

LIVE WEBINAR

FCRA CHANGES AND COMPLIANCE ADVICE

**DON'T MAKE A MISTAKE IF YOU ARE
WORKING IN INDIA**





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6 NOVEMBER 2020

10AM PT / 11AM MT / 12NOON CT / 1PM ET / 11:30PM IT

REGISTER FOR THIS FREE 60-MIN WEBINAR



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Webinar Outline

- 1. Gary Hoag** – Welcome and Global View of Faithful Administration and Biblical Perspective on Legal Compliance
- 2. Manju George** – Progression in Regulation, Activities under the Lens, FCRA Renewal, and Next Steps – Esther, Mordecai, and Fasting
- 3. Gregg Capin** – What happened? What not to do? What to do? Practical Tools – Nehemiah and Prayer
- 4. Sanjay Patra** – FCRA Changes, Possible Responses, EFAC (Evangelical Financial Accountability Council) – Ezra and Confession
- 5. Michael Martin** – ECFA, Biblical Integrity, Standards and Peer Accountability – Givers, look for faithfulness – Ministries, aim for it
- 6. Gary Hoag** – Questions, comments, last words, and wrap up, Closing Prayer

Post questions in chat bar. Get slides and video shortly at gtp.org.



Gary Hoag – Welcome

Global View of Faithful
Administration

Biblical Perspective on
Legal Compliance



Global View of Faithful Administration

1



Created with mapchart.net



Biblical Perspective on Legal Compliance

1

Subject - What God desires for our flourishing

Let every person be subject to the governing authorities, for there is no authority except from God, and those authorities that exist have been instituted by God. Therefore whoever resists authority resists what God has appointed, and those who resist will incur judgment. Romans 13.1-2

Tip to learn to submit rather than resist - Fasting



Biblical Perspective on Legal Compliance

1

Shine - When stewards aim at faithfulness

In the same way, let your light shine before others, that they may see your good deeds and glorify your Father in heaven. Matthew 5.16

Tip to stay on track and avoid a crisis - Prayer



Biblical Perspective on Legal Compliance

1

Standards - How we witness to the world

Live such good lives among the pagans that, though they accuse you of doing wrong, they may see your good deeds and glorify God on the day He visits us. 1 Peter 2.12

Tip for helping each other do our part - Confession



Manju George –

Progression in Regulation



Activities under the Lens,

Next Steps – Esther,
Mordecai, and Fasting



Progression in Regulation

2

Foreign Contribution (Regulation) Act 1976

- First enactment.
- In 1985 registration mandated with remittances allowed into a designated bank account only

Foreign Contribution (Regulation) Act 2010

- Individuals receiving foreign contribution (FC) also regulated.
- Wide definition of organisations of a political nature with prohibition to receive FC.
- Renewal of certificate of registration every 5 years .
- Provision to cancel registration.
- On cancellation, disposal of assets created out of FC.



Progression in Regulation

2

Amendment - September 2019

- Affidavit by trustees to inform the Government about any violation of Section 12(4) .

Amendment - September 2020

- Centralization for greater scrutiny by the Government
- All FC to land only in Delhi.
- No sub-granting
- Scrutiny on renewal
- Administration costs restricted to 20 percent



Some Facts as of 27 October 2020

2

Active Organisations - 22,428

- 49,861 registered. 27,433 cancelled and deemed expiry. Active organisations - 22,428.

From 2015-2019

- About 16,000 registrations were cancelled for non-filing of returns for the period 2009-10 to 2017-18.

In 2016

- About 11,000 registrations were cancelled for not applying for renewal.

PROGRESSION TOWARDS STRINGENT COMPLIANCE

Source - Dashboard of <https://fcraonline.nic.in/>



Activities Under the Lens

2

Conversion from one religion to another

- “Person...has not been prosecuted or convicted for indulging in activities aimed at conversion through inducement or force, either directly or indirectly, from one religious faith to another;” (section 12(4) (a) (ii))
- “...has not been prosecuted or convicted for creating communal tension or disharmony in any specified district or any other part of the country;” (section 12(4) (a)(iii))
- “...the acceptance of FC is likely to affect prejudicially;
 - the public interest;
 - harmony between religious, racial, social, linguistic, regional groups, castes or communities;.. (section 12(4) (f))



Activities Under the Lens

2

Activism

- Organisations of a Political Nature (section 3 and 5 r.w.r. 3)
- “Person is not engaged or likely to engage in propagation of sedition...” (section 12(4) (a) (v))
- The acceptance of FC is likely to affect prejudicially;
 - “the public interest”;
 - “the security, strategic, scientific or economic interest of the State;” (section 12(4)(f))



Renewal of Registration

2

For such a time as this

5 year cycle due October 2021

Risks

- Loss of permission to receive foreign contribution
- Loss of property acquired out of foreign contribution to a Government authority.
-



Next Steps

2

Will givers play the role of Mordecai?

Mordecai the Jew ... worked for the good of his people and spoke up for the welfare of all the Jews. Esther 10.3

Will you use your powerful influence to ...

Position the Organisations in India as Stewards of God resources.

Call for fast in community and demonstrate dependence on God

Call for action in ...

- Financial Reporting.
- Activity Reporting.
- Compliance with laws.
- Generating local funds.



Gregg Capin

What happened? What not to do? What to do?



Practical Tools

Nehemiah and Prayer



What happened?

3

An overview of constraints affecting U.S. (foreign) funding and sending ministries working in India

- New Account, No Transfers
- Limitation on administrative costs
 - shifted from 50 to 20 percent
- Luke 10.2 – Pray for God to raise up workers
 - In this case, there are workers and resources available. The challenge is mobilizing them as a mountain has arisen from a government attempting to restrict gospel proclamation.



What not to do?

Do not scramble

As was true for Abraham, it is not wise to take matters into our own hands.

Do not compromise integrity

God has this. We want to work together and avoid anything that could lead to outcomes that are not honoring to God.

Do not endanger others in ignorance.

The mission community is very creative at finding ways to overcome restrictions. Whether smuggling Bibles, money or workers. So, there will be a great temptation to find ways to circumvent these restrictions in our own strength.



What to do?

Unite in Prayer

- We must unite together with humility and prayer to seek help from God to move this mountain.

Encourage Peer Accountability and Creativity

- In reliance on God and with peer accountability, we can seek creative solutions that honor God.

Build up People

- Building local capacity is not about projects, but about building faithful people for sustainable ministry.
- Perhaps God is using this to accelerate sustainability and reduce reliance on FC. Hudson Taylor said: “God’s work done in God’s way will never lack God’s supply.”



Resources and Prayer

Resources

- With increased scrutiny, this is an ideal time for churches and ministries in India to strengthen their operations.
- GTP can help ministries in India put their house in order. Visit www.gtp.org (diagnostic tool, templates, and more).

Pray for the people on the farthest horizon - Nehemiah 1.9

- In the U.S., pray for God to work and for His people to obey.
- For our brothers and sisters in India to receive divine strength, courage, discernment, direction, and protection.
- For God to provide the resources and people needed to make disciples and proclaim the good news of the Gospel.



Sanjay Patra

- FCRA Changes and Possible Responses



EFAC (Evangelical Financial Accountability Council)

Ezra and Confession



FCRA Changes and Possible Responses

4

How can you help the ministries in India?

- First of all, we are grateful for your concern and prayers
- Your support and solidarity is much appreciated. Indian nonprofit space is undergoing an unprecedented challenge.
- It is necessary to re-calibrate our ways of working.

Stop!

- Compliance to law at both ends is non-negotiable.
- Push ministries to be compliant to local laws even if it is difficult (Not impossible)



FCRA Changes and Possible Responses

4

What you can do!

- Follow the 5 purposes in the law and check the FIT
- Creative solutions to circumvent the law should be avoided.
- Provide some grant for capacity building in fund raising and communications for sustainability.
- Ensure that Indian partner organizations are utilizing the funds directly and not transferring to another organization.
- Proselytization is against the law in India. Screen the activities of your partners carefully.
- Watch out what goes in the social media space both in USA and in India. Remember we live in a global village.



Direct Ministries to EFAC (Evangelical Financial Accountability Council)

4

About EFAC

- EFAC is a standard setting and accreditation body in India focused on ensuring compliances and standards.
- EFAC has a wealth of resource persons, experts and committed Christian professionals who are ready to help.
- EFAC also can connect these ministries to experts who can help them in their area of need.
- EFAC can be the watch dog to provide early warning.
- EFAC can be a catalyst to proactively push ministries towards higher levels of accountability and create an accountability movement. (GTP helps with all this!)



What we should not do?

4

Please . . .

- Let us even in passing avoid promoting non-compliance
- We should not nurture the victim mindset
- Let us not try to look for loop-holes in the law.
- Let us avoid corridor channels but rather learn from one another and from our experiences.



Learning from Ezra

Collective confession and following God's standards

- The prayer of Ezra is one of the best examples in the Bible of how to pray when we have sinned (9.5-15)
- He included himself in the Israelites failure to obey God even though he himself had not sinned.
- For Ezra had set his heart to study the Law of the LORD, and to do it and to teach his statutes and rules in Israel (7.10)



Michael Martin

- ECFA, Biblical Integrity, Standards and Peer Accountability



- Givers, look for faithfulness and Ministries, aim for it



ECFA Accredited Ministries aim at Biblical Integrity

5

Compliance with Seven Standards of Responsible Stewardship™

- Standard 1 – Doctrinal Issues
- Standard 2 – Governance
- Standard 3 – Financial Oversight
- Standard 4 – Use of Resources and Compliance with Laws
- Standard 5 – Transparency
- Standard 6 – Compensation-Setting and Related-Party Transactions
- Standard 7 – Stewardship of Charitable Gifts



ECFA Encourages Peer Accountability Membership Globally

5

Get accredited in your country!

- If you are an ECFA member you have made the decision to join a peer accountability group (PAG) to enhance trust in your ministry.
- With the help of Global Trust Partners now ministries around the world can join PAG like EFAC in India.
- If you are an ECFA member and have International partners or entities encourage them to consider membership in the local PAG (www.gtp.org)



Why get accredited?

Practical Benefits of Accreditation

- Allows churches and nonprofits to strengthen their witness by following standards together.
- Fosters accountability and independent oversight.
- Enhances trust through displaying a seal.
- Provides surveys and other helpful assessments.
- Gives people access to a library of resources.



What is next?

5

Our message to U.S. Givers and Ministries

- Look for faithfulness
- Encourage EFAC membership

Our hope and prayer for ministries in India

- Aim at faithfulness
- Join EFAC to build trust and grow local generous giving to Christ-centered churches and ministries
- Wisdom and favor in dealing with FCRA regulations
- Protection from those against the Word of God

Our collective confession

- Depend on God. “I am the vine, you are the branches. If you remain in me and I in you, you will bear much fruit, apart from me you can do nothing.” John 15.5



Gary Hoag – Questions, Comments, Last Words, and Wrap up.



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Closing Prayer.