

Want To Start A Non-
Profit or Orphanage?

- ▶ We have a lot of people ask us about starting a non-profit, most of the time they ask about “how they can start an orphanage” so much of the information in this page is specific for orphanages. We can’t give the best idea in regards to how much it costs to run a non-profit as our organization is not really comparable given that we grow most of our own food, run our own school, do all our own maintenance/vehicle repairs and also make much of our furniture/buildings/clothing... etc.
- ▶ We hope that this information will be helpful to you, please make sure also to check out our blog post “Another Hero” as it also relates to this subject.

I'm a foreigner, does that make a difference?

- ▶ Yes, that DEFINITELY does make a difference. It is almost impossible for a foreigner to start and run an orphanage in India. Visa laws are very strict and the only reason why our organization is able to have foreigners on staff is because each of them hold Overseas Citizen of India cards (essentially they were born in India or married to an Indian). Starting an orphanage on a Tourist or Business visa is not only irresponsible, it leaves you open to prosecution by Immigration authorities.

What is the first step in starting a non-profit?

- ▶ The very first step is to learn the culture of the people you want to serve. The largest reason for failure of any organization is failure to communicate effectively; this goes so much further than just language. Cultural misunderstandings can be the source of financial problems, relational problems, legal issues and just about every other problem.
- ▶ We believe a good rule of hand is to spend 2 years immersed in a culture before starting anything. Just learn about the people, the traditions, the food, the way people relate to each other, how respect is shown and how respect is earned. We cannot stress the importance of this first step too much.

How much does it cost to start a non-profit?

- ▶ Obviously this number changes dramatically depending on what you want to do, starting cash for an orphanage of around 10-30 kids (assuming you had the building already) shouldn't be more than around US\$10-30,000 to get completely registered and equipped. The hardest thing by far is getting the initial start-up money into India legally and the FCRA registration; It can take anywhere from 6 months to 3 years to get permission to receive funds from outside India.

Who will be against me, what type of opposition should I expect?

- ▶ There are many people who think that just because you are running an NGO you must be incredibly rich. Generally though, it is quite the opposite. Most of our members would personally have less than \$300 in their bank accounts and their only real “assets” are their motorcycles or scooters.
- ▶ There will always be people who prey on NGO’s and orphanages the world over. They think that we all get money from Western Countries and therefore we can afford to be “ripped off”. This is of course not always the case; many businesses that we deal with are sympathetic to our cause, give us great discounts and become some of our most active supporters.
- ▶ Sometimes you also have to be aware of religious and political agendas, these both can effect the way people treat you and your organization. This applies from the smallest situations (like people donating to your cause) right up to Government Offices. We don’t know why people act this way; we should all be concerned about the needy (no matter what religion is involved).

Can I work a day job and run the orphanage at the same time?

- ▶ Keeping on working while you run the orphanage is not impossible. It all depends on:
 - How many kids you have
 - How many employees you have
 - Whether or not you can get assistance from any other NGO's (i.e. finance/volunteers)
- ▶ Our suggestion would be to start out VERY small. No more than 2-4 kids. Try it for a year or two; work out the boundaries you need to set in your life between work and the orphanage: your old family and your new family.
- ▶ There are loads of stresses & lifestyle changes that come with having a regular child -let alone 2-4 children who might have spent anywhere up to 15 years living on the streets! Don't rush into anything as sustainability is what is important. It is better to help 1 orphan for their whole life than 1000 orphans for just a few months.

Where do I get the kids for the orphanage?

Many of our children are brought here by their family members when relatives die. Some are brought by the police. Some are brought by the Human Rights Association, Welfare Department or local MLA's or Pradhans (village chiefs).

We do not take any children without the written permission of the District Magistrate or Welfare Department.

Our suggestion would be to get your organization connected with the following:

- ▶ Local Police, MLA's, Government Offices, Pradhans, Sawapatis... etc.
- ▶ Human Rights Association
- ▶ Any NGO's operating in your area that have similar goals
- ▶ Local press / journalists

- ▶ At the very least write a letter to each and post via Registered Mail (as then they won't just think it is junk mail). A week or two later you could visit their offices in person (just to let them see that you are serious). It is good to have your goals/vision draw up on paper (in Hindi and English).

What is required to sustain an orphanage?

This is certainly not a complete list but here are a few things that are very important in regards to sustainability:

- ▶ The biggest need will always be money. Don't kid yourself; you are going to need a lot of it -especially as your orphanage grows in size. Foreign or domestic support can help in this regard but it is a good idea to look at sustaining your project through other areas. Running a Primary School or Kindergarten is a great example and one that has worked well for our organization.
- ▶ As the children increase, you will find that you/your family are not able to “do it alone” and you will need help. Good people are hard to find, especially when you need them to work for cheap! Start looking for help long before you need it.
- ▶ A good website that clearly states your goals/purposes. This really does make a difference. These days everyone uses the net, you're using it right now! It is important to get your name out there as this can help with both of the above points.

Where does the official process of starting an orphanage begin?

Here are a few of the really important first steps, they are not in any specific order but should all be completed before you take in any children.

- ▶ Set a location.
 - ❑ Acquire a piece of property to base the organization (if possible eventually have it registered in the name of the organization) or find someone willing to give a legal lease for long term (the minimum is something like 10-15 years).
- ▶ Get letters of support.
 - ❑ Get as many letters of support as you can, as fast as you can, from local businesses, politicians, dignitaries, foreign businesses, local panchiats/village heads, individuals... etc. These will all help to avoid delays/problems in your registration/setup process. A “Letter of Support” can be as simple as a person writing “I am in support of the work that _____ is proposing in the _____ area. If you are able to support it we would appreciate it. Signed, _____”. You can actually chain these letters off other people, i.e. start with the “smaller people/businesses” and use a collection of the letters from them to get letters out of people holding higher positions. You would be surprised the amount this can help: “It’s not what you know, it’s who you know”.
- ▶ Get your Society registered.
 - ❑ Register the organization as a Society (this is done through your local Registrar of Societies), if you need help finding them ask at your local Thasil (i.e. ask an SDM or even a lawyer there at the courts). For this you will need a Board of Directors, By-Laws and a few other things. You can ask at the Registrars of Societies office about the process for this (ours was done in 1948 so the process has changed a lot since then).
- ▶ Get your orphanage registered.
 - ❑ All orphanages and children’s homes in India must be registered under the Juvenile Justice (Care and Protection of Children) Act 2000 as amended in 2006 even if they have a license under any other law. Applications for registration under the JJ Act should be done in the prescribed manner through the District Social Welfare Office where the concerned institute is functioning. **This is one of the most important set of laws for you to understand.**

- ▶ Get FCRA Registration.
 - ❑ If you want to get funding from overseas while working in India you will need an FCRA Registration Number and a registered bank account. This is done through the Ministry Of Home Affairs in New Delhi. This is done in accordance with the Foreigners Contribution Regulation Act of 1976 (**another important set of laws to understand**). The application process is straightforward and information can be found online about it.
- ▶ Register with the Income Tax Department.
 - ❑ Register of your society for a PAN number (Permanent Account Number) is essential. After this you can ask at your local tax office about applying for the “tax-free” status known as *12A Registration*. If you want people who donate to you from within India to be able to claim the donation as “tax deductible” then you will need *80G Registration*; the application process for this is complicated and you will definitely need the help of a registered Chartered Accountant.
- ▶ Get an accountant.
 - ❑ It’s a good idea to have a permanent accountant -either contracted or on your payroll. Accountability is essential for any organization to survive. Audited financial reports by a Chartered Accountant are a legal requirement for NGO’s operating in India.
- ▶ Get a lawyer.
 - ❑ It’s a good idea to have a permanent lawyer too. Lots of different documents will have to be drafted for your new organization such as a Memorandum of Association, By-laws, applications for registration... etc. and it is best to have a professional do this.
- ▶ Start looking for funding.
 - ❑ Finding funding is a difficult thing but if you register as a Society and get 12A/80G registration you can apply for grants from businesses and other NGO’s. Corporate Social Responsibility programs are a great place to start.

Do you have any other useful information about starting a non-profit?

- ▶ There are some great books out there on the subject of starting an NGO. One of the books that our team found useful was called “Legal Handbook for Christian Services in India” which should be available from decent Christian Bookstores in India... even if you’re not a Christian there is a lot of relevant information in there for non-profits and especially those involving foreigners/foreign aid.
- ▶ There are also some laws that you absolutely need to be aware of, it is good to have these books on hand most can be bought online through the Eastern Book Company:
 - ❑ Societies Registration Act
 - ❑ Foreign Contribution Regulation Act
 - ❑ Income Tax Act
 - ❑ Juvenile Justice (Care and Protection of Children) Act
 - ❑ Law of Adoption, Minority, Guardianship & Custody

▶ Some others that are nice to know too:

- ❑ The Constitution of India
- ❑ Payment of Wages Act
- ❑ The Minimum Wages Act
- ❑ The Charitable & Religious Trusts Act
- ❑ Basic Education Act
- ❑ Right to Information Act
- ❑ Foreigners Registration Act

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