



# GUIDELINES FOR CIVIL SOCIETY ORGANIZATIONS

**Civil Society Organizations Authority**

*"Roadmap for CSOs to navigate complex financial landscapes and secure their ability to effect positive change in the communities with renewed vigor and long-term impact".*

[www.csoa.gov.bt](http://www.csoa.gov.bt)  
[admin@csoa.gov.bt](mailto:admin@csoa.gov.bt)

# Contents

<b>Abbreviations and Acronyms</b>	4
<b>Guidelines for Civil Society Organizations</b>	5
<b>Background</b>	5
<b>Rationales</b>	5
<b>Sources of Funds</b>	6
<b>Section A: Endowment Fund</b>	7
1. Introduction	7
2. Definition and Scope	7
3. Endowment Fund's Principal Capital	7
4. Governing Board and Accountability	7
5. Investments	7
6. Utilization of Fund	7
7. Financial Reporting	8
8. Dissolution	8
<b>Section B: CSOs Social Enterprise</b>	9
1. Introduction	9
2. Definition and Scope	9
3. Policy and Procedures	9
4. Approval and Rejection of the proposal	9
5. Financial Sustainability	10
6. Team and Human Resources	10
7. Conflict of Interest	10
8. Risk Management	10
9. Termination of operation certificate	10
10. Cease of operation	10
11. Accountability & Liability	10
<b>Section C: Fundraising Framework</b>	11
1. Introduction	11
2. Definition and Scope	11
3. Ethical Principles of Fundraising	11
4. Strategies of Fundraising	11
5. Protocol of Fundraising	13

<b>6. Details of fundraising application .....</b>	<b>13</b>
<b>7. Restrictions/Prohibitions .....</b>	<b>13</b>
<b>8. Admissible fundraising .....</b>	<b>14</b>
<b>9. Inadmissible fundraising .....</b>	<b>14</b>
<b>11. Fundraising Application Form .....</b>	<b>14</b>
<b>12. Reports &amp; Accounts of the Fundraising .....</b>	<b>15</b>
<b>13. Banking and Accounts .....</b>	<b>15</b>
<b>14. Offences and Penalties .....</b>	<b>15</b>
<b>14.1 False Statement .....</b>	<b>15</b>
<b>14.2 Illegal Fundraising .....</b>	<b>15</b>
<b>14.3 Unlawful Collection .....</b>	<b>15</b>
<b>14.4 Appeals .....</b>	<b>15</b>
<b>Important Considerations .....</b>	<b>16</b>
<b>Amendment and Interpretation Authority .....</b>	<b>16</b>
<b>Annexure 1: Fundraising submission procedure .....</b>	<b>17</b>
<b>Annexure 2: Time period for fundraising .....</b>	<b>17</b>
<b>Annexure 3 Fundraising Form .....</b>	<b>18</b>
<b>Annexure 4 Fundraising Concept Note Template .....</b>	<b>19</b>
<b>Annexure 5 Fundraising Report Template .....</b>	<b>20</b>
<b>Annexure 6 Social Enterprise Application Form .....</b>	<b>21</b>
<b>Annexure 7 Sample Format for Social Enterprise Concept Note .....</b>	<b>24</b>

## **Abbreviations and Acronyms**

Authority	Civil Society Organizations Authority
CSO	Civil Society Organizations
Act	Civil Society Organizations Act 2007 (Amendment) 2022
Col	Conflict of Interest
Regulations	Civil Society Organizations Rules & Regulations 2017

## **Guidelines for Civil Society Organizations**

### **Background**

Civil Society Organizations are commendable development sector in Bhutan. Since the enactment of the CSO Act in 2007 by the then Parliament of Bhutan and formal establishment of the Authority in 2009, the institution and contributions by the CSOs in the country has been very coherent and notable. The 7<sup>th</sup> Session of the Third Parliament of Bhutan amended the Act in 15<sup>th</sup> July 2022.

As the custodian of the Law and to implement the Act in its letter and spirit, the Authority's protagonist is to administer the overarching mandates of instituting the CSOs establishment, regulating in line with the legislations enforced and as the nodal agency to represent the sector & facilitate to create conducive environment for the CSOs to perform at the pinnacle. The acumen being to strengthen the civil society to uphold the customary humanitarian Bhutanese values to help the vulnerable section of the society aligned with newly constituted democratic structure.

Since the establishment of the Authority, there has been significant shifts in the Civil Society landscape in the country; today there are 52 local CSOs which are formally registered. The registered CSOs are distinguished by their differing objectives and the two categories set in the Act are;

- i) Public Benefit Organizations (PBOs): CSOs which are established in order to benefit a section or the society as a whole.
- ii) Mutual Benefit Organizations (MBOs): CSOs which are established in order to advance the shared interest of their members or supporters

### **Rationales**

Institution of CSOs has been rapid in the recent times in diverse thematic areas. Beyond shadow of doubt, CSOs encompasses dynamism and proficiency, assuring the prospect of fundamental cause. However, to ensure the CSOs' long-term financial sustainability and to diversify their income sources, this set of guidelines approved by the 40<sup>th</sup> Authority Meeting, provides valuable insights and recommendations regarding the establishment of an endowment fund by venturing into social enterprise and embracing effective fundraising framework. This is intended to stay abreast and relevant with changing times upholding vibrant professionalism and competencies.

Achieving financial sustainability is essential for CSOs to effectively pursue their mission, by following these guidelines, CSOs can establish reliable endowment funds, develop social enterprise and implement effective fundraising framework to secure the following positive outcomes and impacts;

- i. **Financial Stability:** Secure a stable and reliable source of income for the CSOs to support the organization's ongoing operations, programs and initiatives. This stability helps CSOs withstand financial uncertainties, fluctuations in funding and economic challenges.

- ii. **Independence and Autonomy:** Be less dependent on the short-term project based funding or external donors. CSOs can have more control over their financials resources and can make strategic decisions based on their long-term vision and objectives. This independence reduces the risk of mission drift/switch and allows CSOs to focus on their core mission.
- iii. **Programmatic Flexibility:** Enhance their flexibility in designing and implementing programs with a stable and predictable income stream. CSOs can take a more proactive approach in addressing social issues and pursuing innovative solution. CSOs can invest in long-term projects, research, capacity building and advocacy efforts that may require sustained funding beyond the scope of traditional project grants.
- iv. **Continuity and Legacy:** Contribute to the long-term continuity of the CSOs by ensuring a stable base. CSOs can continue their operations and initiatives even during challenging times or leadership transition. This will also allow CSOs to build legacy, as they can allocate a portion of the fund to support specific causes or initiatives in perpetuity, leaving lasting impacts.
- v. **Attracting Donors and Supporters:** Serve as a powerful tool for attracting donors and supporters as it signifies the CSO's commitment to long-term sustainability and responsible financial management.
- vi. **Counteracting Funding Instability:** Adapt to change in donor priorities and economic downturns. Steady source of income can act as a cushion during periods of financial instability by bridging the funding gaps and navigating challenging times without compromising their mission.

### **Sources of Funds**

Section 65 & 66 of the Act states that the registered CSOs may solicit funds from any of the following sources:

#### **A. Internal Source**

- 1. Contributions from members,
- 2. Donations, grants, subsidies, financial assistance, bequest and other transfer of funds or other properties, whether public or private and
- 3. Dividends or income from investments or from the sale and lease of property.

#### **A. Foreign Source**

- 1. Donations, grants, subsidies, financial assistance and contributions, bequest and other transfer of funds or other properties from foreign sources, whether public or private, shall be routed through an authorized Financial Institution of Bhutan.

In the view of above rationales and to guide for explicit understanding, this guidelines for CSOs has three sections, namely;

- A. Endowment Fund,
- B. Social Enterprise and
- C. Fundraising.

## **Section A: Endowment Fund**

### **1. Introduction**

In accordance to Section 16 of the Civil Society Organizations (Amendment) Act 2022, the Endowment Fund Guidelines is formulated to provide framework for management, operation and monitoring of Endowment Fund by the Civil Society Organizations.

The Authority shall from time to time prescribe Endowment Fund limit to Civil Society Organizations.

### **2. Definition and Scope**

An 'Endowment Fund' is a long-term investment designed and established to generate a steady stream of income for the financial sustainability of Civil Society Organizations' purpose and objectiveness in the fullness of time.

The Guideline will extend to all endowment funds established by the Civil Society Organizations both existing and new applications.

### **3. Endowment Fund's Principal Capital**

The Authority shall prescribe the minimum endowment fund limit for all Civil Society Organizations.

3.1 The minimum endowment fund limit for Civil Society Organizations shall be as follows:

3.1.1 Public Benefit Organization- Nu. 3.00 million (Ngultrum Three Million)

3.1.2 Mutual Benefit Organization- Nu. 1.5 million (Ngultrum One and Fifty Hundred Thousand).

3.2 In addition to the endowment fund aforementioned, Civil Society Organizations are mandated to submit an operational fund reserve as follows:

3.2.1 Public Benefit Organization- Nu. 1.00 million (Ngultrum One Millon)

3.2.2 Mutual Benefit Organization- Nu. 0.50 million (Ngultrum Five Hundred Thousand)

### **4. Governing Board and Accountability**

The Board of Trustee shall commit to establish and institute the minimum prescribed endowment fund for the respective CSOs. The Board shall advice the management of the fund, its returns for implementation of plans and programs and shall be held accountable for any outcomes of its investments.

### **5. Investments**

The fund under 3.1 shall be secured appropriately in any of the Financial Institutions under Royal Monetary Authority as Fixed Deposits to earn reasonable returns to finance identified activities.

The fund under 3.2 shall be secured appropriately in any of the Financial Institutions under Royal Monetary Authority as Savings Deposits for meeting the operational expenses.

### **6. Utilization of Fund**

The principal of the fund shall not be expended. The income accrued from it shall not be utilized other than for the purpose and activities set forth in the Article of Association and the three-year work plan of the respective Civil Society Organizations.

## **7. Financial Reporting**

The Royal Audit Authority shall conduct the audit of the endowment fund. The respective CSOs shall submit to the Civil Society Organizations Authority at the end of each reporting year (as a part of annual submissions for renewal), a Bank Statement evidencing the availability of the prescribed Endowment Fund.

### **Dissolution**

In the event of Dissolution, after the satisfaction of all its debts and liabilities, and property whatsoever is left, the same shall not be paid to or distributed among Board members or employees of the said Civil Society Organization but it shall be utilized for project with similar activities in consultation with the Authority.

The accounts of the fund shall be audited before its dissolution.



## **Section B: CSOs Social Enterprise**

### **1. Introduction**

Chapter 9, section 65 (c) of the Act (Amendment 2022) states that “the source of fund or other property of a CSO may be from any or all of the following:

- Dividends or income from investments or from the sale and lease of property”

### **2. Definition and Scope**

CSO’s social enterprise shall be a business venture that generates revenue to be ploughed back into the organization to implement its plans and programs to address societal issues.

CSOs’ establishing and venturing into social enterprise will not only requires a careful planning, investment expertise and well managed governance but also it is critical to remain lawful and contractual to relevant legislations & regulations enforced in the country to:

- Maintain a clear ethical and lawful stance and
- Ensure the returns are ploughed back to the organizations

### **3. Policy and Procedures**

CSOs shall adhere strictly take the following criterion while venturing into the social/commercial venture:

- i. Develop clear policies and guidelines for investment, to promote transparency and regularly review investment strategies to maximize returns adhering to ethical considerations,
- ii. The proposal comprising of the modality should be endorsed by its Board of Trustee (at least 2/3 majority) and submitted to the Authority for review and approval,
- iii. CSO shall then obtain trade license/permit from the relevant agency in its name,
- iv. The enterprise shall operate independently under the existing trade/commercial norms,
- v. After covering all necessary expenditures and taxes levied, income/returns from the enterprise/investment shall be reflected in the annual accounts of the CSO,
- vi. Be accountable & liable for taxes and other mandatory commercial norms,
- vii. The separate employed management shall report to its CSO’s Board of Trustees.

However, in doing so, CSO shall not be permitted to divide or distribute its income to its members, founders, supporter, donors, employees or directors and:

- i. Use its name and symbol,
- ii. Operate from its official space and
- iii. Lease or sublease, hires or otherwise permit another person to use or operate its’ license (Sec. 284G of the Penal Code of Bhutan)

### **4. Approval and Rejection of the proposal**

The Authority shall approve or reject CSO’s proposal based on its assessment criterion set such as:

- i. Mandatory compliance status,
- ii. Performance of the CSO,

- iii. Essence of the venture and
- iv. Competency of the CSO

**5. Financial Sustainability**

CSO shall have and provide a financial projection, including revenue, expenses & anticipated profits and explicate how the returns will be reinvested in the organization to further the social mission as cited in their Article of Association.

**6. Team and Human Resources**

CSO shall outline its social/commercial venture's structure and roles, emphasizing the diverse perspective and its commitment to fair wage, employee well-being and labor rights.

**7. Conflict of Interest**

CSO shall firmly manage Conflict of Interest (Col) while performing any decisions and delegations with regard to the venture. Both CSO and its venture are mandated to uphold the principles of integrity, transparency and accountability in its management and operations.

**8. Risk Management**

CSO shall identify potential risks (financial, operational, reputational) and outline necessary mitigation strategies to avoid losses. The organization shall have approaches to address and handle the setbacks and adapt to changing circumstances.

**9. Termination of operation certificate**

Authority or any relevant agency shall have the right to terminate the license or permit in case of any violation or non-compliance to this guideline or any other relevant regulations by the CSO or its venture in addition to the fines and penalties as per the existing regulations. In case of the dissolution of the CSO, its venture is inevitably deemed to cease its operation and legality.

**10. Cease of operation**

In case of voluntary cessation of the venture, CSO shall apply to the relevant agency & close the operation after paying off the creditors. CSO shall then inform the Authority on its venture's cessation.

**11. Accountability & Liability**

The Board of Trustee of the CSO shall be accountable for any outcomes of its venture. Such as to clear all its debts and outstanding by either the of closing of the venture. The Board shall tender the venture's assets or stocks within 60 days of notification of closing and reinvest in the organization with profit in any.

## Section C: Fundraising Framework

### 1. Introduction

Fundraising is a significant way for CSOs to acquire fund for their operations. The recent increasing trend of individuals and informal organizations soliciting unauthorized funds for self and social causes on social media & at public places has adverse impact on the credibility of the registered CSOs. The solicitation of funds is publicized commonly to meet health treatment cost, feed stray animals, host community religious events and construct & maintain community sacred monuments. While it may benefit and help needy & vulnerable section of the society, the proceeds of unauthorized fundraising are unaccounted & unaudited and is certainly illegal (refer section on Offences and Penalties) regardless of their intent and cause.

In contrary, fundraising by registered CSOs are lawful and legitimate, administered by the Act and its subsequent regulations. However, the fundraising application & proposals entails assessment & endorsement by the Authority and the accounts of the proceeds recorded for annual audits.

### 2. Definition and Scope

Fundraising is an event or campaign with primary purpose of raising fund by the CSOs, engaging individuals or through formal social media platforms with the prescribed approval from the Authority.

The intent of this framework is to have consistent set of operating principles, records and governance practices as per the existing laws enforced.

### 3. Ethical Principles of Fundraising

The undermentioned principles set out how CSOs should initiate fundraising and define the ethical approach:

- i. *Honesty*: CSOs shall always be honest and truthful, upholding public trust and never misleading supporters or the public.
- ii. *Respect*: CSOs shall always be respectful of the beneficiaries and donors following choices and wishes, wherever possible.
- iii. *Integrity*: CSOs shall act with integrity, following legislative and regulatory requirements and should always work for the best interest of their causes and supporters.
- iv. *Transparency*: CSOs shall always be transparent, clear and accurate about the work of the causes, management of the funds, and report on costs and impact accurately.
- v. *Responsibility*: CSOs should always act responsibly, promote fundraising excellence for the benefit of the common good.

### 4. Strategies of Fundraising

The strategies are presented as being the benchmark for fundraising excellence in the best interests of the causes, while respecting the donors and being accountable for the responsibility.

#### A. Responsibility to fully comply with relevant legislation and regulatory standards

- i. CSOs shall work according to the national and international legal obligations that apply to their organization's location, legal form, and activities.
- ii. CSOs shall follow any agreed upon regulatory systems for fundraising and specific codes of practice for fundraising that are set in their location.

- iii. CSOs shall not take action that could constitute professional misconduct or create a conflict of interest.

***B. Responsibility to supporters***

- i. CSOs shall always respect the free choice of all individuals to make donations or not.
- ii. CSOs shall respect the rights of donors and follow their preferences on communications and privacy.
- iii. CSOs shall be open and transparent with donors on the use of their funds, providing clear information on how donations are spent and the impact of their work.
- iv. CSOs shall be truthful and honest in all of their fundraising communications, in any medium and by any means, using accurate information about their cause in their materials, communications and activities.
- v. Where a donor has expressed a view on the specific service or project that they would like their money to be applied, the donor's wishes will be followed wherever possible. In the event that the money cannot be used in line with the donor's wishes, the fundraiser will seek further agreement from the individual or organization on the use of their donation.

***C. Responsibility to their cause and beneficiaries***

- i. Shall work together with their trustees or relevant governance structure to best achieve the overall goals and objectives of their cause, making decisions and working in accordance with the values of the organization.
- ii. CSOs shall always be respectful of their beneficiaries and uphold their dignity and self-respect in the fundraising communications or materials that they use.
- iii. CSOs shall not accept donations where the acceptance of those gifts would not be in the best interests of the country or the organization, or create a conflict of interest that would be detrimental to the country or the organization's reputation, mission, and relationship with existing supporters and beneficiaries.

***D. Management reporting, finance and fundraising costs***

- i. CSOs shall be transparent and accurate in presenting and reporting on fundraising costs, fees and expenses, without expressing or suggesting in communications and materials that fundraising lacks administration and fundraising costs.
- ii. CSOs shall work with their management to provide accurate reports on their organization's income and expenditure according to regulatory framework and publish clear information on their activities for stakeholders, beneficiaries, donors and the public.

***E. Pay and compensation***

- i. CSOs shall expect fair remuneration for their work and will not use their position to make any unauthorized or disproportionate personal gain.
- ii. CSOs shall not seek any personal benefits or gratuities in the course of their work. Any benefits or gratuities that are offered to a fundraiser will be declared to their organization and/or any relevant authority and only accepted if in line with the set policy and with any necessary approval.

- iii. When CSOs work with suppliers, partners, or third-party agencies, they will take all reasonable steps to ensure that those external parties work to the same standards that they are held to, and that they receive reasonable and proportionate payment for their work.
- iv. All payment and remuneration for fundraisers will be arranged before work is carried out, with any performance-related payments agreed in advance and set to ensure that payments will not be disproportionate or unreasonable

## **5. Protocol of Fundraising**

Approvals for fundraising shall be granted only to fund the activities that are in line with the objectives of the CSO as stated in the AoA. As mandated by the Section 82 (4) of the regulation, application of new a CSO should comprise of a detailed three years' work plan and thereafter with minimum of two years with committed budget besides the endowment fund as required by the Act, prescribed in the regulation & the guidelines. Unless as a supplementary fund, approval shall be granted on case by case. The procedure for submission of application for fundraising approval are as stated in *annexure 1*.

## **6. Details of fundraising application**

The Section 162 of the Regulations states that the Authority may, on an application made in the prescribed manner by a CSO intending to conduct public collections, grant a written approval to such organization within 12 working days of the submission of the application, subject to conditions as may be specified in the Public Collection Approval Certificate.

The application for public collection certificate must encompass the following details (Annexure 4):

- i. **Purpose of the collection:** The CSO should indicate the purpose and intent of the collection. This should comprise of the activity(s) that the organization wishes implement with the collection and also specify the expected fund collection.
- ii. **The fundraiser's information:** The CSO should designate a competent official as concerned official in-charge for the specific public collection and his/her information/details should be submitted to the Authority.
- iii. **The area of coverage:** The application should specify the location or area where the public collection will be held. In the case of online collection, the CSO shall mention the name of the sites/pages where the organization intends to call for public collection.
- iv. **Identity of the volunteers:** The CSO should submit the list of volunteers (if any) engaged in the fundraising event along with the application.
- v. **Period of fundraising event:** The CSO should specify the date of commencement and close of the fundraising in the application.

## **7. Restrictions/Prohibitions**

Authority shall stringently enforce the principles of the fundraising regulations and CSOs shall specifically adhere the Section 63 of the Act states that, no person or institution shall raise fund or solicit money or other property for a CSO, unless he does so in accordance with the Act.

Section 165 of the Rules and Regulations states that no approval to be granted to a CSO:

- i. Which has failed to obtain any authority or permission required by it or any other law;
- ii. Intending to collect contributions for or on behalf of any individual.

And in line with the section 168 of the Rules and Regulations, a CSO while conducting fundraising campaign shall not:

- iii. Violate any orders issued by the Authority;
- iv. Violate directives issued by the Board provided that such directives are consistent with the provisions of the Act and these regulations;
- v. Use any names, symbol, emblem or other information that falsely suggest or implies a contribution is for a particular organization and
- vi. Misrepresent the purpose of CSO or nature or purpose of the beneficiary of a solicitation.

## **8. Admissible fundraising**

In addition to the sources of funds stated above, CSO may raise funds (time bound and approval based) through initiatives classified below:

- i. Cultural shows and gala events
- ii. Exhibitions and fairs

In doing so, the CSOs are also mandated to inform or seek approval from the other law enforcement and relevant agencies like, Royal Bhutan Police, Department of Trade, Dzongkhag/Thromde/Gewog Administration (whichever relevant or all).

Further, with the rapid development of media & technology, CSOs may opt to raise fund through any of the following digital ways similarly:

- i. Electronic mail (email), Organization's web page & payment gateways as approved by Royal Monetary Authority of Bhutan, a registered bank in Bhutan and formal online fundraising platforms.

## **9. Inadmissible fundraising**

In addition, CSOs shall not be permitted to conduct:

- i. Door to door collections in residential & official premises.
- ii. Public collection in public places unless authorized by the Authority.
- iii. Solidarity walks, use of slogans and exclaim for fund and support.
- iv. Games and lotteries

And CSOs conducting fundraising via official social media page are mandated to seek approval for the circulatory materials and content prior to fundraising

## **10. Time period for fundraising**

The time frame/period for approval-based fundraising as mentioned above shall be ascertained as stated in the application or classified and approve, extend or reject by the Authority (case by case) as stated in the *Annexure 2*.

## **11. Fundraising Application Form**

A CSO shall conduct public collection or fundraising only upon submitting the prescribed documents and obtaining the Public Collection Certificate from the Authority (*Annexure 3*).

## **12. Reports & Accounts of the Fundraising**

CSO shall issue money receipt or goods received to the donors with amount or details of as applicable. And shall maintain a record of all charities and donations received regardless of the quantity or value and is subjected to annual audits.

Furthermore, as required by the Section 169 and 170 of the Rules and Regulations, a CSO shall settle the detailed accounts of the fundraising within 5 working days from the end of the event and submit the fundraising report to the Authority along with consolidated accounts of the proceeds within one month respectively.

## **13. Banking and Accounts**

Funds received shall be deposited in CSO's account maintained with a registered bank in the country and funds received in the form of foreign currency shall be received in the CSO's foreign currency account opened with a bank in Bhutan as required by the Regulation. And all receipts, whether in cash or in kind shall be made in accordance with the procedures specified in the Sales Tax, Customs and Excise Act of the Kingdom of Bhutan.

## **14. Offences and Penalties**

### **14.1 False Statement**

A person or an institution soliciting fund or other property representing as a CSO without formal registration with the Authority shall be guilty of giving false statement.

The penalty for the offence shall be in accordance with the Penal Code of Bhutan.

### **14.2 Illegal Fundraising**

The Section 122 of the Act grades a CSOs or any person soliciting funds or goods or property as a charity without approval from the Authority and in accordance with the Act shall be referred as an illegal fundraising.

The offence for illegal fundraising shall be value-based sentencing in accordance with the Penal Code of Bhutan.

### **14.3 Unlawful Collection**

If a person or CSO shall be guilty of unlawful collection if collections or charity are solicited without conforming to the Act.

The offence for illegal fundraising shall be value-based sentencing in accordance with the Penal Code of Bhutan.

### **14.4 Appeals**

Section 164 of the Rules and Regulations states that any person or group of persons may, within the prescribed period and in the prescribed manner, may lodge with the Authority an objection against such application.

### **Important Considerations**

The guidelines are specifically for operations within the country and does not cover beyond. However, in any adverse case reported against CSO on unethical, unlawful and illegal activities made wherever, the CSO shall be liable for appropriate legal actions as per the provisions of the Act and other laws enforced.

While the terms of this framework remain a legal document, it sets out and outlines the values, beliefs and principles that will govern CSOs to initiate activities prescribed in this document professionally & proficiently with enhanced clarity, certainty & readability and does not replicate, replace or supersede any laws, or code of conduct that are already enforced.

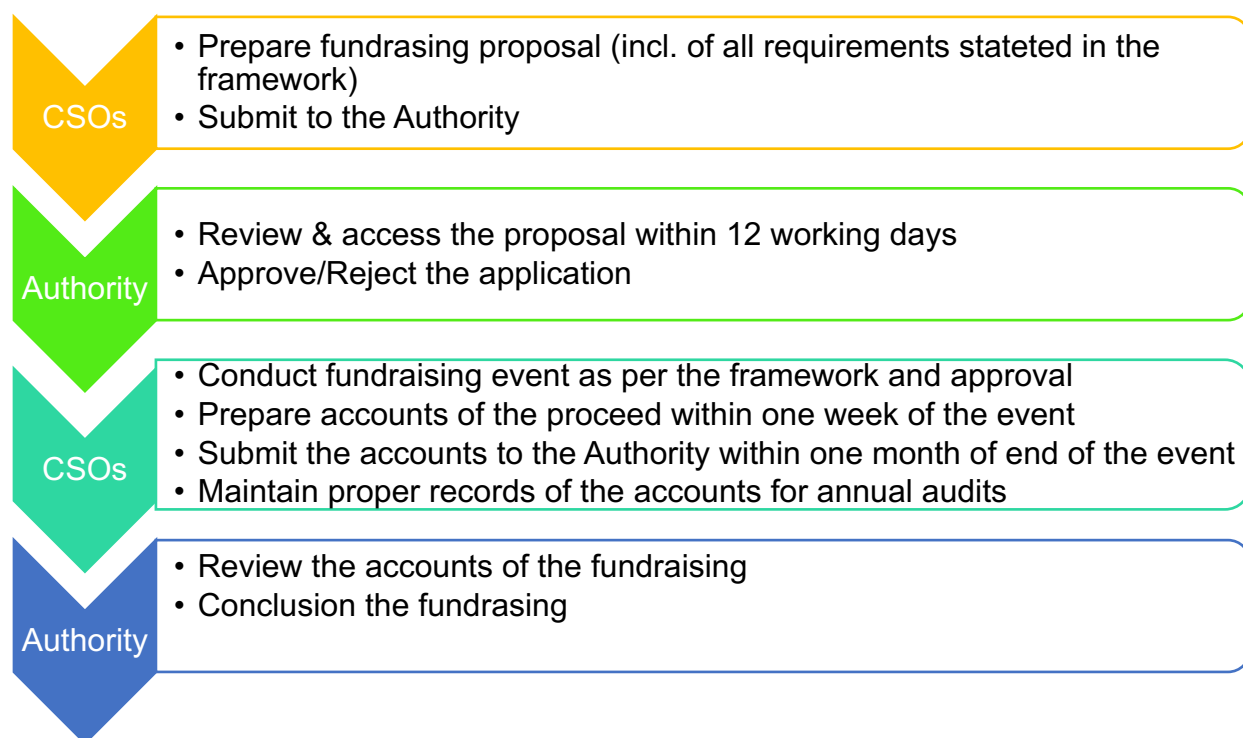
### **Amendment and Interpretation Authority**

The Authority shall have the power to amend by way of addition, variation or repeal the provision of the guidelines whenever deemed necessary and relevant.

The Authority shall be the final authority to interpret any difference or incongruence in the application of the Guidelines.



## Annexure 1: Fundraising submission procedure



## Annexure 2: Time period for fundraising

	Short Term	Medium Term	Long Term
Period	Maximum of 1 Month	1 month < 6 months	6 months < CSO 3/2 years' work plan.
Procedure of application	In prescribed format (form 12) along with detail outline of the fundraising including the background, objective, and frameworks/mechanisms of the fundraising.		The registered CSO shall propose the incorporation for addendum in the AoA with the indication of fundraising in their 2/3 years' work plan and will exhaust with the term of work plan submitted and approved by the Authority.
Extensions and Rejections	Conditional on the CSO's compliance records and registration status.		

## **Annexure 3 Fundraising Form**

### **PUBLIC COLLECTION CERTIFICATE**

**(Civil Society Organizations Authority of Bhutan)**

In pursuance to section 167 of the Civil Society Organization Rules and Regulations, I hereby certify that \_\_\_\_\_ (name of the CSO) located at \_\_\_\_\_ (address of registered office) bearing registration number \_\_\_\_\_ has this day been granted permission to conduct fundraising activities subject to the following conditions:

(a) Location of collection: \_\_\_\_\_

(b) Dates of collection (validity): \_\_\_\_\_

(c) Details of fundraiser: \_\_\_\_\_

Given under my hand at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ month of \_\_\_\_\_ year.

**Note:**

- 1. The fundraising shall be strictly in compliance to the CSO Act, Regulations and Guidelines.***
- 2. Clearance from relevant agencies is obligatory***
- 3. The fundraiser shall carry a copy of this Certificate.***
- 4. Fundraising report to be submitted to CSOA within one month (\_\_\_\_\_) after completion of fundraising event.***

**Seal**

**Member Secretary**

**Civil Society Organizations Authority**

**www.csoa.gov.bt (admin@csoa.gov.bt)**

## Annexure 4 Fundraising Concept Note Template

SSL No	Checklist	Description
1	Fundraising Approval Form	<i>Duly filled in Form 12 from CSOs Rules and Regulations 2017</i>
2	Concept note outline	<p><i>Shall include but not limited to the following details:</i></p> <ul style="list-style-type: none"> <li>• <i>Background/Rationale of the organization (inclusive of the Issues faced by the respective organization)</i></li> <li>• <i>Background of the fundraising activity</i> <ul style="list-style-type: none"> <li>• <i>Objectives/Purpose of fundraising</i></li> <li>• <i>Fundraising mechanisms/activities (also include any pamphlets or circulatory materials that shall be used for fundraising purpose)</i></li> <li>• <i>Areas of coverage (Places, population, organizations, etc...)</i></li> <li>• <i>Fund raising period (From--- to---) (Kindly include details of date, time and location of fund raising-tentative itinerary)</i></li> <li>• <i>Human resources engagement (People, volunteers involved)</i></li> <li>• <i>Estimated Target (in Nu)</i></li> <li>• <i>Detailed Accounting Mechanism (Please note that the accounts of the fundraising to be submitted to the CSOA Secretariat within one month after completion of the event for records)</i></li> <li>• <i>Partnerships (if any)</i></li> </ul> </li> </ul>
3	Approval from the Board	<i>Kindly note that for long-term fundraising (more than six months), it should be incorporated as a program in the three years workplan which shall be reviewed and endorsed by the Board of the respective CSO (must be approved by at least 2/3 of the board).</i>

**Annexure 5 Fundraising Report Template**

1	Name of the CSO	
2	Fundraising Approved on	
3	Dates of Collection	
4	Targeted Amount (Nu.)	
5	Amount Collected (Nu.)	
6	Operational Costs (Nu.)	
7	Net Collection (Nu.)	
8	Fund deposited to (please provide account number and name of the bank)	

**Name & Signature of the Executive Director**

**Date:**

---

***To be used by CSOA Officials:***

**Received on:** \_\_\_\_\_

## Annexure 6 Social Enterprise Application Form

### APPLICATION FORM FOR SOCIAL ENTERPRISE

(Note: Sections marked with \* must be filled in mandatorily)

#### Date of Application\*:

.....

#### Details of the Applicant\*:

1. Name of the CSO:

.....

2. CSO Type:..... 3. Registration Number:

.....

4. CSO Location:

.....

#### Details of the New Venture\*:

1. Establishment Name:

.....

2. Location (Village, Gewog, Dzongkhag):

.....

3. Investment Details:

a. Total Investments (Nu):

.....

b. Source of establishment fund:

.....

#### Details of the Existing Venture (Kindly fill this section if your organization has an already registered social enterprise)

Name of the Venture: .....

Date of Establishment: .....

Location of Venture: .....

Capital Investment (in Nu): .....

Annual Turnover (in Nu): .....

**DECLARATION\***

☐ I hereby, clearly understand the concept of social enterprise venture and shall adhere to the following:

- ✓ The enterprise shall operate independently under the existing trade/commercial norms
- ✓ The enterprise shall be accountable and liable for taxes and other mandatory commercial norms
- ✓ The income/returns shall be reflected clearly in the annual accounts of the CSO after covering all necessary expenditure
- ✓ The returns shall not be permitted to be divided or distributed to its members, founders, supporters, donors, employees or directors
- ✓ The enterprise shall operate in accordance with the social enterprise guidelines.

Name of the CSO Executive Director: .....

Signature: .....

---

***To be used by CSOA Officials:***

**Received on:** \_\_\_\_\_

## Annexure 7 Sample Format for Social Enterprise Concept Note

SL No	Checklist	Description
1	Social Enterprise Approval Form	<i>Duly filled in social enterprise approval form</i>
2	Project outline	<p><i>Shall include but not limited to the following details:</i></p> <ul style="list-style-type: none"> <li>• <i>Background/Rationale of the organization (inclusive of the Issues faced by the respective organization)</i></li> <li>• <i>Background of the proposed venture.</i></li> <li>• <i>how will venturing into the defined social enterprise venture benefit in addressing the above issues/outline the positive outcomes of the venture</i></li> <li>• <i>details of management of the venture</i> <ul style="list-style-type: none"> <li>• <i>Name and logo (in color) of the establishment</i></li> <li>• <i>Objectives/Purpose</i></li> <li>• <i>source of funding for set up</i></li> <li>• <i>Management of the returns from the venture</i></li> <li>• <i>Products and Services</i></li> <li>• <i>Human Resources during operation (must include list for all categories such as managerial, technical, professional, skilled, unskilled, semi-skilled, etc...)</i></li> <li>• <i>Targeted market and market analysis (You may include but is not limited to research on current market situation, target markets, customer characteristics, their needs, who and why will they buy your products or services)</i></li> <li>• <i>Location of operation (village, gewog, dzongkhag)</i></li> <li>• <i>Detailed Reporting Mechanism</i></li> <li>• <i>Overall management procedures</i></li> </ul> </li> <li>• <i>Cost-Benefit analysis of the venture w.r.t the chosen market &amp; Location of operation</i></li> <li>• <i>Partnerships (if any)</i></li> <li>• <i>Financial Details (in Ngultrum)</i> <ul style="list-style-type: none"> <li>• <i>capital investments</i></li> <li>• <i>Annual turnover</i></li> <li>• <i>Breakdown of operational costs</i></li> </ul> </li> <li>• <i>Risk Analysis (Identify potential risks (financial, operational, reputational...) and its mitigation measures)</i></li> <li>• <i>Sustainability Plan/Future prospects of the venture</i></li> </ul>
3	Approval from the Board	<i>The proposal shall be reviewed and endorsed by the Board of the respective CSO applying for the SE approval (must be approved by at least 2/3 of the board).</i>