

Mandatory Registrations for NGO |Society |Trust

As we all know, in India, lakhs of NGO's are registered to do social welfare activities. An NGO can be registered in the form of Trust, Society and Section 8 Company with Ministry of Corporate Affairs. Each year thousands of new NGO's are registered but due to unawareness of activities/ proceedings to be done after registration mostly even do not able to start even single social welfare activities. After the incorporation of CSR Provision in Companies Act, role of active NGO's has been drastically increased. Companies that are liable to CSR Provisions, intends to do social welfare activities in collaboration with active NGO's. In this article, we will discuss about the steps, required to be taken from incorporation of NGO to ultimate doing of social welfare activities.

Incorporation of NGO:

Firstly, we have to incorporate an NGO. NGO can be registered in the form of Trust, Society, Section 8 company. Each form of registration has different registration process and formalities. And time period required for registration vary from Act to act in which you want to incorporate your NGO.

Conduct of Board meeting:

After incorporation, board meeting will be conducted to decided about the further steps to be taken related to fund raising activities and core area of social welfare activities.

REGISTRATIONS THAT MUST BE TAKEN TO SMOOTHLY RUN NGO

Section 80G and 12AB Registration:

NGOs are registered for social welfare activities, for which they require funds. If they raise funds from society then donors want to get Section 80G Deductions against donated amount. So, it is suggested that every NGO must register under both section at the starting stage.

Niti Aayog Registration:

If NGO intends to receive any government grants, then it is mandatory for them to get registered themselves with Niti Aayog Department.

CSR Registration:

If funds/donations are required from corporate/ CSR Liable companies then NGO must register with MCA in Form CSR-1 before approaching companies for CSR Grants.

ANNUAL COMPLIANCES TO BE DONE BY ALL NGOs

Mandatory Audit:

All NGOs are required to do mandatory audit of there books of accounts on annual basis by a Practising Chartered Accountant.

Income Tax Return:

Filing of Income Tax return within specified due date. In case of delay filing, exemptions/relief given to NGO may be withdrawn.

Maintenance of Records as required by CSR Donors company:

If your NGO is receiving CSR Grants then you have to maintain required documents as prescribed by Donor company. Misutilization of funds may create problem for the NGO as well as governing body members.

Renewal of Section 80G and 12AB Registration:

As we all know, now every NGO is required to renew their Section 80G and 12AB registration on regular intervals as prescribed by law.

Source : Taxguru