

# FAQs

## FREQUENTLY ASKED QUESTIONS (FAQs) FOR INGO CERTIFICATION

### 1 – Are INGOs required by law to apply for certification by an independent certification agency in Pakistan?

Yes. A new Policy for regulation of International Non-governmental Organizations (INGOs) was introduced by Government of Pakistan through a Notification No.6/34/2015-PE-III dated: 1st October, 2015. Accordingly, a registration form and a checklist containing fifteen (15) required documents to be submitted by the INGOs were specified. Necessary documents to be submitted by INGOs require approval of Commissioner Inland Revenue under section 2(36) of Income Tax Ordinance, 2001. According to the existing procedure for approval under section 2(36) of Income Tax Ordinance, 2001, clause (g) of sub rule (2) of Rule 211 provides that NPOs are required to furnish a detailed report with regard to performance of the organization for achieving its aims and objectives during the preceding financial year duly evaluated and certified by an independent certification agency approved by an authority designated by the Government of Pakistan for this purpose.

### 2 – Is there a fee for Certification?

Yes, there is a certification fee. Certification fee has been linked to the annual average receipts of the organization during the last three years. For the purpose of calculating average annual receipts, please use the amount of receipts as appearing in Pakistan based audited accounts of your organization.

Following table provides detailed information as what shall be the applicable fee in case of your organization:

Size of the Organization	Average Annual Receipts during last three years (Income/Grants/Donations etc.) (PKR)	Certification Fee (PKR)
<b>SMALL</b>	Below <b>200</b> Million	<b>500,000</b>
<b>MEDIUM - 1</b>	<b>200</b> Million – <b>500</b> Million	<b>700,000</b>
<b>MEDIUM - 2</b>	<b>500</b> Million – <b>01</b> Billion	<b>900,000</b>
<b>LARGE</b>	Above <b>01</b> Billion	<b>1,200,000</b>

### 3 – What is included in Receipts?

For the purpose of calculating certification fee, receipts include the amount of gross receipts, donations, grants etc as those appear in the Pakistan based/specific audited accounts of your organization.

### 4 – How is certification fee calculated?

First, average annual receipts for the last three years need to be worked out in the following manner:

$\text{Average Annual Receipts} = (\text{Total receipts of organization during last 3 years}) / 3$

After calculating the Average Annual Receipts for the last three years, your organization can be placed in one of the five categories for fee determination purposes.

For Example, if annual average receipts for the last three years equals Rs. 720 Million. Then, applicable certification fee shall be Rs. 900,000.

## 5 – What is the process of PCP Certification in case of INGOs?

Certification process comprises of following steps:

- i. Receipt of Application for PCP Certification
- ii. Initial scrutiny
- iii. Application complete (Mandatory requirements fulfilled)
- iv. Desk Review
- v. Field Evaluation
- vi. Preparation of detailed Evaluation Report
- vii. Presentation of the case to Certification Panel
- viii. Decision

## 6 – Are there any Mandatory Requirements to be fulfilled by applicant organization?

Yes. It is mandatory for applicant organizations to submit completely filled application form along with all required documents as prescribed in the section 6 (Checklist) of application form.

Application is not considered complete until mandatory requirements have been complied by the applicant organization and requisite fee has been submitted. Incomplete applications are not processed further.

## 7 – What is desk review?

Desk review is an important part of certification process. On the basis of submitted documents, level of compliance to certain standards of assessment is done. It takes approximately two weeks.

## 8 – What is Field Evaluation?

Field evaluation comprises of field visits by a three member PCP team for 3-5 days to the organization's head office and program areas. During field evaluation, PCP team conducts both formal and informal interviews as well as meetings with the board, management, staff and beneficiaries of the origination. Aim is to check the level of compliance with PCP certification standards.

## 9 – What is Certification Panel?

Certification Panel is an independent body comprising of eminent citizens and individuals of reposes representing various sectors including non-profit, media, law, and government. Decision of certification panel with respect to the application for PCP Certification is final.

## 10 – How much time does it take for certification process to complete?

It is important to note that time starts ticking when mandatory requirements have been complied by the applicant organization.

Applications are processed on first come first basis.

On average, when mandatory requirements are complete, it takes around 2 months for certification process to complete. However, it may take longer depending upon the number of applications.

## 11 – What are the required documents to be provided by an INGO along with application form?

Following is the list of documents that are required to be submitted along with the application form:

SN	NAME OF THE DOCUMENT	REMARKS
1	Pay order in favour of Pakistan Centre for Philanthropy (PCP)	Fee as determined according to the given criteria
2	Governing document / Charter / Constitution	Duly attested
3	MoU with EAD (if any)	Duly attested
4	Registration certificate (Country of Origin)	Duly attested
5	Minutes of the meeting of Governing Body	Duly attested copies of the minutes for last three years
6	Minutes of the meetings of Executive Body / Management Committee in Pakistan	Duly attested copies of the minutes for the last three years
7	Annual reports	Printed reports for the last three years
8	Operational Plan	
9	Pakistan based Audited Accounts of the organization	Duly attested external audit reports for the last three years
10	Approved Standard Operating Procedures (SOPs) of the organisation	Duly attested copy of SOPs
11	List of current local partner NPOs/NGOs/Others in Pakistan	Please provide the list in the prescribed format as given in guidelines to the application form
12	List of districts/areas in Pakistan where your organizations is working directly or through local partner NPOs/NGOs/Others	
13	A certificate by the INGO on its official letter head stating the following:  a) That the organisation does not propagate the views of any political party and/or religious sect b) That no adverse decree has been passed against the organisation in any of the civil courts in Pakistan on grounds of fraud or breach of trust.	Duly Signed and stamped by the head of country office

## 12 – Who can attest the application form and the essential documents?

Any senior official from your organization can attest the application form and documents. Those may include Chairman, Country Director, Manager, Finance Manager, etc