

CITIZENS CHARTER

RECEIPT OF FOREIGN CONTRIBUTION

The provisions of the Foreign Contribution (Regulation) Act, 1976 regulate the receipt of foreign contribution in the country. The Foreign Contribution (Regulation) Rules 1976 contain the various forms prescribed for this purpose.

What is foreign contribution

Foreign contribution means the donation, delivery or transfer, made by any foreign source of any,

- a) article, not given to a person as a gift, for personal use, if the market value, in India, of such article exceeds one thousand rupees;
- b) currency, whether Indian or foreign; or,
- c) foreign security as defined in clause 2(i) of the Foreign Exchange Regulation Act, 1973.

NOTE: Contributions made by a citizen of India living in another country, from his personal savings, through the normal banking channels, is not treated as foreign contribution.

It is advisable to obtain the passport details of the concerned citizen of India before accepting such contributions.

NOTE : Earnings from foreign client(s) by an NGO/association in lieu of goods sold or services rendered by it is a transaction of commercial nature and thus not treated as foreign contribution.

What is a foreign source

Foreign source means the government of any foreign country or territory or its agency; international agency; a foreign company; citizen of a foreign country. For more details see section 2(1)(e) of the Foreign Contribution (Regulation) Act, 1976.

Who cannot receive foreign contribution

Foreign contribution cannot be accepted by a candidate for election; correspondent, columnist, cartoonist, editor, owner, printer or publisher of a registered newspaper; judge, government servant or employee of any corporation; member of any legislature; political party or office bearer thereof.

Who can receive foreign contribution

An association having a definite cultural, economic, educational, religious or social programme can receive foreign contribution after it obtains the prior permission of the Central Government, or gets itself registered with the Central Government.

Forms prescribed for this purpose

An application for seeking prior permission to accept foreign contribution is to be made in Form FC – 1A and for grant of registration in Form FC – 8 respectively.

Designated bank account

An association granted prior permission or registration under the Act can receive the foreign contribution and subsequently utilise it using a single designated bank account, as intimated in the application form. Do not deposit any local funds in this bank account.

Maintenance of accounts

An association granted prior permission or registration under the Act must maintain a separate set of accounts and records exclusively for the foreign contribution received and utilised in the prescribed manner. For more details see rule 8 of the Foreign Contribution (Regulation) Rules, 1976.

Receipt of scholarships etc

A citizen of India receiving any scholarship, stipend or any payment of a like nature from any foreign source is required to give, within thirty days of such a receipt, an intimation to the Central Government as to the amount of the scholarship, stipend or other payment received; the foreign source from which and the purpose for which, such scholarship, stipend or other payment has been, or is being received.

The intimation is to be given in Form FC – 5.

Time taken to dispose applications

An application for registration is normally disposed within six months. An application seeking prior permission is disposed within 90/120 days.

It is advisable to obtain a certificate, in the format incorporated at the end of the application form, from any of the competent authority mentioned therein viz., Any concerned – Collector of District; Department of the State Government; Ministry / Department of the Government of India.

Where should the application be sent

An application (one copy only) for seeking prior permission or registration is to be sent by registered post to the Secretary, Ministry of Home Affairs, Foreigners Division, Jaisalmer House, 26 – Man Singh Road, New Delhi – 110011.

Proper filing of application

Please familiarise yourself with the provisions of the Foreign Contribution (Regulation) Act, 1976 and the Foreign Contribution (Regulation) Rules, 1976 before making an application.

Please fill the relevant application form with due care. Ensure that you furnish information exactly in the manner stated in the form. An incomplete application will be summarily rejected.

Filing of returns

An association permitted to accept foreign contribution is required to submit an annual return, duly certified by a Chartered Accountant, giving details of the receipt and purpose-wise utilisation of the foreign contribution. The return is to be filed for every year (1st April to 31st March) within a period of four months from the closure of the year i.e. by 31st July of each year.

The return is to be submitted, in duplicate, in Form FC – 3. It is to be accompanied with the balance sheet and statement of receipt and payment, duly certified by a Chartered Accountant, also in duplicate.

Availability of forms

Please use the correct and current form. The forms can be obtained, free of cost, from the above-mentioned address. The forms are also available on the Ministry of Home Affairs' web-site – <http://mha.nic.in/fore.htm>

Penalties for violation

Whoever accepts, or assists any person, political party or organisation in accepting any foreign contribution or any currency from a foreign source, in contravention of the provisions of the Foreign Contribution (Regulation) Act, 1976, or the rules made thereunder, shall be punished with imprisonment for a term which may extend to five years, or with fine or with both.

“All the above services & commitments will be honoured without the citizens having to pay any bribe.”