

## **CHARTER FOR THE CHARTERED ACCOUNTANTS**

Since the Foreign Contribution (Regulation) Act, 2010 (FCRA, 2010) is dealing with national security, associations are required to exercise extreme care and caution in utilising foreign contribution.

2. Chartered Accountants (CAs) examine and audit all relevant books of accounts and Bills and vouchers of FCRA associations and then present audited accounts which are submitted/uploaded online to the Government. Therefore they are obliged to conduct performance as well as forensic audits to ensure that receipt and utilisation of foreign contribution has happened within the four corners of law. Hence they are expected to provide proper guidance to the associations in maintaining proper accounts and utilising foreign contribution only as provided under the FCRA law.

3. The Chartered Accountants are requested to get themselves thoroughly familiarised with FCRA, 2010, the Foreign Contribution (Regulation) Rules, 2011 (FCRR, 2011), and **amendments and notifications issued from time to time** so that they can help and guide the associations and their office bearers. Attention of CAs is especially drawn to the provisions of sections 18,19,20,21,22,23 and 24 of the FCRA,2010 and to Rules 4,5,9,11,13 and 17 of the FCRR,2011. CAs may take note and advise and assist the associations/NGOs accordingly. They may help/guide NGOs:

- To verify whether the associations are eligible to receive foreign contribution.
- To ensure that the association receives and utilises the foreign contribution (FC) through its bank account exclusively opened for the purpose in accordance with the **amended** provisions of FCRA, 2010 and FCRR, 2011 and that foreign contribution is not deposited in or utilised from the bank account being used for domestic funds.
- To assist in the proper preparation and maintenance of prescribed books of accounts in accordance with the provisions of FCRA, 2010 and FCRR, 2011;
- To ensure that the annual returns of the association/NGO have been prepared and uploaded in accordance with the provisions of FCRA, 2010 and FCRR, 2011 **as amended from time to time.**

**Note:** Statutory Form FC-4 for Annual Returns stipulates that CA shall certify that the association has utilised Foreign Contribution received for the purposes(s) it is registered/granted prior permission by the Government.