

FCRA Registration — Eligibility, Process, and What Happens if You Are Denied

The Foreign Contribution (Regulation) Act, 2010 (FCRA) — amended significantly in 2020 and 2025 — is India's law that regulates the receipt and use of foreign contributions (donations, grants, and funding) by Indian organisations and individuals. Every NGO, trust, society, Sectio...

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A compliance-primer

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The reason FCRA exists: Foreign funding to non-profit organisations can potentially influence political, cultural, religious, or social activities in ways that may not align with national interest. FCRA is the regulatory framework that ensures foreign funds reach genuinely charitable organisations operating transparently, and not organisations involved in anti-national activities, electoral financing, or political lobbying.

The scale of FCRA enforcement: The FCRA regime has been significantly tightened since 2020. Active FCRA registrations nationally have fallen from approximately 50,000 pre-2020 to approximately 20,000 as of 2025. This is the result of stricter compliance requirements, active cancellations for non-compliance, and higher rejection rates for new applications.

Do You Need FCRA Registration?

FCRA registration is required only if your NGO receives or intends to receive foreign contributions. If all your funding comes from Indian individuals, Indian companies, Indian government grants, and Indian CSR — you do not need FCRA registration.

"Foreign contribution" includes:

- Donations or grants from foreign nationals (including Non-Resident Indians in some cases)
- Funding from foreign foundations (Ford Foundation, Gates Foundation, Omidyar Network, etc.)
- Grants from foreign governments and bilateral aid agencies (USAID, DFID successor FCDO, etc.)
- Funding from international NGOs and UN agencies (UNICEF, WHO, UNDP, etc.) — unless specifically exempted

- Corporate contributions from foreign companies

What is NOT foreign contribution:

- Legitimate trade income from foreign entities (payment for services rendered)
- Salary or honorarium from foreign employers (for individuals)
- Scholarships or travel grants for academic purposes
- Interest earned on foreign currency deposits

For most Odisha NGOs starting in 2026: FCRA registration is a medium-term (3-5 year) goal, not an immediate priority. Focus first on RNPO registration (Section 332/354), DARPAN, and domestic CSR sources. Apply for FCRA when you have 3 years of operations, Rs. 15 lakh+ in documented charitable expenditure, and a specific international donor relationship.

Two Types of FCRA Authorisation

Type 1 — FCRA Registration (Form FC-3A)

Permanent FCRA registration that allows the NGO to receive foreign contributions from **any** foreign source, **any number of times**, for the **stated purposes** in the FCRA certificate.

Eligibility requirements:

- Registered as an NGO (trust, society, or Section 8 Company) for at least **3 years**
- Has undertaken activities in the chosen field (cultural, social, economic, educational, or religious) for at least 3 years
- Has spent at least **Rs. 15,00,000** (Rs. 15 lakh) on its core charitable activities (excluding administrative expenses) in the preceding 3 financial years
- Has audited financial statements for the preceding 3 years, certified by a Chartered Accountant
- Has a clean record — no key functionaries involved in anti-national activities, criminal cases, or political activities
- Is registered on DARPAN (mandatory from 2020)
- Has a valid RNPO registration (Section 332, IT Act 2025)

Validity: 5 years from the date of grant. Renewal application (Form FC-3C) must be filed at least **6 months before expiry**.

Fee: Rs. 10,000 (government fee for registration and renewal)

Type 2 — FCRA Prior Permission (Form FC-3B)

A one-time permission for a **specific project** from a **specific donor** for a **specific amount**.

When to use: For NGOs that have not yet completed 3 years of operations or do not meet the Rs. 15 lakh expenditure threshold but have an immediate opportunity to receive a specific foreign donation.

Requirements:

- A confirmed letter from the foreign donor specifying the purpose, amount, and project
- Basic NGO registration (trust/society/Section 8)
- DARPAN ID
- No specific activity track record required (unlike registration)
- Permission is valid only for that specific amount, donor, and purpose

Important: Prior permission does not give ongoing FCRA access — it is a one-time approval for a specific transaction.

The FCRA Application Process — Registration (Form FC-3A)

Where: fcraonline.nic.in (the FCRA online portal, Ministry of Home Affairs)

Step 1 — Create an account on fcraonline.nic.in Register with the organisation's PAN, DARPAN ID, and a designated email address.

Step 2 — Complete the online application (Form FC-3A) Fill all sections: organisation details, key functionaries (all office-bearers with Aadhaar and PAN), bank account details, DARPAN ID, RNPO registration details, activities and sectors of work, list of foreign donors expected, and a self-declaration.

Step 3 — Upload documents

Document	Requirement
Registration certificate	Trust Deed / Society Certificate / MCA Certificate
PAN card	Organisation PAN
DARPAN certificate	Valid DARPAN Unique ID
RNPO certificate	Section 332 registration (Form 10AC equivalent)
Audited accounts	Last 3 financial years, CA certified
Activity reports	Last 3 years, signed by chief functionary
Bank account details	For the designated FCRA account (must be at SBI, Sansad Marg, New Delhi for receiving foreign contributions)
Key functionary details	Aadhaar, PAN, and passport for all trustees/directors

Step 4 — Submit and pay fee Pay Rs. 10,000 online (government challan) and submit the application.

Step 5 — Verification by MHA The Ministry of Home Affairs forwards the application to:

- Intelligence Bureau (IB) for background check on key functionaries
- Local police for field verification at the registered office
- District administration for activity verification

This verification process typically takes **4-6 months**.

Step 6 — Grant or rejection MHA issues FCRA registration certificate if satisfied. The certificate contains the FCRA registration number, which must be quoted on all foreign contribution receipts.

The SBI Sansad Marg Account — a Mandatory Requirement

Since the FCRA Amendment Act, 2020, **all foreign contributions must first be received in a designated bank account at the State Bank of India's Main Branch, Sansad Marg, New Delhi**. This is non-negotiable — no other bank or branch is permitted for the primary receipt of foreign contributions.

How this works in practice:

1. Your foreign donor wires money to your FCRA account at SBI Sansad Marg, New Delhi
2. From this SBI FCRA account, you transfer funds to your **FCRA Utilisation Account** — which can be at any scheduled commercial bank, at any branch, in the state where you operate
3. Day-to-day expenditure of foreign funds is from the FCRA Utilisation Account

Odisha NGOs note: The SBI Sansad Marg, New Delhi account is a paper address for receiving purposes. You will operate out of your Odisha-based FCRA Utilisation Account. Open the SBI FCRA account by contacting SBI's designated FCRA branch at Parliament Street, New Delhi, with your FCRA registration certificate.

Critical compliance rule: Foreign and domestic funds must never be mixed. Your FCRA accounts (both receipt and utilisation) must be entirely separate from your domestic accounts.

Annual FCRA Compliance

After registration, FCRA compliance involves:

Annual Return (Form FC-4): Filed by **30 June** each year for the preceding financial year (April to March). Reports all foreign contributions received, sources, and utilisation. Filed on fcraonline.nic.in.

Quarterly intimation: Every foreign contribution received must be intimated to MHA through the portal within 30 days of receipt.

Change intimation (Form FC-6): File within 30 days of any change in: bank account details, registered office address, key functionaries (if more than 50% change), or organisation name and objectives.

Audit: Separate FCRA audit (by a CA on the CA's empanelled list) required annually.

Key prohibitions under FCRA:

- Do not transfer FCRA funds to any organisation that does not itself have FCRA registration — **even if the recipient is a credible domestic NGO**
- Do not use more than 20% of FCRA funds for administrative expenses (this was reduced from 50% in the 2020 amendment)
- Do not use FCRA funds for political activities, speculative investments, or activities against national interest

What Happens If FCRA Registration Is Denied

The most common reasons for FCRA rejection:

1. Insufficient track record. Less than 3 years of operations or less than Rs. 15 lakh in documented charitable expenditure. Solution: Apply after meeting the threshold — do not try to inflate expenditure figures, as this is verifiable.

2. Key functionary background issues. A trustee or director with a criminal record, past involvement in political activities, or connections flagged by IB. Solution: Ensure all key functionaries are compliant before applying. Remove any functionary with background issues from the board before the application.

3. Dormant or minimal activity. An NGO that registered years ago but shows minimal actual activity in its accounts. Solution: Document genuine activities thoroughly with photographs, beneficiary lists, programme reports, and community testimonials.

4. Objects and activities do not match. The trust deed's objects cover education, but the activity reports describe livelihood work. Solution: Ensure objects and activities are aligned. If needed, amend the deed before applying.

5. Discrepancies in documents. Name spellings, addresses, or dates differ across documents. Solution: Verify consistency across all documents before submission.

If rejected:

- You can appeal to the MHA's FCRA department with additional documentation
- You can apply fresh after addressing the deficiencies (no cooling-off period specified, but a second application too soon without addressing the root cause will face the same outcome)
- You can apply for Prior Permission (Form FC-3B) for a specific foreign donation while building your track record for full registration

If cancelled (for existing registrations): Under the FCRA Amendment Act 2020, MHA can suspend and cancel registrations for violations. Receiving foreign funds after suspension or after cancellation is a criminal offence — punishable with up to 3 years imprisonment and fines. Treat any MHA notice about your FCRA status with utmost seriousness.

FCRA Registration Timeline for a New NGO in 2026

Year	Milestone	FCRA Action
2026	Trust registered, PAN obtained, DARPAN registered	No FCRA action yet
2026-27	First full financial year of operations	Document all activities, maintain audited accounts
2027-28	Second year of operations	Continue documentation; build Rs. 15 lakh expenditure
2028-29	Third year of operations	By end of FY 2028-29, reach Rs. 15 lakh in charitable expenditure
2029	Eligible for FCRA registration	Apply Form FC-3A in Q1 of FY 2029-30
2029-30	MHA verification (4-6 months)	FCRA certificate typically received by end of 2029-30

Last verified: June 2026. FCRA is governed by the Foreign Contribution (Regulation) Act, 2010, as amended by the FCRA (Amendment) Act, 2020 and subsequent notifications. As of 2025, over 20,000 active FCRA registrations exist nationally. Fee: Rs. 10,000. Processing time: 4-6 months. Portal: fcraonline.nic.in. The 20% administrative expense cap on FCRA funds is strictly enforced.

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