



CAP Compliance
Complete

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Sunville Banquets
Worli, Mumbai



CAP Compliance
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P R O G R A M M E

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CONFERENCE SCHEDULE

9.45 – 10.15	Welcome – Rati Forbes Keynote – Noshir Dadrawala
10.15 – 11.00	Fear Not Finance
11.00 – 11.30	Tea Break
11.30 – 12.45	Grow With Governance
12.45 – 2.00	Fast Forward
2.00 – 3.00	Lunch
3.00 – 4.30	FUN with FUNdraising
4.30 – 5.00	Tea Break
5.00 – 6.15	Making it Work Right!
6.15 – 6.45	Entertainment
6.45 – 7.00	CAP Compliance Complete
7.00 – 8.15	Legal Ease
8.15 onwards	Dinner

CHAIRPERSON'S ADDRESS



Rati Forbes

A warm welcome to CAP's Conference on Compliance. We are delighted with the overwhelming response we have received!

Three decades ago, CAP was conceived – to quote from our Founder-Director Russi Lala's book as simply "a Centre for Philanthropy; which would facilitate the starting of Trusts and provide information on running them". True to this mandate, CAP has done this – and much more. CAP was established as a

Section 8 (not-for-profit) company in 1986. At that time, the landscape and focus of the social sector were very different, as one can imagine.

Since then, CAP has been a hugely credible and reliable source of information, advice and support to organizations working in this space, through their life cycle. It has supported organizations of all sizes – and has played a significant role in the formation and growth of many reputed names, some of whom are represented in this audience. Additionally, it has undertaken path-breaking advocacy and policy work, fostering a more legally-enabling environment. CAP's work was pioneering; today many organisations perform similar roles. However, CAP remains the pre-eminent go-to destination for accessible and affordable information and advice, for most non-profits, especially in the western part of India.

And as the sector has evolved, so CAP has too. In the current regulatory environment and in an age where funding agents are as concerned about organizational efficiency and credibility as with the impact of an NGO's work, CAP's continuing support in all of its core areas, the extension of its capacity building programs and its complete compliance advisory portfolio, ensure that it remains a one-stop-shop for NGOs, Foundations and social enterprises. It has come full circle. At 30, we continue to grapple with twin challenges – remaining relevant to the sector we serve and finding sustained funding sources that enable us to do so. It is hard to convince the average grant-maker that an investment in CAP is an investment in a more robust, compliant and empowered voluntary sector. However, we remain optimistic.

We hope that this conference will contribute to an enhanced awareness of compliance and that the cross-learning approach we are attempting here stimulates fresh ideas and approaches to our challenges.

AN OVERVIEW OF COMPLIANCE



Noshir Dadrawala

Noshir has been CAP's CEO since its inception. His advice is a credible and a dependable resource. He is relied upon for legal compliance advisory by most non-profits and corporate foundations.

Almost every NGO subjects itself to a financial audit through a qualified chartered accountant, because almost every registering authority insists on it. But how many NGOs consider a complete legal audit in terms of compliance with all the laws applicable to it? Wouldn't it be better to know or be warned about gaps and irregularities instead of waiting for the regulatory authorities to jeopardize your organization's very existence through de-registration or penalties?

In the West, NPOs generally have a low risk appetite and therefore take every precaution to minimize risks at all levels of statutory compliance. Committees oversee all aspects of compliance, using organizational policies as a fundamental tool to evaluate total compliance, as required under law and also as a good governance practice. Policies are also revisited from time to time in order to incorporate current best practices. Many organizations in the US and UK also invest in compliance audits. These determine whether an organization has followed what is required and necessary under law. If there are violations, the auditor determines the cause and recommends ways to prevent future deviations.

The benefits of a compliance audit are numerous. It can improve the organization's overall efficiency and credibility. From the governing board and the staff, to donors and other stakeholders, all feel assured that potential risks in their organization are well-studied and effective checks are in place to handle them.

Indeed, to be compliant is to be complete!

CAP'S PROGRAMS AND THE CONFERENCE



Meher Gandevia-Billimoria

Meher brings to CAP 14 years of experience in education and diverse roles in several non-profit organizations. She is now responsible for all operations of CAP and the growth of its programs.

This year at CAP, we finally put an end to an ongoing internal debate about whether CAP is a one-stop-shop for advice on all the issues that plague NPOs or whether it caters only to concerns related to charity law, tax exemptions and deductions. We figured it out and now finally CAP's mandate is assisting with COMPLIANCE.

Our **legal advisory** in trust law, income tax and FCRA, now expands to include labour laws, service tax, VAT and other related laws. We successfully completed due diligence compliance reviews for a few local NGOs and an international one. Our work in **capacity building** will continue through workshops and consultancy, helping NGOs in their journey towards compliance in core areas – legal, fiscal, good board governance, human resources, volunteer management, communication and reporting, and fund-raising.

We continue to provide extensive **corporate support**, guiding companies through customized workshops and consultancy. We provide foundations with advisory and ensure that they are CSR compliant. We retain our print news magazine but have evolved to include **research and resources**, with an active blog that carries all updates as they happen and a Facebook group that helps NGOs access and discuss relevant information.

To celebrate CAP's 30-year journey and mark our beginning as a one-stop-shop for all compliance solutions, we decided to kick off the year with '**COMPLIANCE COMPLETE**', a conference that will provide a broad overview of our core area of work – compliance.

Fear Not Finance

TOPIC: Finance

FORMAT: Peer Talk

Financial compliance is one of the chief pillars of overall compliance in today's regulatory environment. Yet, the world of money is often perceived as mystifying for many in the social sector and financial compliance is deemed as a distraction from their core work.

This session will aim to demonstrate that financial planning, reporting, documentation, etc. are not rocket science. It will help organizations understand the importance of how to start and maintain a sound financial compliance report card.

More importantly, the talk by Swati Apte will focus on changing the nature of the relationship NGOs have with donors, corporate foundations and funding agencies from that of receiver and giver/beneficiary-patron to one that assumes a form of true partnership for a shared purpose, from the outset.

It is hoped that through this session, participants will begin to look beyond financial compliance merely for regulatory reasons and take charge of it as a way of building credibility for their core work.

FACILITATOR

Swati Apte



Swati is a co-founder of The Arts Quotient and a part of the core team and faculty of SMART, which builds management capabilities of arts organizations. She started her career at McKinsey and Co. and has since worked extensively in both the business and social sectors for over 15 years. Swati has a keen interest in inclusive education and is involved with NGOs like Educate Girls, among others. In her other life, she is an Odissi dancer and is passionate about taking the live arts to new audiences. Swati has an M.A. in Politics, Philosophy and Economics (Oxford University, UK) and an M.B.A from Harvard Business School.



I first understood the importance of financial compliance by NGOs when... I had to tackle this myself in the context of the organizations I am a part of. Over time, as more of our funds came from CSR instead of from individuals, we had to change our reporting systems to accommodate these new sources.

I hope the audience will come away from my session on financial governance feeling that... this is a critical area, but one that I can understand and take on confidently.

The biggest misconception among NGOs about financial compliance is... that this is a difficult and complex area to understand, and one in which their hands are tied. This makes NGOs either not access funds that would be readily available to them or when they do, they do not make it work for them.



PARTICIPANTS SPEAK



“ **The best way to ensure sound financial compliance is...**to create a culture of reporting and institute proper measures. – **Meenal Srinivasan, EDUCO**

The main difference between compliance in the NGO sector and in corporate enterprises is...that NGOs are a 'little too scared' because of the smaller amounts of money at their disposal and hence take compliance seriously, while corporates are a 'little too brazen' because they have relatively more money. Hence, for corporates compliance is just an act of tokenism. – **Vasumathi and Lakshmi, QMed Knowledge Foundation**

The best way to ensure sound financial compliance is...to know everything about it and be very regular. – **Neha Vaidya, i Teach Schools**

The winning formula for being financially compliant in any organisation would be...to orient, guide and constantly course-correct. – **Meenal Srinivasan, EDUCO**

The duty of financial compliance in any organisation lies with...everyone, but more so with the heads of institutions. – **Neha Vaidya, i Teach Schools**

My greatest fear with regard to financial compliance is...that i will miss something. – **Neha Vaidya, i Teach Schools** ”

“ **My greatest fear with regard to financial compliance is...**loopholes in the system. – **Meenal Srinivasan, EDUCO**

The one challenge of financial compliance that I have overcome is...that I have created organization-wide processes and checkpoints with in-built review measures. – **Meenal Srinivasan, EDUCO**

The main difference between compliance in NGOs and corporate enterprises is...that NGOs are more under the radar and don't have the money to pay off the authorities. – **Neha Vaidya, i Teach Schools**

Financial compliance in any organisation...has meaning if it establishes process and people's accountability. – **Meenal Srinivasan, EDUCO**

The duty of financial compliance in any organisation lies with...management. They are finally accountable for the use and dispersal of finances. – **Meenal Srinivasan, EDUCO**

My greatest fear with regard to financial compliance is ...that no matter how hard I try to be compliant I could be reprimanded anytime by the powers that be just because I am an 'NGO'. – **Vasumathi and Lakshmi, QMed Knowledge Foundation**

The main difference between compliance by NGOs and in the corporate sector is...no strict budgets in corporates for service providers! – **Meenal Srinivasan, EDUCO**

The one aspect of financial compliance I find most confusing is...that NGOs are expected to raise more than 80% of their income through donations and only about 20% from core/allied activities, which means they are perpetually engaged in fundraising and never become self-sufficient. – **Vasumathi and Lakshmi, QMed Knowledge Foundation** ”

Grow With Good Governance

TOPIC: Governance

FORMAT: Panel Discussion

This session will address some of the key aspects of good governance policies and practices for meeting compliance requirements, as well as their co-relation to organizational evolution and effectiveness.

Our panel, moderated by Rati Forbes, will talk about compliance from a principled standpoint – that compliance in governance is not merely doing what is legal, but also doing what is right. This session will impress upon participants the reality that holistic compliance is as much, if not more, about the internal values and ethics of an organization. Therefore, organizations must fully embrace the spirit of compliance in addition to abiding by the letter of compliance laws.

Good board governance; self-regulation – irrespective of external regulatory laws and mechanisms; policies and processes that promote transparency and accountability in every sphere of its work and among all employees right from the outset; and a responsible and reliable attitude that is shared by stakeholders, employees and management are all possible only when compliance is an intrinsic, internal value. However, in most cases, compliance is deployed as a knee-jerk response only when an organization faces a legal or financial crisis and hence it is neither understood nor practised holistically.

Besides the nature and scope of compliance in governance, the session will also address some specific issues related to board governance, namely:

- The role of the board in corporate enterprises and NGOs respectively
- Whether resource mobilisation is the role of the board or the management
- Whether a highly engaged board is desirable or can be detrimental to governance

Each of our panelists will share their varied perspectives on these three focus areas based on their unique and diverse experience of board governance. After a round of audience questions, the session will conclude with our panelist reflecting on the relevant issues that emerge from the discussion.

FACILITATOR

Rati Forbes



Rati Forbes is a Director of the Forbes Marshall Group and heads the Forbes Foundation. She has been recognized for her social initiatives both within the company and in the wider world. She chaired the Confederation of Indian Industry's western region cell for social development, whose main objective it is to sensitize corporate entities to their social responsibilities. She also serves on the boards of several foundations and non-profits across India. Rati graduated in Psychology (Honors) and Sociology from the University of Bombay (now Mumbai) and she earned a master's degree in Sustainability Management and Leadership from Cambridge University. She has also taken special courses in human resources, organizational behavior and strategic philanthropy.

“**CAP is best placed to host a think-tank on holistic compliance because...** it is the pre-eminent leader in this field, backed up by its vast experience of 30 years.

The importance NGOs give to compliance is... not enough and it only gets the focus it deserves when there is a crisis.

The one aspect of compliance that shouldn't be compromised is... overall good governance practices; if that is the focus from the outset, other compliance issues would automatically be taken into cognizance.

A winning formula for compliance would be... having processes well embedded in your organization, so that you aren't dependent only on people in your team who have this expertise.”

PANELISTS



The most neglected or poorly understood aspect of governance compliance is...the responsibilities of the board; most people treat being on a board very lightly, while it comes with tremendous responsibility.

The social sector in India today is...bustling with opportunity and high on expectation. Therefore, to do itself justice, it needs to evolve rapidly in terms of organizational effectiveness and governance.



In my experience the most poorly understood or implemented aspect of compliance is...alignment of organizational strategy with compliance structures; because the urgent overtakes the important, and organizations don't think about their compliance structures strategically.

Board governance in NGOs is...a nuanced art with broad societal implications, and it must not be confused with, or borrow structures from, board governance in for-profit organisations owned by dividend-seeking shareholders.



My first lesson on the importance of compliance in governance came about as a result of...being non-compliant, obviously! It was totally by default and not by design. The penalty was modest but the learning was big!

If I were to compare governance in the corporate sector to governance in NGOs I would say that...generally, NGOs' neglect of governance is an act of omission, while in many corporates, it is by design.

AMIT CHANDRA

Managing Director of Bain Capital Advisors since 2008, Amit has been an engineer and an investment banker and is now a private equity professional and an active, engaged participant in India's burgeoning non-profit sector. He is a board member of several corporate enterprises – L&T Finance, Tata Investment Corporation and Emcure Pharmaceuticals among them. Amit also serves as a Trustee of two Tata Trusts – Navajbai Ratan Tata Trust and Jamshetji Tata Trust, is a Founder and Trustee of Ashoka University and is a Trustee/Board Member of the Akanksha Foundation and GiveIndia. He was named Next Generation Philanthropic Leader of the Year by Forbes in 2013.

CHITTARANJAN KAUL

Chittaranjan is the Director of Centre for Learning Resources (CLR), an organisation dedicated to leadership capacity-building in public education systems, providing academic resources for such systems and assisting them in developing programme strategy. Chittaranjan coaches people in understanding and responding to change more effectively, using inner dialogue to sharpen their perception, and external dialogue to help build common ground among stakeholders. He has started and run banking businesses around the world, run residential and day schools, been a not-for-profit manager, coached senior corporate and non-corporate executives in personal and organizational effectiveness, and worked with the managements, parents and teachers of educational institutions.

PRADEEP BHARGAVA

Pradeep is Director, Cummins India Ltd, where he has played significant leadership roles in the past 15 years, driving the power generation business and setting up India's first green factory for Cummins generators near Pune. Earlier, he was the CEO of GE's lighting business in India and was also responsible for Bharat Forge's diversification into Consumer Durables as Managing Director of the joint venture with Sharp Corporation. Prior to joining the private sector in 1982, Pradeep worked for the Government of India at the Department of Atomic Energy, ISRO and BHEL. His work on Green Manufacturing and Public Private Partnerships (Pune model) are case studies at IIM Ahmedabad and IIM Bangalore, respectively.

Fast Forward

TOPIC: Human Resources

FORMAT: Interaction and Simulation

This session will enlighten participants on the different areas in which HR intervention is required so that organizations meet their compliance requirements.

From work culture and politics, to internal communication, appraisals and succession planning, there are several challenges that NGOs grapple with. It is the role of an effective Human Resources team that is the backbone of any organization to manage transitions as seamlessly as possible. In doing so, they ensure that the mission and programs of the NGO are unaffected by such factors.

Participants will fast forward a year in a non-profit organisation through simulation and role-play of a given scenario. Each group will react to and strategize for the challenges thrown up by the given scenario in different ways, contributing to possible solutions to such challenges.

The session will also focus on how HR can ensure that organizations strike the right balance between upholding their employees' rights and entitlements and ensuring a productive and pro-active work environment.

This session is planned by Aparna and Madhukar, work place designers and co-founders of Yellow Spark. An organization's efficiency is driven by its 'People, Practices and Performance' in relation to its goals. Yellow Spark's integrated approach acknowledges and leverages the interdependence of these 3Ps, helping its clients to not just meet their organizational goals, but to do so efficiently.



FACILITATORS

Aparna Khandwala and Madhukar Kumar



Aparna has a Bachelor's in Life Sciences and a Master's in Human Resource Development Management. An expert in providing end-to-end human resource solutions, from organizational restructuring to talent management, she developed rare insights into the development sector while heading JobsForGood. Aparna is empanelled as an HR consultant at Centre for Advancement of Philanthropy.

Madhukar has an engineering degree from NIT, Surathkal and an MBA from IIM, Calcutta. His strong project management skills helped him excel in both the IT and development sectors. He specializes in problem-solving and believes in the power of teams and in an enabling environment. He draws on his varied experiences to help entrepreneurs and organizations reinvent themselves.

“ **The importance NGOs give to HR compliance is...low** due to the contractual nature of projects. It is also a high cost centre. In the evolving and fast-changing statutory framework, many NGOs are not even aware of the laws that may be applicable to their setup.

The one aspect of HR compliance that shouldn't be compromised on is...employee benefits. Not only does it go a long way in building the brand image of the non-profit as an employer, but it also safeguards an organization's liabilities.

One commonly overlooked aspect of HR is... communication. ”

PANELISTS



RAMASUBRAMANIAN RAMACHANDRAN

If I were to compare HR within corporate setups and the social sector I would conclude that...the corporate sector HR practices are enforced, whereas social sector HR practices are flexible.

A winning formula for HR processes could be...keep it simple, and involve employees while formulating/revamping them.

Ram is Vice-President, Recruitment at Morgan Stanley, Mumbai. He has a Master's degree in Computer Management and has also completed his Executive Program in Business Management from IIMC. Ram started his career with Randstad where he began his specialization in Recruitment. This eventually led to a holistic HR role with DCB bank. Before joining Morgan Stanley, Ram has also had a business development role and a P&L lead role in two leading multinational recruitment firms.

DEEPAM YOGI

I first got involved in the social sector because...a month-long volunteering stint with a rural community opened my eyes to the opportunity to do real work, with real people and not continue selling brands to raise their profits.

What keeps me involved with the sector is...seeing the enthusiasm with which it moulds itself into hybrid versions due to its access to new fund pools, technology, the internet, volunteers and mentors.



Deepam is a co-founder of Yellow Spark and a marketing professional with over 10 years of experience. She specializes in Advertising, Media and Branding. Her strength lies in bringing resources – especially people – together to provide unique, strategic and structured marketing solutions for her clients. In 2012, Deepam was responsible for setting up India's first social communications agency, Social Access Communications. She also serves on the board of Social Access and strongly believes in the power of media to inspire action and change.

KENNETH W WHEELER

The one aspect of HR compliance that is often overlooked is...the human aspect; the primary objective of defining policy, managing attrition, handling grievances, etc. with a bird's eye perspective.

The one aspect of HR compliance that shouldn't be compromised on is...a strategic communication and implementation plan to promote it throughout the organization. HR compliance, if not understood or communicated effectively, has little value.



Kenneth is a senior HR professional who specializes in HR Compliance, Training and Development, and Transactional Quality Management. He is Six Sigma Green Belt trained and Global Operational Excellence Project certified, with over 13 years of experience in Contact Centres for the airline, hotel, Microsoft semi-tech, telecom and e-commerce industries. Kenneth is currently Vice-President, HR (Learning and Development) with YourGuy Concierge Pvt Ltd, an e-commerce B2B same-day, intra-city delivery partner operating in Mumbai. He has also worked with ANI Technologies, Bangalore, as Senior Manager, Operations (Training and Quality); Arvato Services, Gurgaon and Wipro Industries.

GEETANJALI WHEELER

The one aspect of HR Compliance that shouldn't be compromised is...on-boarding of a new employee. Often, there may be a framework for this, but it exists only on paper. As with all aspects of compliance, the process is bound to fail leading to demotivated employees or an increase in their learning curve.



Geetanjali is a senior professional with over 12 years of experience across the airline and telecom industries. She currently heads Training for the Enterprise vertical of Vodafone India. Geetanjali specializes in Training, Quality and Customer Experience functions. She is also a Learning and Development expert with a good understanding of Adult Learning Theories and blended learning strategies. Geetanjali has been involved in defining Talent Development strategy. She has also successfully set up Training and Quality functions for organizations in different geographies outside India.

FUN with FUNDraising

TOPIC: Fundraising and Communication

FORMAT: Interactive Panel And Fun

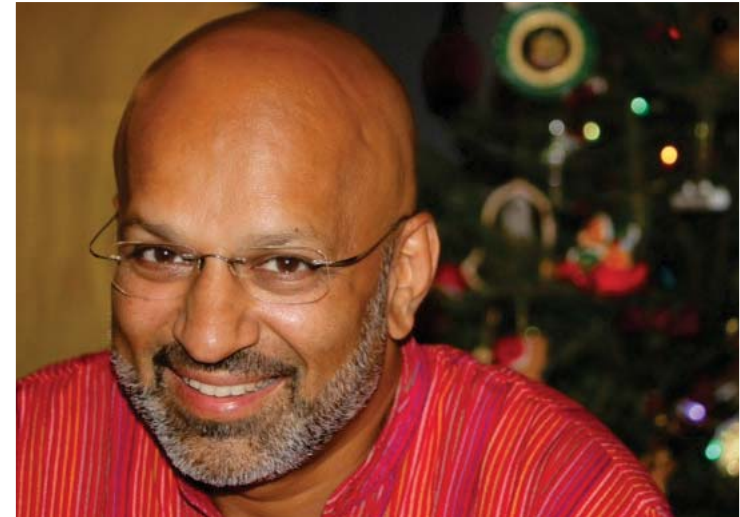
This light-hearted, yet comprehensive session on the weighty subject of resource mobilisation will aim to dispel the many fears that NGOs have about fundraising, communication and reporting. It will address some of this area's biggest challenges – what constitutes ethical fundraising, the dilemmas and opportunities thrown up by new sources of funding like crowdfunding, articulating one's cause effectively and confidently to potential funders and donors, and spreading the message about one's work in the wider world.

The session facilitated by Luis Miranda, a fundraising advisor to several NGOs, will also focus on the importance and challenges of reporting. While follow up is critical, as most donors want to see impact, many of them do not want their funds to be used on resources for reporting, documentation etc. How does one strike the right balance?

Kicking off the session, panelists will relate their own fundraising horror stories. Participants will then be presented with commonplace real-life scenarios that NGOs face while fundraising. Through role play and group discussions they will learn that the key to overcoming fundraising challenges is creativity and good, regular communication. These learnings and the collective experiences of our panelists will hopefully throw up certain working guidelines on fundraising – a possible 'ten commandments'.

FACILITATOR

Luis Miranda



Luis Miranda is Chairman of CORO and Centre for Civil Society. He is Senior Advisor to Morgan Stanley Infrastructure and Advisor to the Nadathur Group. Luis has been involved in setting up two companies – HDFC Bank and IDFC Private Equity. These days, Luis spends his time connecting the dots, using his network to help the organisations with which he is connected. He is a member of the Global Advisory Board of Chicago Booth and writes a blog for Forbes India. Luis received an MBA from the Booth School of Business, University of Chicago, and is a member of the Institute of Chartered Accountants of India.

“ **Compliance in fundraising is critical because...**donors are your lifeline and also, it brings in discipline that helps the organization grow.

I first realised the importance of compliance when...I saw businesses being shut down or heavily fined because of non-compliance issues.

What keeps me involved in the sector is...the fact that I meet the most fascinating people who believe in 'doing good'.

The one aspect of compliance most often overlooked is...communication.

Fundraising for NGOs is...a necessary evil!

PANELISTS



ALKA SHINGHAL PATHAK

The one aspect of compliance that shouldn't be compromised is...being ethical.

Fundraising for NGOs is...a vital tool for their sustainability.

A winning formula for fundraising is...openness, and a frank and honest appeal.

Alka is a development professional with 40 years of experience in the areas of rights based programming focusing on vulnerable women and children; strengthening the governance mechanisms of NGO and government programs; ensuring accountability standards in development work and advocating for rights of the poorest. She is a consultant on strategic planning, resource mobilisation and facilitating NGOs in their move towards sustainability. Alka has worked with CARE in Bangladesh and India and was its Country Director in Nepal. Earlier, she was Country Director of PLAN International in Indonesia and Nepal.

JAISHANKAR M TALREJA

The one aspect of compliance that shouldn't be compromised is...hiring the best, most competent and committed legal practitioner right from the beginning.

The one aspect of compliance that is most often overlooked is...governing boards not insisting on a periodic compliance report from the management and/or the legal practitioner appointed by the NGO.



Jaishankar is a CA who worked in diverse roles with Ernst & Young, A KPMG Partner, Tata Interactive Systems and BDO. In 2010, Jai joined Shop for Change Fair Trade, a social enterprise. Over six years, first as COO, then CFO and finally as CEO, he raised funds and got large MNCs and Indian companies to buy products from fair trade - certified farmer and artisan groups, transforming the organization into a self-sustaining entity. Jai is currently focusing on Executive Education and Transformation Consulting as Faculty at S P Jain School of Global Management. He is a Consultant for CAP on Financial Management and Accounting for NGOs.

ANNABEL MEHTA

With respect to compliance, the NGO sector must...comply with the laws of the land, be professional, honest and open. Only then can we earn the respect and support we crave.

What keeps me involved within the sector is...Madness! The interest, the diversity, the people, the constant challenges, the desire to see change for the better!



Annabel is the current President of Apnalaya, an organization that works in the slums of Mumbai. Her association with the NGO dates back to 1973, shortly after it was founded. During most of this time she has been its Treasurer. Annabel is also on the board of GiveIndia. Born in the UK, Annabel spent two years studying music before deciding to devote herself to social work instead, for which she trained at the London School of Economics. There she met her future husband Anand Mehta, whom she married in Mumbai in 1966.

PIYUSH JAIN

A winning formula for fundraising is...GRAVITY: Gratitude, Research-based, Action-seeking, Video-driven, Imagery-driven, Transparency, Y-Why.

Fundraising for NGOs is a...daunting but exciting challenge in the face of 30 lakh non-profits competing for attention of individual or corporate donors or Indian government.



Piyush Jain is the Founder and CEO of Impact Guru, a Harvard incubated crowdfunding platform for Indian non-profits. Piyush, a Starting Bloc Fellow, has over 7 years of M&A, investment banking, consulting, Silicon Valley, non-profit, and public sector experience working with J.P.Morgan, Boston Consulting Group, Ernst & Young, SoFi.com, Instiglio and Govt. of India. Piyush is an alumnus of Wharton Business School, University of Pennsylvania, and Kennedy School of Government, Harvard. At Harvard, he assisted Professor Thornburg in teaching a class on Financial Management in Non-profit Organizations and co-authored a paper at HBS on innovative ways to finance non-profits.

FUN Situations With FUNdraising

SITUATION 1

An NGO that works with the disabled wants to advertise and sell a new range of products for Diwali. In August, they hire a social media consultant through a board member's network and form a team comprising the consultant, a senior manager, a staff member and an intern.

While plenty of time is spent in devising a social media action plan to promote the products, no one is assigned to implement it. The intern believes she doesn't have the authority to execute the plans, the staffer doesn't have prior experience in the use of social media, the consultant's primary responsibility is to suggest strategy, not implement it, and the senior manager believes his role is to facilitate and make final approvals. So, the NGO misses the opportunity to make its biggest sake of the year.

Reflect on what went wrong with this fundraising opportunity. Suggest possible solutions to this problem so that NGOs avoid such mix-ups.

SITUATION 2

An NGO that runs education projects has created modules that need to be implemented in low-income schools from the new academic year beginning in June. In February, a large grant that they were expecting doesn't come through and they do not have anyone in the organization designated to raise funds.

Devise a fundraising strategy – decide whom to approach for funds for their project, suggest the four best FR platforms, and formulate and deliver an elevator pitch to try and get the required amount.

They are approached by a crowdfunding platform. Although they are sceptical, since they really don't have much choice, they decide to go the crowdfunding route. The campaign is not a success; only a few thousands of rupees are raised. While the NGO blames the crowdfunding platform for this failure, the latter contends that the NGO did not communicate its message effectively.

Who do you think is to blame for this? And how could it have been avoided?

SITUATION 3

An intermediary organisation working with women's SHGs in rural areas needs to raise funds, but doesn't have the staff to do it, as few people are interested in working in the villages. The founder approaches a few corporate houses but they already have projects close to their factories and crowdfunding is not a viable option either, because there are already similar campaigns and she feels she is not internet savvy.

A board member proposes that they outsource their fundraising as this will enable them to reach out to newer donors. However, the fundraising agency charges 50% of the amount it raises as administration fees, which other board members feel is wasteful.

Debate the pros and cons of this method of fundraising – is it ethical or not? Suggest alternatives to this scenario.

SITUATION 4

Four people are discussing donations after a fundraising event. The first board member asks if anyone responded to a donor who pledged Rs 5 lakh at the event.

The COO of the organization remarks that he didn't see the pledge card. Another board member says that he was given the card at the dinner and he in turn gave it to someone else.

This prompts the first board member to ask the COO about their follow-up system for donations; had they not decided to have an Excel sheet listing all the pledges? The COO replies that he would have to check with the CFO, whose responsibility it is to manage the system and donor database. At this point a third board member informs the rest that a cheque from another donor is yet to be collected and the irate donor has said that if they aren't interested in his donation they should let him know. He is also annoyed that the number of corporate sponsors dropped from four in the previous year to only one this year.

Reflect on this situation. Why do you think this has happened? And what can NGOs do to ensure timely follow up with funders and donors?

MAKING IT WORK!

TOPIC: Corporate-NGO Partnerships

FORMAT: Panel Discussion

This session will focus on how to conceptualize, create and sustain meaningful NGO - corporate partnerships through their entire lifecycle viz. **Entry-Maintenance-Exit** and the factors influencing all 3 phases.

ENTRY - Finding the Right Fit is important. Scale, areas of expertise, levels of compliance required and the ability of both partners to deliver on these must be examined. Establishing mutual trust and goals is also a critical but oft-ignored aspect of such partnerships, with good intentions on the part of corporate entities and the need for resources on the part of NGOs overriding more practical considerations. This could result in fractured relationships.

MAINTENANCE: Building a strong relationship requires a few specific ingredients. Communication, both internal and external, that focuses on compliance and documentation to build stakeholders' trust.

Program Review Process on mutually agreed parameters and goals assesses progress, builds efficiency, resolves conflicts, controls budget overruns, maintains implementation schedules and aids course correction.

Associations and Networks help programs grow faster and benefit both partners.

EXITING - Moving On means ensuring that the NGO's supported program is now sustainable, or it needs to find another corporate supporter with different skills required for its lifecycle. The NGO may also decide to branch out in a different core area of work; alternatively, a corporate house may change its geography or business domain, rendering the partnership redundant. All such instances require an amicable disassociation, leaving the door open for a future collaboration, or to connect with other funders.

Scaling Up enables the partnership to form new goals and scale up past programs because of their success. It may also mean expansion of the partnership into new areas based on learnings.

Our panelists will also share their experiences of NGO-corporate partnerships. Hopefully, all participants – whether from NGOs and corporate enterprises – will gain insights into how to assess requirements, align objectives and form strong partnerships that create value for all stakeholders.

FACILITATOR

Aditya Vikram Somani



Aditya Vikram Somani is the Chairman of Everest Industries Ltd, India's fastest growing building solutions company and most recognized brand for materials that enable high-quality speedy construction. He has 23 years of experience in the business of real estate, construction, manufacturing and information management. With philanthropy being as much a part of his family legacy as the corporate enterprise he now heads, Aditya is actively involved in several social causes. In addition to being a Trustee of the Everest Foundation and a board member of CAP, he is also a Director of the Salaam Bombay Foundation.

“ I feel mandatory CSR compliance in India today...has given a boost to the country's social agenda and to philanthropic activity. A few will misuse it, but let's not waste time with them. Those companies that embody its true spirit and participate in it fully will stand to gain. The upside is huge.

The one aspect of compliance that is most often neglected is...internal communication. Following laws and complying with rules isn't the job of a legal/finance department alone. Organizations must communicate to every stakeholder the importance of following the law in spirit. Then compliance ceases to be a chore.

The importance NGOs give to compliance compared to the heed corporate houses pay to it...is the same. But sometimes, they don't know what is expected of them. That's when gaps appear.

PANELISTS



DARSHAN P MUNDADA

A winning formula for compliance is...Not to look at compliance at all, but just keep doing what we do the best, with 100% transparency. Then, compliance will be a by-product.

The one aspect of compliance that is most often neglected is...the essence of the law, i.e. 'trusteeship of wealth'. Compliance without emotion is like food without taste.

Darshan is the Head of Corporate Social Responsibility (CSR) at Sterlite Technologies Ltd., the founder and Director of Friends' Society and most recently, the creator of two social innovations, Sareelution and TRAVolution. He has been engaged in seeking solutions to India's development challenges from his teens, when a meeting with the Dalai Lama inspired him to set up the Friends' Society at the age of 16. He has also developed strategic partnerships for Ashoka: Innovators for the Public. Darshan strongly believes in creating shared value by bridging the world of finance and social justice.



NIRAJ KUMAR LAL

Compliance as it relates to corporate - NGO partnerships means ...Understanding each other by bringing strong, unique and yet complementary strengths to the table, in order to accomplish commonly agreed-upon goals without losing one's identity.

A winning formula for compliance could be...following the spirit not just the letter. Can I justify it to myself that I am compliant?

Niraj is Head of Corporate Social Responsibility at Arvind Ltd and Chairman of CII CSR Gujarat State Council. With over two decades of experience in Arvind Ltd, he played a significant role in the conceptualization and implementation of programs aimed at helping the underprivileged. Education and training are Niraj's areas of interest; his present engagement is an ambitious education program that aims to positively influence the future earning streams of students with the help of local industry and the government. Niraj's articles and papers have been published in *The Economic and Political Weekly* and in IIM-A's journal *Vikalpa* and in books published by IIM-A.

NYRIKA CRISHNA

If I were to compare compliance within corporate setups and the social sector I would conclude...that in the former the internal controls and responsibilities are clearly designated. However, in the social sector resources often have to multitask and so the system of checks and balances could get compromised.



Nyrika is Vice President, Corporate Affairs at Godrej & Boyce Manufacturing Company Pvt Ltd and CAP's youngest board member. She has a B.A. in Philosophy and Economics from Colorado College, Colorado. She completed her Faculty of Laws, LLB Program from University College, London and qualified as a solicitor in the United Kingdom. Prior to her current role at Godrej and Boyce, she worked at various law firms including AZB & Partners, Mumbai; the chambers of Darius Khambata, a former Advocate General of Maharashtra; Wilson Sonsini Goodrich & Rosati in New York, and White & Case LLP in London.

AJIT CHAUDHURI

I first realised the importance of compliance when...the NGO in which I worked was given the task of building community centres in remote villages and we had to comply with a 70:30 labour to material ratio, which is impossible in construction.

A winning formula for compliance is... a good due diligence exercise.



Ajit is General Manager – Community Services and Disaster Response teams with the Tata Sustainability Group. Earlier, he set up a disaster response unit at the India Today Group, where he worked on relief and rehabilitation in the aftermath of the Gujarat and Kashmir earthquakes and the Orissa super-cyclone, among others. His main interests are in the delivery of basic services to communities who are the most difficult to reach. Ajit is currently struggling through a PhD in Public Policy from the Institute of Rural Management.

LEGAL EASE

TOPIC: Compliance

FORMAT: Debate

The session on CAP's core area of work, Legal Compliance, will see our four panelists engage in a spirited, healthy debate on key aspects of compliance in the corporate and social sectors, the attitudes the two sectors have towards compliance and the costs to both if compliance is ignored.

The panel will address the widely held perception that in the sphere of compliance, the corporate sector is more accountable and professional than its NGO counterparts. Corporate entities usually have greater human and other resources dedicated to fulfilling their compliance requirements than a majority of social sector enterprises. And in the prevailing regulatory climate, NGOs are also saddled with back-breaking, cumbersome compliance requirements. Yet, a significantly large number do comply with these despite having limited resources. In spite of this, NGOs are often perceived as unprofessional and less compliant.

When it comes to accountability, corporate entities may be held accountable by their shareholders; however, their dependence on funding makes NGOs much more accountable.

The session will also stress that staying legally compliant should not be just a 'tick the box' exercise for either businesses or social enterprises; shortcuts often prove costly in both the short and the long run. And for NGOs, compromises on compliance undercut their credibility with donors and funding agents and undermines the good work that they do.

FACILITATOR

Bahram Vakil



Bahram is one of the founding partners of the law firm AZB & Partners and one of India's foremost infrastructure and project finance attorneys. Bahram has also been acknowledged as a leading project finance lawyer by most international legal publications for over a decade. He has previously been a partner in Little & Co, UK and CZB & Partners. He has an LLM from Columbia University, NY and in addition to practising in India, is also a member of the New York State Bar. Bahram is a CAP board member and also oversees its legal advisory panel.

“ **The importance NGOs give to compliance is...**minimal because of lack of funds and bandwidth.

The corporate attitude to compliance is...largely a 'tick all the boxes' approach.

One commonly overlooked aspect of compliance is...that a stitch in time saves nine!

Compliance is not just mandatory, it is critical because...it fosters an environment of good governance and corporate citizens.

What keeps me involved in the sector is...the people and the values.

”

PANELISTS



GAURANG MEHTA

I first realised the importance of compliance when...I managed my own NGO in the child adoption advocacy space.

The one aspect of compliance that shouldn't be compromised is...meeting important timelines prescribed under various laws.

Gaurang is Head, Legal & Secretarial at Magic Bus India Foundation, an NGO that works to move children out of poverty by mentoring them in their journey from childhood to livelihood. Gaurang has graduate degrees in commerce and law. After nearly 25 years in the corporate sector with Ion Exchange, Johnson & Johnson and Knight Frank, Gaurang made a complete switch to the social sector on an honorary basis, in the field of child adoption advocacy. He has been with Magic Bus for the past seven years.

AKHIL SHAHANI

While responsible NGOs and corporates both take compliance seriously...smaller organizations from both sectors are lax and tend to ignore it until they face problems.

Compliance is not just mandatory, it is critical because...sometimes not following the law could negate any programme plans your organization may have.



Akhil is Managing Director of the Thadomal Shahani Centre for Management, Mumbai and its CSR arm, SAGE Foundation that is committed to educating under-resourced children and imparting livelihood skills training to their families. An MBA from the Kellogg Graduate School of Management, Akhil is also Director of the Shahani Group and of Kaizen Management Advisors Pvt Ltd, a private equity fund investing in India's education sector. Besides education initiatives, Akhil also supports entrepreneurship – he serves on the Board of UnLtd India, an incubator for social entrepreneurs and is Director of the Smart Entrepreneur Program, a joint initiative of the Indian Angel Network and the National Entrepreneurship Network.

RICHA ROY

I first got involved in philanthropy/the social sector because...I was acutely aware of my own good fortune and the prevailing inequality.

The one aspect of compliance that shouldn't be compromised is...the spirit of the law. Rather than seeing it as a drain on the bottom line or simply as a cost, understand that it yields tangible benefits.



Richa practises law in the areas of banking and financial services, microfinance, private equity and venture capital funds, foreign direct investment, corporate governance and anti-graft measures. She also has a strong pro bono practice, advising NGOs, CSOs and social enterprises on a range of issues including fundraising and scale-up strategy. Richa collaborated with Grameen Capital India to jointly advise SEBI on the introduction of 'social venture funds'. Currently with AZB & Partners, she began her career with ICICI Bank. As Group Head for International Private Banking, Corporate Legal Group she headed a team that set up a compliance program and internal controls for the bank's private wealth management business in 50 countries.

URVASHI DEVIDAYAL

What keeps me involved in the sector is...the incredible people I meet every day who are working selflessly to positively impact millions.

Compliance in the social sector is...often overlooked but can be a game changer, allowing an organization to effectively accomplish its mission.



Urvashi is the Head of Programmes – South Asia, Thomson Reuters Foundation. She is working to expand the programs of the Foundation – TrustLaw, Journalism and Media Development, and TrustWomen across the region. She helps NGOs and social enterprises to access pro bono legal support and develop research programmes on crucial policy issues. Urvashi also works with law firms, lawyers and corporate counsels to facilitate their pro bono practices. Urvashi has a degree in Economics from Ohio Wesleyan University and began her 14-year career in the financial sector, but has since worked for non-profits like the Auroville Collaborative.

CONFERENCE SUPPORT



LISA BATIWALLA

Although I have always been interested in the approach, work and people of the social sector, I had a very limited understanding of compliance until I began work on the conference content. Since I am always curious about new concepts and also enjoy talking to passionate, engaged people who combine their diverse talents in pursuit of something larger than themselves, this experience has been great 'edutainment'!

Lisa is a Pune-based communications consultant with over twenty years experience in both the mainstream and alternative media. She has written and edited content for print and web-based publications, including *Autocar India*, *Whatcar?* and *Pune Times*. Always interested in the social sector, she had the opportunity to know it better through her work as chief writer and researcher at infochangeindia.org, one of South Asia's biggest and most trusted resources for news and analysis on the sector. Lisa is responsible for all content for this conference.



RAMANAND CHOUBE

Through working at CAP I have learned that there are many people out there who are striving hard to create equality in our society by bridging the gap between the haves and the have-nots.

Ram is a graphic designer with 22 years of experience. He has designed all of CAP's social media and print communications for the past two years. Ram's creative and attractive designs and layouts for our quarterly news magazine *Philanthropy* have been tremendously well-received by our regular readers. All logos, communications material, social media posts, stationery and handouts for this conference have been designed by him.

“

ASHISH JOSHI

Working at CAP and for this conference has allowed me to learn many new things and so my confidence has grown a lot. Since joining CAP, I am learning to use the computer, which I never knew before. And being part of such an important event makes me very happy. I know these new skills will be very useful to me in the future.



Ashish is CAP's ever-dependable and responsible office assistant. He joined us a year-and-a-half ago after working at a jewellery store in Dadar and has since made all our work lives a little bit easier. Ashish handles the office petty cash and follows up on all bank work. For this conference, he has coordinated all our stationery requirements.

“

JERRYMON BABU

Even though I had a diploma in social work and have volunteered with several NGOs I was not that aware of compliance in the social sector before joining CAP.



CAP's Program Coordinator, Jerry is our newest and youngest staffer. Besides assisting in the growth of all our programs, Jerry has been streamlining our member and affiliate database, and collating our monitoring and evaluation data. He has a post-graduate diploma in social work from Nirmala Niketan, Mumbai. He has coordinated all the logistics for this conference and handled our social media responses as well.

“

MARTINA FERNANDES

Working on this conference was different because of its sheer scale and because for the first time we were planning an event that involved people from both the NGO and corporate world. On both these fronts, it was a new and exciting opportunity for me.



Martina has handled all of CAP's administrative functions for over four years. In this role, she has managed the daily calendar at CAP and coordinated all daily office functions. In her first fulltime job out of college, where she earned an M.Com degree, Martina oversaw the running of a small business. She has recently started one of her own. For this conference she has been in charge of responses and receipts, and also coordinated with all our vendors.

OUR OFFERINGS

LEGAL

Registration, Set Up & Ongoing Advisory

Choice of Registration • Draft Aims and Objects • Trust Deed or MOA and R&R
• Change Reports • Applying for Specific Permissions • Amalgamation/Mergers/
Dissolution • Filing Annual Returns

Taxation

PAN/TAN/12AA/80G • Carrying forward Surplus Income • Accumulating Income
for up to 5 years • Guidance if IT Notices are served • Filing Annual Returns
• Profession Tax • TDS • Service Tax

FCRA

Prior Permission • Registration • Renewal • FCRA Bank Account • FCRA Project
Utilization Accounts • FCRA Accounting and Reporting • Updating Changes Online
• FCRA Do's and Don'ts • Quarterly Updating of Information Online

Routine Compliance

Drafting and Reviewing legal documents • Drafting and Reviewing policy documents
Legal Opinion on Organization-specific Issues • Program Partnership Memorandum
of Understanding & Terms of Reference • Responding to Departmental Notices

Labour Laws

Bombay Shops and Establishments Act • Provident Fund Act • Employees State
Insurance Scheme

BOARD GOVERNANCE

Board Set-up

Type of Board • Legal Requirements • Composition • Roles and Responsibility
• Chairperson • Other Office Bearers

Board Recruitment

Skills Audit • Appointment • Orientation

Working of the Board

Meetings • AGM • Resignations

Board Evolution

Engagement • Rotation • Governance vs Management • Board Assessment

STRATEGY (with external partners)

Vision & Mission and how they relate to the Charter • Annual Goals and Reporting

FINANCE

Banking & Investments - Strategy/Planning

A Legally Compliant (e.g. Income Tax/FCRA/Trust Act) yet practical and optimal
(RoI) banking and investments plan for existing/new NGOs.

Accounting Software - Selection, Configuration and Roll-out (new NGOs)/ Selection and Transition (existing NGOs)

A fully-functional/configured Accounting Software that aligns with the existing and
prospective internal (management)/donor/regulatory requirements of the NGO.

Accounts & Finance Function - Set-Up (new NGOs)/Restructuring (existing NGOs) including decisions on managing it in-house or outsourcing it (and its rollout)

An Accounts & Finance Function that best aligns with the existing and prospective
internal (management)/donor/regulatory requirements of the NGO.

Internal Control Process & System - Design and Roll-out (new NGOs)/ Review, Redesign and Transition (existing NGOs)

Processes/Policies/Systems for Managing Expenses, Income (e.g. Donation,
Grant), Assets (including Cash, Bank & Fixed Assets) & Liabilities that ensure
operational effectiveness and efficiency, reliable financial reporting and compliance
with laws, regulations and policies.

Financial Reporting Process & System - Design and Roll-out (new NGOs)/ Review, Redesign and Transition (existing NGOs)

A practical yet optimal Process (including Approach & Technique) and System for
Financial Reporting.

Budgeting and Cash/Fund Flow Management Process and System - Design and Roll-out (new NGOs)/Review, Redesign and Transition (existing NGOs)

A practical yet optimal Process (including Approach & Technique) and System for
Budgeting and Cash/Fund Flow Management.

Internal/System Audit

Reviewing whether the existing Internal Control System is meeting its objectives
and if not, making practicable recommendations for its improvement.

Finance for Non-Finance Executives (Senior)/Trustees - One to Many Training/ One to One Coaching

Equipping senior executives/trustees with the knowledge, skills and attitude from
the perspective of overseeing the Finance and Accounting function.

HUMAN RESOURCES

Defining Types of Human Resources • Organization Structures • Importance of Job
Analysis and Job Descriptions • Recruitment • Performance Management Systems
• Employee Engagement, Grievances, Handling and Retention • Employee Separation
• Employee Handbook • HR Processes • Organizational Communication • Compensation
Structuring • HR Budgeting • Payroll Process

COMMUNICATION

Internal communication

Managing Documentation • Board Meeting/AGM • Special General Meetings
• Circular Resolutions

External Communication

Consistent Messaging • Reporting to Donors • Donor Relationships • Annual Report

FUNDRAISING

Method of Fundraising • Types of Donors • Proposal Drafting Assistance • Computing income/what can be capitalized? • Managing Corpus Funds • Managing Ear-marked Funds • Managing 'grants' differently from 'donations' • Treatment of Anonymous Donations • Investment of Surplus Funds • Managing Flow of Online Funds
• Treatment of Commercial or Business Income • Income from Various Subscriptions
• Capital Gains

VOLUNTEER MANAGEMENT

Volunteer Recruitment • Volunteer Policy • Induction • Training • Accountability
• Compensation • Volunteer Retention

CORPORATE SUPPORT

Corporate Foundation Advisory

Legal Advisory on the right choice for the company's Foundation
(Trust/Society/Non-profit) • Legal Advisory on creating the Company's Foundation
• Advice on Framing the Foundation's Objectives • Income Tax Act and FCRA Compliance

NGO – Corporate Partnerships

Guidance on Systems and Structures - Drafting Grant Agreements and MoUs
• Legal due diligence of implementing agencies • Legal advisory and guidance to these implementing agencies/NGOs/NPOs

CSR Advisory

Orientation on Section 135 and its rules • Identification of initiatives aligned to their business • Guidance with systems and structures • Formation of the CSR committee, its role and responsibilities • Drafting CSR Policy • Governance role and responsibility of the Board • Budget allocations; management of surplus funds
• Ensuring that funds are assigned to Schedule VII activities • Drafting CSR reports and ensuring their disclosure • CSR Best Practices

Connect with CAP

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