LEGAL UPDATE



6 November 2018



Ministry issues amendments to NGO Regulations

- To increase financial transparency of NGOs
- NGOs to disclose source of funds, expenditure incurred
- Must disclose donor funded contracts to Registrar

On 19 October 2018 vide GN No 609 the Minister for Health, Community Development, Elderly and Children issued the Non Governmental Organizations Act (Amendments) Regulations 2018.

These Regulations are to be read as one with the NGO Regulations 2004, adding the following additional obligations on NGOs:

- Disclosure of fund raising activities within 14 days of fund raising activities, NGOs are now required to mandatorily disclose to the Public and Registrar of NGOs (Registrar) on sources of the funds obtained, expenditure incurred in raising such funds, purpose of the funds and activities to be carried out using the funds obtained.
- 2. NGOs that obtain more than TZS 20M from fund raising are now required to publish bi-annually the funds received and the expenditure incurred in raising such funds in widely circulated newspapers and other media channels which are easily accessible by the targeted beneficiaries. Additionally, any contracts entered into with donors or persons who grant such funds must now be submitted to the Registrar within 10 days from date of entering into such a contract. Further, the NGO must declare to the Registrar any other source of funds received before expenditure.
- 3. Each NGO must now also amongst others, have in place sound financial management practice, limit resources used towards raising funds (expenditure control), manage resources in order to provide value for money, ensure financial transactions are transparent and fully documented for a 'defined' number of years, ensure proper financial discipline, procure competitively, maintain an updated asset register, avoid conflict of interest with staff and exercise zero tolerance to corruption and money laundering.
- 4. Each NGO shall be answerable, responsive and accountable to the people it serves through existing Local Government structures and shall not enter into contracts which undermine the sovereignty of the state and rights of its people.
- 5. Any NGO which contravenes the provisions above commits an offence which is imprisonable or attracts a fine, or both.

To read the Non Governmental Organizations Act (Amendments) Regulations 2018 click here.

For further information on legal updates please contact:

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