

## **NGOs IN KENYA – MANDATORY FILING OF ANNUAL RETURNS NGOS IN KENYA**

Non-governmental organizations (NGOs) operating in Kenya are required to file their Annual Returns as provided in section 24 of the NGOs Regulations 1992.

The NGOs Co-ordination Board is mandated to receive and discuss the annual returns of NGOs.

Every NGO is required to submit an annual return within 3 months subsequent to the end of its financial year on Form 14 (F-14) which is the statutory form set out for the same.

It is important to take note that NGOs with receipts of over Kenya shillings One Million (Ksh.1, 000,000) per annum must submit audited accounts. Audits should be conducted by firms registered by the Institute of certified Public Accountants of Kenya (ICPAK).

It is mandatory that the Financial information be stated in Kenya shillings (Ksh) as the accounts and returns stated in any other currency will not be accepted.

The audited account must also be compliant with International Financial Reporting Standards (IFRSs).

It is equally important for NGOs to take note of the following with regard to Annual Returns filing:

a. The Constitution of the NGO states its Financial Year which cannot be changed without express permission from the Board.

In case an NGO wishes to change its financial year, it has to write to the Board stating the reasons for the change and is required to follow its own provisions for amendment of constitution.

b. It is a requirement for every NGO to know its financial year and in case of doubt should contact the NGO Co-ordination Board for this information.

c. NGOs have three (3) months subsequent to the end of their financial year to prepare and submit audited accounts.

Should there be a reason that the audit will be delayed beyond the three (3) month period, the NGO can file its annual returns using management accounts and request for more time (which should not exceed 60 days) within which to finalize its audit.

d. Annual returns should be accompanied by filing fees.

e. NGOs whose returns are outstanding are notified to file the returns and pay the late filing penalty within 21 days from the time such returns become outstanding.

f. Under legal notice No.84 of 2004, NGOs that do not submit returns by the set deadline shall be deregistered for non-compliance and will only be reinstated after making a formal application for reinstatement and payment of a penalty, a set amount for issuance of a new certificate and filing fee to accompany their returns.

g. It is important for NGOs to know that filing nil returns is discouraged since this implies the NGO is dormant and this is a basis for reviewing the NGOs registration.

Take note that NGOs who file nil returns over a period of two (2) to more years are technically implying that the organization is dormant and will then be expected to prove existence pursuant to section 18 of the NGOs Act.

NGOs are encouraged not to base their reports solely on donor funding but to also document contributions from directors in terms of voluntary work and provision of premises as well as contributions from the community. All these should be captured in the F- 14.

For all your fast and efficient filing of NGO Annual Returns, please contact us at [GND Consult](#).

