

## **GUIDELINES FOR ASSISTING NGO/VOLUNTARY ORGANISATIONS**

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### **THE BACKGROUND**

1. The Ministry is charged with the promotion of welfare, ensuring social justice for and empowerment of disadvantaged and marginalized sections of society. It is the responsibility of the Ministry to reach the target group which includes the Scheduled Castes, Minorities, Backward Classes, Disabled, Aged Persons, Street children and victims of Drug Abuse. The objective is to bring them into the mainstream of development by assisting them to overcome their social, physical and educational handicaps. In this manner, their progress through capacity building can be ensured. This would equip them to employ their capabilities to their fullest potential reducing their reliance/dependence on others and achieving independence to the maximum extent possible - the ultimate goal of such assistance extended by the Govt.
2. The financial resources available with the Central and State Governments

are limited and therefore it is necessary to ensure that the resources of the State are optimally utilized to bring maximum benefit to maximum number. It has been recognized that along side the efforts of the state, the services of the voluntary organization in assisting the target groups are indispensable. They supplement the efforts of the state in ensuring that the benefits reach the maximum number. In certain cases, it is the voluntary organizations that are in a better position to implement the schemes of the Govt. in a more efficient manner than Govt. itself. This is primarily attributable to the highly committed and dedicated human resources that are available with the voluntary organizations. Further, they often have better expertise and are more knowledgeable about the local conditions that make them a better delivery system than what the Govt. can put together. Therefore increasing participation of the voluntary organizations in nation and society building is not only desirable but also crucial.

3. The presence of Voluntary organizations is not uniform throughout the nation. Similarly, there are certain spheres of activities that attract more voluntary organizations just as their concentration in some regions. This twin situation often results in disparate development of regions as well as of sectors. It is the intention of the Ministry to encourage the horizontal spread of development alongside sectoral growth in spheres that have received comparatively less attention or may need more attention.
4. It is also the experience of the Ministry that some voluntary organizations are better equipped to avail of the financial assistance from the Ministry than others. Ideally, the scarce resource should be available to voluntary organizations according to the regions and sectors that require intervention according to the problems the society may be confronted with and the priorities identified by the Govt.
5. Some Voluntary organizations also thrive exclusively on aid from Govt. This is a situation that needs to be reversed. Voluntary organizations should be able to build on the support from the Govt. and establish other support systems that would gradually reduce their dependence on Govt. Such a policy would enable the growth of more voluntary organizations that can work in more sectors. The objective of the Govt. is not the support of existing voluntary organizations alone, but to encourage growth of new ones as well.
6. It should be the intention of the voluntary organizations to obtain support of other sources for their operation. This could be achieved after they are able to establish themselves with the support of the Govt. and prove their usefulness to the society at large. With the credibility that they may be able to earn, they would be able to enlist the support of corporate houses and even the community. Contributions both in kind and finances would become easily available once credentials are firmly recognized. Additional resources could be mobilized in this manner.
7. Enlisting of the support of the community at large is a time-tested method of harnessing resources for the functioning of voluntary organizations. Organizations in developed nations mainly rely on this strategy to make their functioning more effective. Appeals to the community receive committed responses from socially minded individuals and organizations. There are several of them who would contribute willingly to development in areas that may hold their concern but may not be aware of the method of involving

themselves in such activities. Harnessing the vast reservoir of goodwill is something that should receive increasing attention of the voluntary organizations.

8. Voluntary organizations should also accord increasing priority to the involvement of the community in the social activity that the organization may be undertaking. Community involvement in projects has several apparent and consequential or spin-off benefits. It helps in improving the efficacy of the programme, effecting attitudinal changes towards the beneficiaries, identification of those acutely in need of the assistance and change in the psyche (feeling of acceptance or recognition by society can lead to increased motivation) of those affected and the like.
9. Voluntary organizations be encouraged through a system of matching grants to raise resources from the public, business houses, national and international organizations.

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## **II. ADVANCE ACTION TO BE TAKEN BY MINISTRY**

1. The Ministry could in the beginning of every two years take out advertisements in all the states through newspapers inviting voluntary organizations to register with the Ministry. This would enable the Ministry to have a database about the voluntary organizations spread through out the nation. This is important because it would provide a wealth of information about the various organizations such as their organizational strength, human resources capacity, expertise, reach/presence etc. At times of need the Ministry could intervene socially in regions and areas that may require special attention by assisting such organizations according to the exigencies of time.
2. Evolve annual action plans according to the priorities that the Govt. of the

day may have to intervene in regions and sectors to beget the desired changes.

3. Assistance to agencies could be based on such priorities rather than waiting for voluntary agencies to approach the Govt. for assistance. In this manner there can be a concerted attack on social evils/problems or areas to engender change with the Govt. sponsoring such metamorphosis. This would be a potent instrument in Govt. hands. Used wisely it could be an instrument of positive change.
4. According to the data collected, organizations may be grouped according to their expertise and geographical regions of operation and the manpower at their command.
5. The exercise for the identification should be undertaken in the month of December so that the plan could be launched as soon as the financial year begins.
6. An amount of around 10% of the funds earmarked by the Ministry for assistance to voluntary organizations will be reserved for utilization in areas where the Ministry sees a need for special intervention on account of social problems that may have arisen on account of natural and other calamities or other unforeseen developments.

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### **III. PRIORITIES TO BE ACCORDED BY GOVERNMENT**

1. A transparent system be developed in the Ministry for processing release of grants to Voluntary Organizations.
2. As far as possible, new projects shall be approved in respect of those voluntary organizations which locate these in rural areas which are not benefitting from voluntary action at present. However, this would not apply in the case of schemes which are specifically aimed at tackling problems

relating to urban areas.

3. Since the funds available for assisting the efforts of the voluntary sector in the field of social welfare are limited, assistance from the Govt. shall be limited to duration of 10 years in case of new project. Those on-going projects that have been receiving assistance for the last 5 years and above will be given a phase out period of 5 years and in respect of those assisted for a lesser period the phase out period shall be 10 years. Where the phase out period is 5 years grants shall be reduced by an amount of 20% every year. In case of a phase out period of 10 years the reduction in grant shall be 10% every year.
4. Voluntary organizations shall recover some proportion of the expenses incurred on the beneficiaries through user charges from families of beneficiaries or beneficiaries themselves for the services rendered. The user charges may be fixed by the NGO keeping in view the income strata of the population benefiting by voluntary action. The scale of charges shall be displayed prominently through a board put up in public view. The user charges recovered shall be fully accounted for in the annual audited accounts of the NGO.
5. Monitoring of utilization of funds released by the Ministry be ensured through periodical reports from the assisted organization and field inspections by representatives of independent organizations/State Government/Others.
6. Voluntary organizations may be required to display boards which should be erected at each service centre clearly indicating that the organization is running under the aegis of the Ministry of Social Justice and Empowerment.
7. Public should be able to register their suggestions for the improvement of the functioning of the organizations and a suggestion box may be provided at all such service centres. Inspection agencies and the Ministry officials may have access to them. Making suitable changes according to the suggestions received may help in making the organizations more responsive to local problems/needs.
8. Releases should be time bound and progress determined. The voluntary organization should be able to in advance project their requirements and the achievements they would be able to register. Releases thereafter should not be time-consuming and should be made time-bound. Once there is evidence of progress, advances should be released.
9. Professionalism in voluntary organizations and involvement of qualified persons should be promoted.
10. The releases of funds made by the Ministry to voluntary organizations should be adequately publicised so that the general public is aware of the activities of the Voluntary Organizations in the area and periodic feedback is available to the Ministry through public representatives, local bodies and the press on the performance of these organizations.
11. At least one branch of a Voluntary Organization should be inspected once a year. Schedule for inspection may be prepared by March itself and a format

should be prepared to make the assessment of the performance.

12. Each Voluntary Organization shall submit an Annual Report to the Ministry. They will include the per capita expenditure incurred on the beneficiaries. This would be one of the key instruments to measure the efficiency of the organizations and would provide a comparison between organizations and regions.

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#### **IV. PRIORITIZATION GUIDELINES FOR FUNDING PROJECTS RUN BY VOLUNTARY ORGANIZATIONS:**

1. New projects will be favoured in rural areas, urban areas in cases of extreme need and in States where voluntary action has so far not been significant.
2. In order to be eligible for assistance, a Voluntary Organization should have been registered for a period of at least two years and should have been actively working in its sector for a period of two years. Such projects will not be taken up for assistance where the activities are proposed to commence after the project is sanctioned and funds released by the Ministry. Besides, the NGO would be required to maintain its level of contribution at least at the level of expenses that were being incurred by it before assistance from the Ministry commenced. An undertaking in this regard would be required from the Voluntary Organization at the time of submission of the initial application for grant.
3. Such projects will be favoured for sanction where the Voluntary Organization is locally based and its operations reflect involvement with the community.
4. Projects proposed for implementation by established Voluntary Organization

in green field areas by setting up their local chapters, will be favoured.

5. A Project proposal complete in all respects ( as per guidelines issued by the Ministry) will be funded initially for a period of one year at a time for five years.
6. No grants will be released for acquisition of immovable assets or the construction of buildings during the initial five year period of assistance by the Ministry to any NGO.
7. Release of further grants will be conditional on satisfactory operation of the activities of the organization as established through monitoring reports and periodical inspections.
8. Voluntary Organizations would be expected to raise resources through donations from general public, business houses etc. beyond initial requirement of 10% to be contributed by the Voluntary Organization itself so that the activities of the project become self sustainable and grants from the Ministry can be tapered off through a cut of around 15% every year after the first five years.
9. Voluntary Organization would be expected to progressively professionalise their management and increase proportion of qualified staff.
10. The Ministry would release grant in aid for a project at a particular location for a maximum period of 10 years.
11. In case of Voluntary Organizations seeking grant for a new project it would be required to furnish complete information about all sources of funding and a list of projects financed/supported through such funding.

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**V. PROCEDURE FOR PROCESSING GRANT IN AID CASES IN RESPECT OF VOLUNTARY ORGANIZATIONS:**

(A) Application:

- a. Format for making application for release of grant in aid are part of the prescribed schemes (which would be consolidated into a reference compendium for the use of the Voluntary Organizations).
- b. Cases for sanction of new projects should be received latest by 30<sup>th</sup> Sept. of the financial year in question.
- c. In respect of continuing projects, cases for first instalment shall be forwarded by the implementing Voluntary Organizations by 31<sup>st</sup> May and for second instalment by 30<sup>th</sup> October to the designated agency/State Govt. which shall be required to complete the inspection and ensure that the cases for release of the first and second instalments reach the Ministry by 30<sup>th</sup> June and 30<sup>th</sup> October, respectively.
- d. In case the inspection is to be carried out by the State Govt., the District Magistrate (or DWO through DM) can send his/her report directly to the Ministry which shall await the State Government's recommendations for a period of one month and failing its receipt shall proceed on the recommendations made by the District Magistrate.

(B) Processing of cases:

- a. Each Voluntary Organization assisted by the Ministry will be assigned a registration number which will be used in tracking cases.
- b. Application received in the Ministry will be processed within 30 days and queries, if any, will be referred to the voluntary organization within this period.
- c. Funding by the Ministry is not a matter of right even if the NGO fulfils all eligibility conditions but the application for assistance will be considered on merits keeping in view the need for intervention through voluntary action in the particular sector and area, number of organizations already funded in the area/state and availability of financial resources with the Ministry. The Ministry's decision in this regard will be final.
- d. Quantum of assistance would depend on the area of operation of the voluntary organization. The financial norms indicated in the schemes are only indicative and the actual funding may be lower keeping in view the local situation. Special consideration may have to be made in the case of hilly and difficult areas and the island UTs.
- e. If the application is complete in all respects, grant in aid will be sanctioned within 45 days in eligible cases.
- f. Where voluntary organization is connected with e-mail, this facility will be used for communicating with the voluntary organization and receiving return

responses.

- g. After a period of 45 days has elapsed from the receipt of application in the Ministry, the concerned voluntary organization will be entitled to obtain the status of the case through e-mail.
- h. Procedure will separately be prescribed for accelerated release of installments in case of established voluntary organizations.

(C ) Disbursement of funds:

- a. After sanction order is issued by the Ministry duly filled in bond will be called from the voluntary organization with pre-receipted bill for the amount sanctioned to the voluntary organizations.
- b. Undertaking regarding immovable assets created and developed through assistance from Ministry devolving to local body/State Govt. /body to be prescribed by Ministry in case of unsatisfactory utilization of the same by voluntary organization to be furnished before release of funds.
- c. Funds will be released through Demand Draft to be issued in favour of the voluntary organization payable into designated account.
- d. The feasibility of direct transfer of funds from the Ministry's bankers to the designated bank account of the voluntary organization would be explored.

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## **VI. INSPECTION AND MONITORING PROCEDURE:**

- 1. State-wise panels would be prepared by each Bureau/NGO Division. The application for the new projects would be sanctioned on the recommendation of the State Panel/State Government.
- 2. The assisted voluntary organization would be required to submit annual

reports in the prescribed format indicating physical achievements and utilization progress regarding released funds.

3. In addition, voluntary organizations shall be required to incorporate in their report the actual number of beneficiaries who may have been rehabilitated in different callings where the voluntary organizations are involved in such tasks. Keeping data on this aspect also would help the Ministry to make an assessment of the impact of its policies on the ultimate beneficiary and also help in grading voluntary organizations.
4. The Annual Report that would be submitted shall include the details of the entire gamut of their activities and the financial assistance they may be receiving from all the sources for all the projects they are undertaking. Financial assistance received under any head may also be included in the report with the purpose for which the assistance may have been extended.
5. Periodic interaction on regional basis between voluntary organizations, beneficiaries, and Ministry's officials should be arranged.
6. Whenever funds are released, information about it should be sent to the District authorities, Zila Parishad, the MP and MLA representing the region.
7. In a prescribed format, the voluntary organization should report the progress achieved on half yearly basis. This shall enable comparison with the project projections that may have made at the beginning of the year.
8. State-wise panels of designated agencies would be prepared by each bureau/NGO Division for carrying out periodic physical inspection of the working of the assisted Voluntary Organization. These agencies could be the National Institutes, Institutes of Social work, Universities etc. in the respective States.
9. For ongoing projects, inspection would be carried out by teams deputed by the designated agency for this purpose.
10. Inspection would be carried out by Ministry officials each year in 5% of the cases.
11. The designated agency would be released an amount of Rs. 3000/- per month or the amount that may be agreed upon for the maintenance of records and would perform its role as such for a period of two years.
12. The inspection team from the designated agency shall also be paid remuneration that would not exceed 1% of the assistance that is being given to the NGO and which would further be subject to the ceilings prescribed from time to time by the Ministry.

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**VII. PENALTIES IN CASE OF MISUTILIZATION OF GRANTS:**

1. The members of the executive of the Voluntary Organization would be liable for recovery of misused grants. The V.O. as well as members of its Managing Committee would also be blacklisted by the Ministry.
2. All immovable assets created out of the funds from the Govt. shall be in the name of the Govt. and ownership shall be with the Ministry of Social Justice and Empowerment. Immovable assets created from the funds of the Ministry, if not utilized as envisaged in the scheme, would be taken over by the local body/State Government/body prescribed by Ministry.

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**VIII. CESSATION OF VOLUNTARY ORGANIZATION ACTIVITIES:**

In the case of permanent closure of a project in any area by the Voluntary Organization, immovable assets created through assistance of the Ministry would be handed over through the State Govt. to local body/Panchayat.

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**IX. RELAXATION:**

The Ministry of SJ&E shall have the power to relax any part of these guidelines in favour of a voluntary organization if it is seen that the V.O. is working in a tribal/SC dominated area or in poor districts where SCs/STs are the target groups of the programme and where the V.O. may face genuine difficulty in raising resources to sustain its activities.

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