution is received (designated bank account). Rule 17(6) also refers to exclusive FCRA bank account, not the utilisation bank accounts.

Submission

Check that all the attachments listed above are uploaded. These include your audited FCRA financial statements, CA certificate (with UDIN), and bank statements.

After this, you can file the return by clicking 'final submit'. Make sure you download and save a copy of the final submission. This will show the date of filing at the bottom. Print and keep a copy of the filed return — if you lose access to your online login, you will still have a record.

There is no longer any requirement of sending copy of the form by post.

Revision

There is no facility or option for filing a revised FC-4. If you make a critical mistake, which you are very keen to correct, you can send a request to FCRA Department for rectification. This request may or may not be honoured.

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

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