



NON-PROFIT ORGANISATIONS

WHAT IS A NON-PROFIT ORGANISATION?

“non-profit organisation” or “organisation” means a body of persons whether incorporated or unincorporated, established solely or primarily for the promotion of charitable, religious, cultural, educational, social or fraternal purposes, or other activities or programmes for the benefit of the public, or a section of the public and which raises or disburses funds in pursuance of its objectives primarily within the Territory;

(Non-Profit Organisations Act, 2012)



RELEVANT LEGISLATIONS

- ❑ Non-Profit Organisations Act, 2012 (No. 10 of 2012)
- ❑ BVI Business Companies Act 2004 (No. 16 of 2004)
- ❑ Financial Services Commission Act 2001 (No. 12 of 2001)
- ❑ Financial Investigation Agency Act 2003 (No. 19 of 2003)
- ❑ Proceeds of Criminal Conduct Act 1997 (No. 5 of 1997)
- ❑ Anti-money Laundering Regulations 2008 (No. 12 of 2008)
- ❑ Anti-money Laundering and Terrorist Financing Code of Practice, 2008 (No. 13 of 2008)
- ❑ Any other terrorist financing legislations that are applicable to non-profit organisations in the Virgin Islands.



PURPOSE OF THE ACT

To establish a regulatory framework within which non-profit organisations can conduct their affairs and encourage non-profit organisations to maintain adequate standards of governance, transparency and public accountability.



GOVERNING AGENCIES

Non-Profit Organisations Registration Board

- 3 persons in the community who are active members of existing non-profit organisations
- a representative from the Joint Anti-Money Laundering and Terrorist Financing Advisory Committee (JAMLTAC)
- a member nominated by the Leader of the Opposition
- Permanent Secretary (ex-officio)
- Registrar (ex-officio)

Responsibilities:

- Receive and determine applications for registration by non-profit organisations
- Register non-profit organisations
- Receive and review financial statements and reports from organisations



GOVERNING AGENCIES Cont'd

British Virgin Islands Financial Investigation Agency (BVIFIA or the “Agency”)

- Supervise and monitor all non-profit organisations in the Virgin Islands
- Conduct periodic reviews (audits) of the accounts of non-profit organisations
- Promote awareness to non-profit organisations to protect the sector from being used for terrorist financing and money laundering



Registration



An application for registration should be submitted to the Non-Profit Organisations Board through the Registrar and comply with the requirements of **Section 12(2)**.



REQUIREMENTS FOR REGISTRATION

- ✓ **A signed application for registration by a person acting on behalf of the organisation.**
- ✓ **A copy of the constitutional documents of the organisation.**
- ✓ **A statement of the purpose, objectives and activities of the organisation.**
- ✓ **The fee prescribed in Schedule 2.**



REGISTRATION FEES

| DESCRIPTION | FEE |
|---|--------------|
| NEW APPLICATIONS | \$100 |
| RENEWAL APPLICATIONS | |
| (i) where gross annual income does not exceed two hundred and fifty thousand dollars | \$50 |
| (i) where gross annual income exceeds two hundred and fifty thousand and dollars | \$100 |



GROSS ANNUAL INCOME

“gross annual income” of a non-profit organisation includes:

- (a) income received from the provision of goods and services;
- (b) rental income;
- (c) interest on other income derived from investments;
- (d) donations of money or other property;
- (e) any grants;

(Non-Profit Organisations Act, 2012)



SAMPLE REGISTRATION FORM



SCHEDULE 1

[Sections 12 (1)]

REGISTRATION FORM

Non-Profit Organisation (NPO) Application for Registration (In Accordance with the NPO Act, 2012)

(Tick One) Is this a....

- ☐ New Application (complete sections 1 through 3 only) (\$50 or \$100)
☐ Renewal Application (complete all sections) (\$50 or \$100)
☐ Change Information Application (Section 1 and all applicable sections) (\$0)

1. ORGANISATION'S CONTACT DETAILS DATE:

| | | | |
|--------------------------------------|-------------------------------------|------------|------------------------------|
| Name (or Proposed Name) of NPO | | | |
| Contact Details for the Organisation | Office Telephone | Cell Phone | Email |
| | Address | | Website (if any) |
| | | | |
| Contact Person | Name | | Position in the Organisation |
| | Telephone (if different from above) | | |
| | | | |

2. ORGANISATION'S OPERATING DETAILS

| NPO Mission Statement | NPO Vision Statement |
|-----------------------|----------------------|
| | |

| | |
|---|-----------|
| | |
| In full detail, please describe the PURPOSE (or intended purpose) of the NPO: | |
| | |
| In full detail, please describe the ACTIVITIES (or intended activities) of the NPO: | |
| | |
| Please provide a copy of the organisation's CONSTITUTION (or intended constitution). | |
| Is your Organisation incorporated? YES/NO | |
| Does your Organisation have subsidiary Organisation(s)? YES/NO (Example- Girls' Brigades is a subsidiary organisation of the Methodist Church) | |
| Name these Subsidiary Organisations: | |
| 1. _____ | 9. _____ |
| 2. _____ | 10. _____ |



SAMPLE REGISTRATION FORM

| | |
|----------|-----------|
| 3. _____ | 11. _____ |
| 4. _____ | 12. _____ |
| 5. _____ | 13. _____ |
| 6. _____ | 14. _____ |
| 7. _____ | 15. _____ |
| 8. _____ | 16. _____ |

NOTE: If your organisation has subsidiary organisations, in addition to completing sections 4-6 for your organisation, please copy and complete sections 4-6 for each subsidiary organisation.

What are the criteria (s) for becoming a member?

Total Members _____
 # of Adults _____
 # of Children under 18 _____ Please attach a sample of your parental consent form.

Sample of proof of Membership (circle and attach at least one)

- Membership Certificate/Card
- Official Letter given to Members
- Annual Membership Registration List
- Other _____

| Names of Executive Body | Date of Election: |
|-------------------------|--|
| President: _____ | <i>Note: Any Changes to the Executive Body must be reported within 14 days of the change to avoid penalty fee.</i> |
| Vice President: _____ | |
| Treasurer: _____ | |
| Secretary: _____ | |
| Other: _____ | |

How often does the organisation have the following meetings?

Membership Meeting: _____

Executive Body: _____

Board of Directors: _____

3. ORGANISATION'S EXPENDITURE REPORT
 Organisations that earn \$250,000 or more are asked to attach a certified copy of their financial statements in addition to completing sections 3-6 of this form.

| A. When is the organisation's Financial Year End? _____ | | |
|--|----------------------------|----------------|
| Is there a first time Membership Fee? | YES/NO | Yes, how much? |
| Is there an Annual Membership Fee? | YES/NO | Yes, how much? |
| Does your organisation have operational Costs? YES/NO If yes, please complete the fields below. | | |
| Name of Operational Cost (All non-income payments, ex. Rent, gas, electricity etc). | Total Annual Cost Incurred | |
| 1. _____ | _____ | |
| 2. _____ | _____ | |
| 3. _____ | _____ | |
| 4. _____ | _____ | |
| 5. _____ | _____ | |
| 6. _____ | _____ | |
| 7. _____ | _____ | |
| 8. _____ | _____ | |



SAMPLE REGISTRATION FORM

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|---|----------|--|
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| 11. | | |
| 12. | | |
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| 17. | | |
| 18. | | |
| <i>Please attach a separate sheet of paper if additional space is required.</i> | | |
| 3B. Are any wages, salaries, and/or personal emoluments paid by the organisation? YES/NO | | |
| If yes, please complete the fields below. | | |
| Name | Position | Hourly Wage/Annual Salary/Personal emolument |
| 1. | | |
| 2. | | |
| 3. | | |
| 4. | | |
| 5. | | |
| 6. | | |
| 7. | | |
| 8. | | |
| 9. | | |
| 10. | | |
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| 12. | | |
| 13. | | |
| 14. | | |
| 15. | | |

5

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| 16. | |
| 17. | |
| 18. | |
| 19. | |
| 20. | |
| 21. | |
| 22. | |
| 23. | |
| 24. | |
| 25. | |
| What percentage % of funds raised is used towards wages, salaries, and/or personal emoluments? _____ | |
| <i>Please attach a separate sheet of paper if additional space is required</i> | |

4. REPORT ON FUNDS RAISED ANNUALLY

NOTE: If an activity, for example a bake sale is held more than once in the period under review; indicate the total funds collected from all sales instead of listing individually.

| Total funds raised in your last calendar year? | Total Amount | Total amount raised from within the BVI | Total amount raised from outside the BVI |
|--|--------------|---|--|
| | | | |
| Details of Fundraising | | | |
| Date | Event(s) | Purpose of Event | Amount Raised |
| 1. | | | |
| 2. | | | |
| 3. | | | |
| 4. | | | |
| 5. | | | |
| 6. | | | |
| 7. | | | |
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SAMPLE REGISTRATION FORM

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| 17. | | | |
| 18. | | | |

Please attach a separate sheet of paper if additional space is required

5. FUNDS RECEIVED THROUGH DONATIONS

If \$10,000 is donated by one individual at one time or collectively throughout the year, the name of the donor(s) should be listed in this section.

| Total funds received through donation in your last calendar year? | Total Amount | Total amount received through donations within the BVI | Total amount received through donations outside the BVI |
|---|---------------------|---|--|
| | | | |
| Details of Donations | | | |
| Date | Reason for donation | Name of Donor | Amount Donated |
| 1. | | | |
| 2. | | | |
| 3. | | | |
| 4. | | | |
| 5. | | | |
| 6. | | | |
| 7. | | | |

| | | | |
|-----|--|--|--|
| 8. | | | |
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| 10. | | | |
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| 12. | | | |
| 13. | | | |
| 14. | | | |
| 15. | | | |
| 16. | | | |

Please attach a separate sheet of paper if additional space is required

6. REPORT ON FUNDS DISTRIBUTED ANNUALLY

| Total funds distributed in your last calendar year? | Total Amount | Total amount distributed within the BVI | Total amount distributed outside the BVI |
|---|--------------|--|---|
| | | | |
| Details of Distributions | | | |
| Date | Event | Purpose | Amount Distributed |
| 1. | | | |
| 2. | | | |
| 3. | | | |
| 4. | | | |
| 5. | | | |
| 6. | | | |
| 7. | | | |



SAMPLE REGISTRATION FORM

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|-----|--|--|--|
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| 17. | | | |

Please attach a separate sheet of paper if additional space is required

Annual Earning - United States Dollar

NOTE:

"Funds" means assets of every kind, whether tangible or intangible, movable or immovable. Example, money, property, vehicles, furniture, artwork, etc.

"Raised", in respect to the funds of an NPO, includes funds given to the NPO but does not include-
a. income earned on the funds of the NPO, i.e. bank interest etc; or
b. new or remaining members fees.

"Distributed", in respect of the funds of an NPO, does not include the disbursement of funds paid to the NPO by person to become or remain members of the NPO if those funds only benefits members of the NPO

| Summary of Annual Financial Report | | | |
|------------------------------------|----------------------------|-------|-------------|
| | Total Funds Raised | _____ | (section 4) |
| Plus | + | | |
| | Total Funds by Donation | _____ | (section 5) |
| Equals | | | |
| | TOTAL ANNUAL INCOME | _____ | |

| | | | |
|--------|---------------------------------|-------|--------------|
| | Total Operational Cost | _____ | (section 3A) |
| Plus | + | | |
| | Total Emoluments | _____ | (section 3B) |
| Plus | + | | |
| | Total Funds Distributed | _____ | (section 6) |
| Equals | | | |
| | TOTAL ANNUAL EXPENDITURE | _____ | |
| | TOTAL ANNUAL INCOME | _____ | |
| Minus | - | | |
| | TOTAL ANNUAL EXPENDITURE | _____ | |
| Equals | | | |
| | TOTAL YEAR END BALANCE | _____ | |

Please use this area to provide any additional information you think might help the Board when reviewing your application.

I _____ certify that the information provided in this application is true. I understand that false or incomplete statements are grounds for refusal of registration.
I also understand that knowingly providing false information on this registration form is an offence under section 12(5) of the Non-profit Organisation Act 2012 and if convicted,



SAMPLE REGISTRATION FORM

I may be liable to a fine \$5,000 dollars or to imprisonment for a term not exceeding one year, or both.

Signature _____

Name in BLOCK Letters _____

Position Held in NPO _____

Date _____



OFFICE USE ONLY

| | |
|--|--|
| | |
|--|--|



NPO CONSTITUTIONAL TEMPLATE

DRAFT CONSTITUTION TEMPLATE

Name of NPO

1. The Name of the Organisation shall be [**NAME OF NPO**]

Purpose

2. **[Briefly state purpose of organisation]** for example: *To promote service activities among the youth of the community*

Objects

3. In order to fulfill its purpose the organisation shall:
 - a. Raise and distribute funds primarily (solely) for charitable or non-profit purposes and requiring the organisation to apply its income primarily to promoting those purposes;
 - b. Refrain from distributing any part of the income generated to members or shareholders; and
 - c. **[any other objects which the NPO requires]**

Powers

4. **[NAME OF NPO]** shall have the power to do or join in doing all such things as are incidental or conducive to the pursuit or attainment of the objects.

Membership

5. Any person who satisfies the following criteria will be eligible for membership:
 - a. **[NPO to list membership requirements to include amount of dues payable if applicable]**
6. The classes of membership are: **(only use if relevant to your organisation)**
 - a. Active member
A member who has satisfied the membership requirements at clause 5 and is in good standing with the organisation **(or use other criteria) –NOTE: criteria for all classes of members should be briefly described**
7. Membership and the rights of a member are personal and non- transferable.

Meetings

1. Regular meetings of the general membership shall be held no less than twice each month **(organisation should specify its meeting requirements/schedule)**
2. The secretary shall provide notice to all Members of the general meeting not less than one week before the meeting.
3. No less than half of the active general members must be present to convene a general meeting and constitute a quorum for the transaction of the organisation's business.
4. For the purposes of meetings active members may attend by proxy in writing which has been duly executed by the appointer.

Voting Rights

5. Each active member, whether attending in person or by proxy, shall have one vote.
6. Matters put to vote shall be determined by simple majority.

Election of Officers

7. The active members may nominate and elect officers from within the active membership to serve on the Board of the Directors by simple majority vote at a regularly constituted meeting.

Board of Directors and Officers

8. The officers of the organisation who shall constitute the Board of the Directors are:
 - a. Chairman/President;
 - b. Deputy Chairman/ Vice-President;
 - c. Secretary;
 - d. Treasurer; and
 - e. **(organisation should include any other officers they deem appropriate)**
9. The members in general meeting shall elect members of the organisation to serve as officers for such terms as the membership determines **(NPO can pre-determine the length of such terms).**
10. The management of the affairs of **[NAME OF NPO]** shall be delegated to the Board of Directors.
11. The Board of Directors shall meet at least twice a year.



NPO CONSTITUTIONAL TEMPLATE

1. The Chairman/President may convene a meeting of the Board of Directors at any time by giving at least 48 hours notice to the Officers. **(organisations should tailor this section as they see fit).**
2. The Board of Directors Meeting shall be properly constituted if the Chairman/President or Deputy Chairman/Vice President and any other two Officers are present.

Minutes

3. The Secretary shall keep or cause to be kept minutes of all meetings of the General Members and meetings of the Board of Directors.

Role of Chairman/President

4. The Chairman/President shall chair all General Meetings of the Members and Meetings of the Board of Directors. In the absence of the Chairman/President, the Deputy Chairman/ Vice President shall take the chair. In the absence of both, a chairman/president shall be appointed by the active members who are present for the purpose of that meeting.

Accounts

5. The financial year of **[NAME OF NPO]** shall end on **[insert date]**.
6. On conclusion of the financial year the Treasurer shall present a report to the Members in respect of the immediately preceding financial year.
7. The accounts of **[NAME OF NPO]** shall be open to inspection by any active member on giving reasonable notice to the Treasurer.

Winding Up/ Dissolution of [NPO]

8. **(briefly state what the organisation intends to happen should they organisation cease to exist – explain what would happen to funds and other assets held by the organisation if applicable)**

NOTE

This document is intended to be used only as a guide for the purposes of completing a constitutional document which is in compliance with s. 12(3) of the Non-Profit Organisations Act 2012. Your organisation may require further and/or other clauses on which you should seek independent advice.



SAMPLE FINANCIAL STATEMENT

| NAME OF NON-PROFIT ORGANIZATION | | | |
|---|--|----------------------------------|------------------|
| STATEMENT OF OPERATIONS | | | |
| For the Current Year Ended December 31, 2013 | | | |
| | | | |
| | | <i>all amounts in US dollars</i> | |
| | | Current Year | Previous Year |
| Revenues | | | |
| Government Grants | | 76,950 | 70,500 |
| International Grants | | 5,300 | 5,000 |
| Membership Fes/Dues | | 9,750 | 9,200 |
| Contributions/donations | | 15,000 | 14,500 |
| Fundraising Events | | 1,600 | 1,400 |
| Investment Income | | 350 | 350 |
| Interest and Other | | 100 | 150 |
| <i>Total Revenues</i> | | 109,050 | 101,100 |
| Expenditures | | | |
| Bank Charges | | 50 | 50 |
| Salaries and Benefits | | 74,300 | 70,940 |
| Rent and Building Occupancy | | 18,450 | 16,000 |
| Office Expenses & Supplies | | 4,900 | 4,400 |
| Equipment Rental | | 1,250 | 1,200 |
| Marketing and Communications | | 1,730 | 900 |
| Telephone & Internet | | 2,000 | 1,500 |
| Utilities(<i>electricity, water, cable</i>) | | 1,500 | 1,450 |
| Professional Fees | | 800 | 750 |
| Training and Development | | 500 | 500 |
| Travel | | 300 | 460 |
| Amotrization of Capital Assets | | 240 | 300 |
| Other | | 50 | 40 |
| <i>Total Expenditure</i> | | 106,070 | 98,490 |
| Excess of Revenues Over Expenditures | | 2,980 | 2,610 |
| Retained Earnings - Beginning Balance | | 28,400 | 25,790 |
| Retained Earnings- Ending Balance | | 31,380 | 28,400 |



REGISTRATION CHECKLIST

- ☐ Complete ALL sections of the application form, sign and date form.
- ☐ Use the registered name of the organisation.
- ☐ Section 1 MUST be completed.
- ☐ Membership information MUST be entered.
- ☐ NPO registration fee MUST be entered as an expense (Section 3A)
- ☐ Section 3B: Salaries, wages, NHI, payroll tax, etc. include what percentage of funds raised is used towards salaries.
- ☐ Sections 4 – 6: Enter zeros for no activity. Provide breakdown for activity within and outside the BVI.
- ☐ Summary of Annual Financial Report: complete all parts
- ☐ Provide statement of operations or certified financial reports
- ☐ Use note field as applicable.
- ☐ State “no donations received in the amount of \$10,000 or more collectively or by one donor” if applicable.



EFFECT OF REGISTRATION

- ❑ Certificate of registration (received after orientation with the Agency”)
- ❑ Validity: One year
- ❑ A certificate of registration will be issued for a period of one year.
- ❑ Entered in the Public Register
- ❑ An application for the renewal of a certificate of registration should be made no later than one month after the certificate expires.
- ❑ An NPO remains registered until it is deregistered.



POST REGISTRATION RESPONSIBILITIES

- Maintain accurate records of the organisation's transactions and notify the Board of any changes to the organisation **(Section 22 & 23)**
- Notify the Board in writing of any change in information within 14 days **Section 22(1)(2)**
- Keep the records to show **(Section 23)**
- Keep revenue and expenditure records for a period of at least five years **Section 23(5)**
- Comply with the Anti-money Laundering Regulations, 2008 and the Anti-money Laundering and Terrorist Financing Code of Practice, 2008 **Section 23(2)**
- Appoint a Money Laundering Reporting Officer (NPO with five or fewer employees, the Board may exempt that organisation from the requirement to appoint a Money Laundering Reporting Officer **Section 23(3)**
- Comply with various information reporting provisions and formalities **(Section 24).**



Submit annually to the Board:

- ❑ Financial statements of the organisation's revenue and expenditure **(Section 24 (1))**;
 - financial statements, certified by an accountant, where the gross annual income of the organisation exceeds two hundred fifty thousand dollars **(Section 24 (2))**;
 - report of income and expenditure in a form approved by the Board, where the gross annual income of the organisation does not exceed two hundred fifty thousand dollars **(Section 24 (2))**;
- ❑ The financial statements required by subsection (2) shall include:
 - a list of donors who have donated in excess of ten thousand dollars as a single donation or cumulatively, during the year;
 - a breakdown of any funds raised, or donations received, and disbursed, by any association of persons operating under and subject to the control of the organisation
- ❑ Financial statements should be submitted, within six months after the end of the year, unless prior written approval of an extension has been granted by the Board **(Section 24 (4))**



PENALTIES

ADMINISTRATIVE PENALTIES

| Section of Act Breached | Type of Breach | Penalty Range |
|-------------------------|---|------------------------|
| Section 20 | (a) Failure to comply with Notice as required by the Act where the Agency decides to institute an inquiry | \$3,000 up to \$20,000 |
| | (b) Failure to provide explanation of records produced, where required to do so | \$3,000 up to \$20,000 |
| Section 21 | Supplying inaccurate or misleading information or withholding of information | \$3,000 up to \$20,000 |
| Section 22 | Failure to notify the Board of changes to registration information | \$1,000 up to \$10,000 |
| Section 23 | Failure to maintain any records required to be maintained | \$1,000 up to \$10,000 |



GENERAL FEES

| DESCRIPTION | FEE |
|--|-------------|
| Additional or Replacement Certificate | \$25 |
| Certified copy of a document | \$25 |
| Uncertified Copy of a document | \$50 |



CONTACT INFORMATION



Registrar of Non-Profit Organisations
Non-Profit Organisations Registration Board
Ministry of Health and Social Development
Sea meadow House
Road Town, Tortola VG1110
British Virgin Islands

Tel: (284) 468-5108/5147 (direct) or (284) 468-2272 (main)

Email: npoboard@gov.vg





QUESTIONS & ANSWERS