

Pragathi Association for Rural Development

Regd. Off: Door No. 8-34, Yernagudem (Post), East Godavari, A.P, India, PIN - 534313

WhatsApp: +91-9959255384; Email: info@pardindia.org;

Web: www.pardindia.org; Facebook: <http://www.facebook.com/pardindia>

Be our Permanent Patron!

'Corpus Donation' is a permanent donation, somewhat like an organization's capital. A donation qualifies as a 'Corpus Donation' only when the donor makes a specific written direction that such donation should form part of the organization's corpus. The Corpus Donation is intended to provide a fixed interest income on investments made from corpus funds.

PARD INDIA has created a Corpus Fund exclusively supporting our "V-kid Educational Fund". The Corpus Donation we receive shall be invested as a "Fixed Deposit" with the Bank, and the annual/periodic interest earned shall be routed to "V-kid Educational Fund" to continue our services in the donor's name.

This fixed interest income helps our NPO to continue with our ongoing Programs under the READ Project, supporting the educational needs of disadvantaged children (*V-kids who hail from a rural background and are often denied equal opportunities in their upbringing, study environment, and exposure to the competitive world*).

Please Donate to our **Corpus Fund**

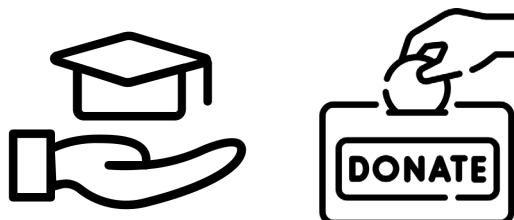
Please **download** the [Letter for Donating to PARD INDIA Corpus Fund](#) in MS Word and send the duly filled-in and signed document to donorcare@pardindia.org. We shall contact you soon.

Our Bank Account Details

Name of the Beneficiary	Pragathi Association for Rural Development
A/c. No	16730200000136
Account Type	Current Account
IFSC Code	BARB0YERNAG ('0' is ZERO)
Bank Address	Bank of Baroda, Yernagudem, East Godavari District, Andhra Pradesh.

Alternatively, please Donate to our V-kid Educational Fund

Our Help Desk: (+91) 963-963-5858



FAQs About Corpus Fund

Donations received by an NGO / NPO are taxable under the Income Tax Act 1961 provisions. But this was not true with 'Corpus Donation' until the Financial Year 2020-21. However, from Financial Year 2021-22, a significant change has been introduced by Finance Act 2021 regarding the taxability of corpus donation.

From a layman's point of view, a corpus fund should be understood as the **organization's capital**, the funds generated and kept for the existence and sustenance of the organization.

The following Questions & Answers provide clarity on Corpus Donations:

<p>Q1.</p> <p>Ans.</p>	<p>What is Corpus Donation under the Income Tax Act?</p> <p>'Corpus Donation' is a permanent donation, somewhat like an organization's capital. Not every donation received by an NGO / NPO is a corpus donation.</p> <p>A donation qualifies as a 'Corpus Donation' only when the donor makes a specific written direction that such donation should form part of the organization's corpus. If the donor gives no such advice, the donation shall be treated as a "voluntary contribution" or "general donation" for the purpose of the Income Tax Act.</p> <p>Please download the Letter for Donating to the PARD INDIA's Corpus Fund and send the signed document to email id – info@pardindia.org</p>
<p>Q2.</p> <p>Ans.</p>	<p>What is the main purpose of Corpus Donation for an NGO / NPO?</p> <p>Corpus donation is permanent and is like capital for an organization. Any NGO's primary source of income is donations or grants, which are not regular. So, every trust/NGO needs some fixed source of income to meet its fixed expenditures like salary, rent, etc.</p> <p>The Corpus donation is intended to provide a fixed interest income/ dividend income on investments made from corpus funds. This fixed income helps the NGO manage its daily expenditures related to administration, management, and fulfilling its charitable and social objectives.</p>
<p>Q3.</p> <p>Ans.</p>	<p>Why does an NGO need to maintain a Corpus Fund?</p> <p>Corpus Fund is a fund that an NGO can use when its survival is under threat or during a phase/period where project funds are minimal. It can also be called an "Emergency Fund" as it is also used to help sustain the problematic times of an NGO. Given its nature, this is also called a subsistence fund.</p> <p>An essential aspect of the Corpus fund is that, with general body meeting approval, it can also be used to keep continuity in an organization's activity, say, when the grant is still not received from the donor organization. If an NGO has limited funds, any delay in the grant</p>

	will lead to a pause or delay in the project activity. In such cases, Corpus works as a <u>temporary grant</u> arrangement to continue the activity.
Q4.	What are the ways of getting corpus funds for an NGO / NPO?
Ans.	<p>There are two ways of getting Corpus Fund:</p> <ol style="list-style-type: none"> 1. Income or surplus: There may be different rules in the other countries towards this. For example, in India, as per the Income Tax Act, only 15% of the organization's income or surplus can be transferred to the corpus fund. Rest 85% must be used to fund program activities. 2. Donations: Corpus can be received as a donation. But any donation received this way must be clearly stated in writing by the donor that they contribute to the corpus. Without any written consent from the donor, the funds cannot be transferred to the corpus.
Q5.	Is the NGO encouraged to create General Fund and Corpus Fund options apart from regular Donation Options?
Ans.	<p>Yes</p> <p>General Fund Donation Options: General Fund is not earmarked money. This is a reimbursement of expenses incurred from your resources that no donor covers (for example, overheads/ admin costs). NGOs may choose how they spend from this Fund. You are not required to provide feedback for this option.</p> <p>Corpus Fund Donation Options: Corpus Fund Options can only be created by organizations with one. The NGO must submit a report of the total Corpus Funds raised till 31st March of the previous year as well as the organization's upcoming activities towards which the interest from Corpus Fund would be utilized.</p>
Q6.	Could you provide more Understanding about Corpus Donations?
Ans.	<p>The following details will help to enhance Corpus Donations to NGOs / NPOs:</p> <ul style="list-style-type: none"> ✚ The corpus is never meant to be utilized and remains parked separately. Income accruing on such corpus funds is generally utilized for the organization's activities. ✚ Corpus funds should be earmarked and invested separately. It should not be mixed with other general/ non-corpus funds. ✚ It is essential to know that the funds are restricted in a corpus fund, but the purposes are not limited. A Corpus fund is an unrestricted permanent fund. The limitation is on the use itself rather than the type of use.

Pragathi Association for Rural Development

Regd. Off: Door No. 8-34, Yernagudem (Post), East Godavari, A.P, India, PIN - 534313

WhatsApp: +91-9959255384; Email: info@pardindia.org;

Web: www.pardindia.org; Facebook: <http://www.facebook.com/pardindia>

- ✚ A corpus fund can be used in rare circumstances where the survival of the NGO is at threat. Such decisions are seldom taken and should be taken at general meetings. There is no legal bar on applying for corpus funds for charitable purposes.
- ✚ A sizeable corpus fund reduces financial vulnerability and thus assures long-term existence. The income generated from the corpus fund is treated as a part of the income of the charitable organization, along with other grants and incomes.
- ✚ NGOs receive limited funds to run the program activities per the approved budget. Regular expenses do not get funded through this. In such cases, these expenses can be covered by the corpus funds. For example, Rent for a building. Thus, the corpus helps to keep an organization financially secure.
- ✚ Indian Income Tax laws, 85% of the voluntary contribution received must be applied for charitable purposes. In other words, only 15% of the income is available for accumulation every year. If the board of an NGO wants to create a corpus fund, then it cannot go beyond 15% of its income even if it is available for accumulation only by way of giving a detailed application to the Assessing Officer before the due date of filing of ITR.

Please Donate to our **Corpus Fund**

Please download the [Letter for Donating to PARD INDIA's Corpus Fund](#) and send the signed document to email at donorcare@pardindia.org; we shall contact you soon.

Alternatively, please Donate to our **V-kid Educational Fund**

Our Help Desk: (+91) 963-963-5858





Pragathi Association for Rural Development

Regd. Off: Door No. 8-34, Yernagudem (Post), East Godavari, A.P, India, PIN - 534313

WhatsApp: +91-9959255384; Email: info@pardindia.org;

Web: www.pardindia.org; Facebook: <http://www.facebook.com/pardindia>

M/s Pragathi Association for Rural Development

(PAN ID No. AACAP0903G)

Door No. 8-34, Yernagudem (Post), East Godavari (District),

Andhra Pradesh, India, PIN – 534313

Phone Nos.: (+91) 9959255384 / 9639635858

Email ID: info@pardindia.org / donorcare@pardindia.org

Subject: Donation to Corpus Fund with Specific Direction

Dear Sir / Madam,

We donate to Corpus Fund of M/s Pragathi Association for Rural Development (PARD INDIA), a not-for-profit organization, through RTGS / NEFT / IMPS / Cheque No. _____ dated _____ of the bank _____ for a sum of Rs. _____ (Indian Rupees _____ only).

We make this donation with a specific direction that shall form part of the corpus of your organization. Therefore, it may be accumulated indefinitely, and its income can be used for charitable purposes. The corpus fund so created may be managed per the rules framed by your origination subject to the country's relevant applicable laws and statutes. Our details are below:

Name of Donor	
Postal Address of Donor, including PIN	
PAN Card Number of Donor	(Copy Attached)
Aadhar Card Number of Donor	(Copy Attached)

Please accept the Donation and issue a Donation Receipt for the same.

With Warm Regards,

Yours Truly,

(Signature of the Donor)

Name of the Donor:

Designation:

Name of Donor Organization (if applicable):

Contact Number:

Email ID:

Date:

Place:

Seal of the Donor Organization (if applicable)