



C Masters Development Services cc CK number 1996/049880/23
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Top 10 Tips for NPO Start Up!

What you need to know about basic compliance for SA NPO's!

1. Before you begin, check out other organisations and initiatives in your area. Know what are others are doing. Don't duplicate! **Collaborate!** Cooperate! Form a group and agree on why and what you want to do and achieve!
2. Choose an appropriate legal structure. Talk to an experienced **NPO lawyer!** Clearly state your objectives for "public benefit". Word your governing documents (constitution) well to include important clauses that will underpin good governance and meet the requirements for NPO registration and PBO approval (see below).
3. Establish a **governing body** (committee or board) of at least three independent persons to carry fiduciary responsibility for the affairs of the organisation.
4. **Register as an NPO** with the NPO Directorate at the Department of Social Development. Appoint an accounting officer or auditor (as required). Read the requirements for registered NPO's and plan to comply, including the submission of annual reports and of changes to your information to the Directorate.
5. Open a **current bank account** for the organisation with registration documents, resolution, proof of residence, and a small deposit. Use the bank account to deposit all money received and to make all payments for the organisation – this practice helps to provide a basis for sound financial recordkeeping for the organisation.

6. **Apply to the SARS** Exemption Unit for a **PBO number** and section 18A status (if relevant). Read about the benefits and responsibilities and ensure compliance! Complete an annual income tax return (IT12 EI).
7. **Register as an employer** (with SARS, UIF authorities, Compensation Commissioner etc.) as soon as the organisation employs one person or pays a person regularly regardless of the amount. Keep proper payroll records and submit statutory returns (via e-filing) and pay amounts due on time.
8. Keep proper and comprehensive **financial records***. Secure the assistance and services of a qualified bookkeeper or accountant as soon as possible.
9. Prepare and present up to date **financial reports** based on financial records and discuss these with the governing body (committee or board) at least quarterly and provide financial information to other stakeholders, such as beneficiaries, supporters, funders, and others.
10. Prepare and present **annual financial statements** (AFS), including at least a statement of financial position and statement of comprehensive income (and expenditure), based on financial records, with an accounting officer's report or a report of an independent auditor. This needs to be done within six months of the financial year end. Submit these, with a narrative annual report to the NPO directorate.