



THE PROCEDURE OF ESTABLISHING AN NGO

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Introduction:

Any non-profit volunteer citizens group organised on a local, national, or international level is referred to as a non-government organisation (NGO). NGOs offer a variety of services and humanitarian roles, communicate citizens' concerns to governments, promote and monitor legislation, and stimulate political participation through providing of infrastructural support. Starting an NGO is a time-consuming process that demands a strong vision and passion from a person or group of people who share a common concern for a community if done effectively and strategically (Srinivas, 2015).

The services provided to the community can be extremely beneficial and resourceful. It is a legally organised organisation made up of legal people that works independently of any government and is a phrase used by the government to denote to enterprises that do not have government status. The steps outlined below are presented in a general chronological order and are useful in the formation of an NGO.

This paper serves as a broad "How to" guideline and these issues may vary depending on each NGO. It is also important to note that these situations differ from country to country, as each has its own set of requirements and recommendations.

Determining the Purpose of the Organization:

The first stage in creating an NGO is determining the organization's mission with a clear and unambiguous written statement that must be broad enough to express the NGO's beliefs and why it exists if it is crucial to recall who the organization's target community is (Thomas, 2012). It's also important to consider what has happened so far and what the long-term aims and objectives are. This should be done as soon as possible.

Board of Directors:

When establishing an NGO, the founders must first assemble a board of directors. Because the first board is the cornerstone of the NGO, it is best to start with a small group of committed individuals. Members must be well-versed in legal, financial, and technological matters, and they must understand that they are expected to act in the public good.

People who have a clear understanding of the organization's objective and goals, as well as innovative and creative ideas to contribute, should form the initial board. They should be able to work as a team to help the organisation get started and obtain community acceptability.

Legal Consultation:

Because an NGO must deal with a lot of legal issues when it initially starts out, it can be beneficial to hire a lawyer. A lawyer can assist you with

- The NGO's registration
- Filling out incorporation papers and reports
- Concerns about taxes
- Obtaining Licenses

Naming:

It is critical to choose a name for an NGO before registering it. It's critical to check with local government agencies and state authorities to see if the suggested name is already in use. This also applies to the NGO's logo, if one is to be created.

Articles of Incorporation:

The articles of incorporation should include a description of the NGO as well as the board's authority. Before being registered, they should be submitted to the board for final approval. The information that should be included in the articles varies across local state governments and also from country to country, so it's vital to check with the local and federal governments to see what forms need to be filled out and what should be included.

- Name of the NGO
- Purpose/Mission of the NGO
- A declaration that the NGO is non-profit
- The NGO's location
- Members of the Board of Directors (number and names)
- Personal liability's scope
- What is the estimated lifespan of the NGO?

Drafting the by Law:

While the articles of incorporation demonstrate the organization's external accountability. The bylaws define the NGO's responsibility to itself. An NGO's bylaws define how it will operate (Abraham, 2011). They serve as a guide to structure, authority, and organisation. Because the bylaws are self-imposed by the NGO, they must meet the needs of that organisation. The bylaws aid in the resolution and minimization of disputes and should be available for reference to all members of an NGO. Though it varies depending on an NGO's specific needs, certain generic information in the bylaws may be useful. These are

- Mission/Purpose
- Members' qualifications and term of memberships, as well as the NGO's registered office.
- Size, responsibilities, and structure of the board.
- The format of board meetings.
- Structure of the Committee.
- Officer responsibilities

Some of what would normally be contained in the bylaws is detailed in the articles, and it is unnecessary to duplicate rules in the bylaws if the NGO decides to incorporate it. As a result, both the articles of incorporation and the bylaws must be completed before the NGO can be officially registered. Like the articles, the bylaws must be submitted to the board for final approval.

Registration of the NGO:

After deciding on a name and drafting bylaws and articles, the organisation must be registered or incorporated with the local government. In most countries, there are particular employees in government offices who work on registering a non-governmental organisation (NGO) under various acts. Those acts are

- Society Registration Act – 1860
- Trust Act 1882
- Section 25 – Companies Act – 1956

Let's discuss all these acts

Society Registration Act – 1860:

The following societies can be registered under the legislation, according to the Society Registration Act 1860.

- Charitable organisations
- Funds for Military Orphans
- Societies founded in India's several presidencies.
- Society founded to promote science, literature, or the fine arts for the purpose of teaching, disseminating valuable knowledge, and disseminating political education.
- The establishment or upkeep of libraries
- Members can use the reading rooms for free.
- Museums and art galleries open to the public.
- Instruments or designs that are works of art, natural history collections, mechanical and philosophical creations.

Trust Act 1882:

When there is proper involvement, particularly in land and structures, a public charity trust is frequently established.

Section 25 – Companies Act – 1956:

According to section 25(1)(a)(b) of the Indian Companies Act, a company can be formed to promote trade, art, science, religion, charity, or any other useful goal, as long as the earnings or other income are used to promote exclusively the company's objectives and no dividends are issued to its members.

System of Accounts:

Every non-profit organisation requires a mechanism for tracking where money originates from. Because the finances of non-profit organisations are frequently scrutinised, it is critical to implement an effective accounting system that can deal with the peculiarities of non-profit bookkeeping and explain how to utilise it (Hummel, 1996). When money is deposited into a bank account, it is recorded as revenue. When money is withdrawn from the bank, expenses are noted.

Conclusion:

Starting an NGO is a time-consuming process that demands a strong vision and passion from a person or group of people who share a common concern for a community if done effectively and strategically. This paper discussed how a non-profit volunteer citizens group popularly called as NGO organised on a local, national, or international levels. NGOs offer a variety of service and humanitarian roles, communicate citizens' concerns to governments, promote and monitor legislation, and stimulate political participation through providing of infrastructural support. Here in this paper we have discussed name, purpose, board of directors,

legal consultation, articles of incorporation, by-law drafting and registration of NGO. Various acts on which an NGO can be registered has been discussed. This paper gave a proper insight of all these issues.

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