

Formalities for filing return under the FCRA Act

1. Form FC-3 is required to be filed by 31st of December (earlier 31st of July) every year. Along with Form FC-3 certified Balance Sheet and statement of Receipts & Payment accounts exclusively pertaining to foreign contributions received and utilised during the year is required to be enclosed.
2. A certificate as per the proforma provided in Form FC-3 also required to be given by a Chartered Accountant.
3. The Central Government has the power to initiates audit under the following circumstances:
 - a. if the organisation or the association or the association fails to file any returns within the time limit specified.
 - b. the returns submitted by the organisation are not in accordance with the law.
 - c. if during the inspection/scrutiny of the returns submitted, the Central Government comes across any evidence or information which provides reasonable cause to believe that any provisions of the Act has been violated.
 - d. During the course of audit and inspection of books of accounts, the authorised officer also has the power to seize the accounts and records in the presence of two independent witnesses.
 - e. Whenever accounts are seized, they have to be produced before the court within six months. If not the accounts and records are to be returned to the organisation from which it was seized.
 - f. If an organisation having FCRA Registration does not receive any foreign contribution, even then it should file nil returns. It is mandatory to file for FC-3 every year as long as the organisation wants to validly retain its registration.
 - g. The FC-3 form is required to be signed by the Chief Functionary of the organisation and a certificate is also required to be given by a Chartered Accountants giving a brief summary of the FCRA funds movement and the opening and closing balances of FCRA Funds.

- h. FCRA is silent regarding the consequences for delay in filing FC-3. Therefore, it can be constructed that an NGO would stand the risk of losing the FCRA registration if it does not file returns properly but whenever an NGO is not able to file FC-3 by 31st of December (earlier 31st of July), it should write a letter to the FCRA office to the FCRA office explaining the circumstances causing the delay.