CONSULT MY COMMUNITY

NO FUNDING, STILL ACCOUNTABLE

A Practical Survival and Compliance Guide for Community Nonprofit Organisations in South Africa

How to stay compliant, strengthen governance, build donor confidence, and keep serving your community even when your organisation has no funding.

A plain-language guide for NPO founders, community leaders, board members, volunteers, and emerging grassroots organisations.

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> **Please note:** This guide provides general educational information, not legal, accounting, or tax advice. Requirements depend on an organisation's legal structure and activities. Verify current procedures with the relevant regulator.

Introduction: Your Organisation Matters, Even Without Funding

Across South Africa, thousands of community organisations provide essential services to vulnerable people.

Some feed children, care for older persons, support people living with disabilities, assist unemployed young people, address gender-based violence, or provide educational support.

Many operate without offices, salaries, computers, or reliable funding. Their leaders often use personal money for transport, printing, internet access, and community activities.

Yet these organisations are expected to comply with regulatory requirements, maintain proper records, submit reports, and demonstrate accountability.

This creates a difficult reality:

> **An organisation can be doing valuable community work while struggling to meet its administrative and legal obligations.**

This eBook explains the most common challenges, identifies what the law requires, and offers realistic steps for organisations with little or no money.

The goal is not simply to help organisations avoid deregistration. It is to help them become stronger, more transparent, and better prepared for funding opportunities.

> **Important:** This guide provides general educational information, not legal, accounting, or tax advice. Requirements depend on an organisation's legal structure and activities. Verify current procedures with the relevant regulator.

Chapter 1: Understanding the Nonprofit Compliance Crisis

1.1 What the Department of Social Development Reports

On 5 February 2025, the Department of Social Development (DSD) reported:

- **203,279 organisations** were at risk of deregistration for failing to submit required annual reports.
- **41,787 notices of non-compliance** had been issued.
- **6,221 organisations** had been deregistered.

These are different categories. Being at risk does not mean an organisation has already been deregistered.

DSD emphasises that compliance promotes accountability, transparency, and responsible management of nonprofit organisations. However, reporting statistics alone cannot explain why organisations become non-compliant.

1.2 What Nonprofit Organisations Report

Research by nonprofit sector organisations reveals additional challenges. NACOSA's 2025 network survey, involving 192 organisations, found that:

- 88% considered fundraising challenging or very challenging.
- 34% had less than two months of funding available to continue programmes.
- Many organisations had experienced funding reductions, delayed disbursements, or staffing cuts.

Research published by Inyathelo in 2026 also highlighted limited compliance capacity, banking difficulties, regulatory awareness gaps, and administrative burdens.

These surveys describe participating organisations and should not automatically be treated as statistics for every NPO in South Africa.

1.3 Why Compliance Becomes Difficult

Consider a community feeding programme run by five volunteers. The organisation may have:

- No monthly income.
- No paid bookkeeper.
- No computer.
- Limited internet access.
- No money for an accounting officer.

- Board members unfamiliar with financial reporting.
- No one responsible for regulatory deadlines.

The volunteers may serve meals every week but still fail to submit the required annual documents.

> **The problem is not necessarily an unwillingness to comply. It may be a lack of knowledge, money, systems, or professional assistance.**

Proposed solution

Every community organisation should develop a basic compliance system that can operate without expensive software or full-time employees. This guide explains how.

Chapter 2: Know Your Organisation's Legal Status

One of the biggest sources of confusion is the belief that all nonprofit registrations mean the same thing. They do not.

Registration or status	Responsible institution	What it means
Voluntary association	Established through its constitution	A common legal structure for community organisations
Registered NPO	Department of Social Development	Registration under the NPO Act
Nonprofit company (NPC)	CIPC	A nonprofit legal entity incorporated under company law
Public Benefit Organisation (PBO)	SARS	An organisation granted specific tax-exempt status
Section 18A approval	SARS	Specific authorisation to issue qualifying tax-deductible donation receipts

An organisation can hold more than one status. For example, a voluntary association may register as an NPO with DSD and separately apply for PBO approval from SARS. An NPC may also register with DSD.

Important misunderstandings

> **Myth:** Every NPO is automatically tax-exempt.
> **Fact:** DSD registration does not automatically grant SARS PBO approval.

> **Myth:** Every registered NPO must undergo an expensive annual audit.
> **Fact:** DSD requires financial statements and an accounting officer's report. A full independent audit is not automatically required of every DSD-registered NPO. Other requirements may apply to NPCs, trusts, or organisations subject to particular funding agreements.

> **Myth:** An organisation with no funding does not need to report.
> **Fact:** A registered NPO's annual reporting obligations generally continue even if it receives no funding or undertakes limited activities.

> **Myth:** Every organisation needs to register with every regulator.
> **Fact:** Obligations depend on legal structure, tax status, activities, and applicable legislation.

Your first action

Write down your organisation's:

1. Legal structure.
2. DSD NPO registration number, if registered.
3. CIPC registration number, if applicable.
4. SARS PBO reference number, if approved.
5. Section 18A approval status, if applicable.
6. Financial year-end date.

Keep these details together in one file.

Chapter 3: DSD Compliance Made Simple

This is one of the most important chapters for community organisations registered under the NPO Act.

3.1 The Main Reporting Requirements

Requirement	Deadline or frequency
Maintain financial records	Throughout the year
Prepare annual financial statements	Within six months after financial year-end
Obtain accounting officer's written report	Within two months after preparing the financial statements
Submit narrative report, financial statements, and accounting officer's report to DSD	Within nine months after financial year-end
Report office-bearer appointments or elections	Within one month, including required details
Notify DSD of changes to constitution, name, or address	Follow applicable statutory notification procedures
Retain required accounting records	At least five years under DSD requirements

These requirements are set out in the NPO Act and DSD guidance.

3.2 What Is a Narrative Report?

A narrative report explains what the organisation did during the financial year. It does not need to be a glossy publication. A basic report should include:

- Organisation name and registration number.
- Reporting period.
- Objectives.
- Activities undertaken.
- People or communities served.
- Achievements.
- Challenges.
- Plans for the next year.

Example: An Unfunded Community Organisation

> **Organisation:** Community Hope Development Association
> **Reporting period:** 1 April to 31 March
> **Purpose:** To support vulnerable children and families.

Activities undertaken: Volunteers conducted community visits, held two awareness meetings, and identified households requiring assistance.

Funding received: R0.

Challenges: Lack of funding prevented the organisation from implementing its planned feeding programme.

Plans: Approach local businesses for food donations, recruit volunteers, and establish partnerships.

This is an illustrative example, not a report of a real organisation.

Key lesson: Report what actually happened. Do not invent activities, beneficiary numbers, donations, or expenditure to make the organisation appear active.

3.3 What If Your Organisation Received No Money?

A registered NPO should not assume that receiving no money removes its reporting obligations. Start by recording:

- Opening bank and cash balances.
- Money received, even if zero.
- Expenses, even if zero.
- Assets and liabilities.
- Donations in kind, where relevant.
- Any unpaid obligations.

Financial statements must still meet applicable accounting requirements. A basic spreadsheet is useful for recordkeeping, but it is not necessarily a substitute for properly prepared financial statements.

If your organisation cannot afford an accounting officer, contact DSD for guidance and approach local accounting professionals, professional associations, universities, or nonprofit support organisations about possible pro bono assistance.

Do not assume that an affidavit or bank statement automatically replaces the legally required accounting officer's report. Obtain current written guidance from DSD if an alternative submission is being considered.

Chapter 4: Eight Real Compliance Challenges and Practical Solutions

Every challenge below is common among small, volunteer-led organisations. Each comes with practical steps you can start now and a proposal for how the wider sector can help.

Challenge 1: No Money for Professional Compliance Support

The problem: Community NPOs may struggle to pay for bookkeeping, financial statements, or professional accounting assistance.

Practical solutions:

- Ask qualified accountants whether they provide pro bono NPO services.
- Approach university accounting departments about supervised community projects.
- Share training and administrative resources with other NPOs.
- Keep records monthly so the year-end work is smaller and less costly.
- Include compliance costs in future funding proposals.

Challenge 2: Limited Knowledge of Legal Requirements

The problem: Founders may understand community needs but have little training in nonprofit governance, tax, or reporting.

Practical solutions:

- Appoint one board member as the compliance coordinator.
- Create a simple compliance calendar.
- Attend free training when available.
- Keep a written list of obligations relevant to the organisation.
- Ask regulators for clarification rather than relying on rumours.

Challenge 3: Weak Financial Recordkeeping

The problem: Receipts disappear, cash transactions are not recorded, and expenditure cannot be explained.

Practical solutions:

- Use a notebook or free spreadsheet.
- Record transactions immediately.
- Keep receipts and payment evidence.
- Reconcile records against bank statements monthly.

- Keep organisational funds separate from personal funds.
- Require approval and supporting documents for expenses.

Challenge 4: Poor Governance and Inactive Boards

The problem: Some organisations have registered board members who rarely attend meetings or fulfil their responsibilities.

Practical solutions:

- Review the constitution.
- Schedule meetings in advance.
- Record attendance and minutes.
- Assign responsibilities.
- Document major decisions.
- Declare conflicts of interest.
- Follow the organisation's own rules for elections and appointments.

Challenge 5: Digital Exclusion

The problem: Organisations may lack computers, data, reliable electricity, or the skills required to use online systems.

Practical solutions:

- Maintain a paper filing system alongside digital records.
- Use free spreadsheet and document applications when accessible.
- Store backup copies securely.
- Ask local libraries or community centres about computer access.
- Keep proof of every regulatory submission.

Challenge 6: Banking and Financial Access

The problem: Organisations can struggle to open or maintain accounts, provide bank verification documents, or respond to requests for governance information.

Practical solutions:

- Keep the constitution and registration documents updated.
- Maintain current office-bearer information.
- Prepare resolutions authorising account signatories.
- Document the source and purpose of funds.

- Request written reasons for banking difficulties and use the bank's complaints process when appropriate.

Challenge 7: Confusion About Multiple Regulators

The problem: An NPC registered with DSD may need to submit information to DSD, CIPC, and SARS.

Practical solutions:

- Create a separate checklist for each applicable regulator.
- Record all deadlines.
- Keep copies of submitted forms and acknowledgements.
- Check that registration information is consistent across institutions.

For NPCs, CIPC annual returns and beneficial ownership filings are important obligations. SARS-approved PBOs also have ongoing tax reporting responsibilities.

Challenge 8: Funding Shortages That Undermine Compliance

The problem: Without money for administration, organisations struggle to maintain the very systems that funders expect.

Practical solutions:

- Budget for compliance, transport, data, and recordkeeping.
- Seek in-kind professional services.
- Build relationships with local businesses.
- Collaborate with established NPOs.
- Maintain a small portfolio of evidence demonstrating community work.

Chapter 5: Your Zero-Cost Compliance Toolkit

A small NPO does not need expensive software to start improving its systems. Begin with five folders, physical or digital.

Folder 1: Registration and Governance

Keep:

- Constitution or other founding document.
- Registration certificates.
- Office-bearer details.
- Board appointment records.
- Meeting minutes.
- Policies and resolutions.

Folder 2: Financial Records

Keep:

- Bank statements.
- Income and expenditure register.
- Receipts and invoices.
- Donation records.
- Financial statements.
- Accounting officer's reports.

Folder 3: Programmes and Activities

Keep:

- Activity plans.
- Attendance records, where appropriate.
- Programme reports.
- Evidence of outcomes.
- Approved photographs, where lawful and consent requirements are met.
- Community feedback.

Folder 4: Compliance Submissions

Keep:

- Annual reports.
- Copies of documents sent to DSD.
- Submission confirmations.
- CIPC filings, if applicable.
- SARS correspondence and returns, if applicable.
- Regulator notices and responses.

Folder 5: Funding and Partnerships

Keep:

- Funding proposals.
- Budgets.
- Donor correspondence.
- Partnership agreements.
- Donation acknowledgements.
- Grant reporting requirements.

> **Important:** Protect confidential beneficiary and volunteer information. Limit access to personal information and store it securely, consistent with POPIA and other applicable laws.

Chapter 6: Simple Templates Every NPO Should Use

Copy these templates into a notebook, spreadsheet, or document and use them every month.

Template 1: Monthly Financial Register

Date	Description	Money in	Money out	Balance
01 April	Opening balance	—	—	R0
05 April	Community donation	R200	—	R200
07 April	Printing	—	R50	R150
30 April	Closing balance	—	—	R150

This is an illustrative transaction register, not a complete set of annual financial statements.

Template 2: Monthly Activity Report

Organisation name: _____

Month: _____

Activity: _____

Purpose: _____

Location: _____

Number of participants (verified): _____

Resources used: _____

Results achieved: _____

Challenges experienced: _____

Next steps: _____

Prepared by: _____

Template 3: Board Meeting Record

Date: _____

Members present: _____

Apologies: _____

Matters discussed: _____

Decisions taken: _____

Person responsible for each action: _____

Deadline: _____

Chairperson's signature: _____

Template 4: Compliance Tracker

Task	Responsible person	Deadline	Status
Update financial register	Treasurer	Monthly	
Hold governance meeting	Chairperson	As constitution requires	
Prepare financial statements	Assigned finance lead	Within six months of year-end	
Obtain accounting officer's report	Board	Within applicable deadline	
Submit DSD annual reporting package	Compliance coordinator	Within nine months of year-end	
Review CIPC/SARS obligations	Compliance coordinator	According to applicable deadlines	

A useful rule is to review this tracker at every board meeting.

Chapter 7: Good Governance Protects Your Organisation

Compliance is not only about forms and certificates. It is also about making responsible decisions.

Seven Basic Governance Practices

1. **Follow the constitution.** It sets out how the organisation should be governed.
2. **Keep proper minutes.** Record decisions so that the organisation can demonstrate accountability.
3. **Separate personal and organisational finances.** Avoid informal handling of funds.
4. **Use financial controls.** Require appropriate approvals, receipts, and periodic reviews.
5. **Declare conflicts of interest.** Board members should not use their positions for improper personal benefit.
6. **Protect beneficiaries.** Organisations working with children and vulnerable people need appropriate safeguarding measures.
7. **Protect personal information.** Collect only necessary information, use it lawfully, and restrict access.

> Even if the organisation has no funding, these practices build trust and reduce the risk of fraud, disputes, and reputational damage.

Chapter 8: How to Become Funding-Ready Without Funding

An organisation does not need a large office or expensive website to begin preparing for funding. It needs credible evidence that it is organised, accountable, and addressing a real need.

Step 1: Define the Community Problem

Explain clearly:

- Who needs help?
- What problem are they experiencing?
- Where does the problem occur?
- What evidence supports the need?
- What practical solution does your organisation offer?

Step 2: Develop a One-Page Organisation Profile

Organisation name: _____

Location: _____

Legal and registration status: _____

Mission: _____

Community need: _____

Main activities: _____

Achievements to date: _____

Current challenges: _____

Resources required: _____

Contact details: _____

Only state registration or tax statuses that the organisation actually holds.

Step 3: Start With Non-Cash Support

Consider approaching local partners for:

- Printing and stationery.
- Food or other programme supplies.
- Venue access.
- Transport assistance.
- Internet or computer access.
- Professional bookkeeping support.

- Training and mentorship.

In-kind donations should be documented, with appropriate acknowledgement and records of how the resources were used.

Step 4: Build a Funding-Ready File

Prepare:

- Founding document.
- Registration documents.
- Board details.
- Activity reports.
- Financial records and applicable statements.
- Annual compliance submissions.
- Project proposal.
- Realistic budget.

Step 5: Do Not Misrepresent Tax Benefits

> **Remember:** Only organisations specifically authorised by SARS under section 18A may issue qualifying section 18A tax-deductible donation receipts. A normal donation acknowledgement is not automatically a section 18A receipt.

Chapter 9: Your 30-Day Compliance Recovery Plan

This plan is for an organisation that has fallen behind and wants to start correcting its records.

Week 1: Understand Your Status

- Confirm your DSD registration status.
- Check whether CIPC or SARS obligations also apply.
- Identify your financial year-end.
- List missing annual reports.
- Review any notices from regulators.
- Contact DSD promptly if you have received a non-compliance or deregistration notice.

If registration has already been cancelled, ask DSD about the applicable appeal, review, or re-registration process. Do not assume that filing documents automatically restores registration.

Week 2: Organise Your Records

- Collect bank statements and receipts.
- Prepare an income and expenditure register.
- Gather board meeting records.
- Update office-bearer information.
- Prepare a list of actual activities undertaken.
- Identify missing documents.

Week 3: Prepare Outstanding Reports

- Draft narrative reports for relevant periods.
- Arrange preparation of financial statements.
- Seek a qualified accounting officer.
- Review reports with the board.
- Contact DSD for clarification where records are incomplete.

> **Do not fabricate missing records or backdate meetings.** Honest, incomplete records are far safer than false ones.

Week 4: Submit and Maintain

- Submit the required documents through accepted channels.
- Retain proof of submission.

- Respond to requests for corrections.
- Set up monthly recordkeeping.
- Create a compliance calendar for the next year.

> **The objective of the first 30 days is to understand the organisation's position, correct what can be corrected, and establish a sustainable system.** Full recovery may take longer.

Chapter 10: Proposed Solutions for Government, Funders, and the Nonprofit Sector

Community organisations cannot solve every structural compliance problem alone. A sustainable response requires cooperation.

Recommendation 1: Free Community Compliance Help Desks

DSD and sector partners could establish local support points to assist small organisations with understanding requirements, preparing documents, and navigating reporting systems.

Recommendation 2: A Supported Reporting Pathway for Unfunded NPOs

Regulators and professional bodies could explore a simplified, legally compliant reporting process for organisations with no income or activity. Any such pathway would need to be formally authorised. It should not be treated as an existing exemption.

Recommendation 3: Pro Bono Accounting Partnerships

Professional accounting associations, universities, and established nonprofits could coordinate supervised assistance for qualifying community organisations.

Recommendation 4: Free, Multilingual Compliance Training

Training should be practical, accessible on mobile phones, and available in local languages.

Recommendation 5: Early-Warning Systems

Organisations could receive reminders before deadlines, clear explanations of missing submissions, and accessible opportunities to correct non-compliance.

Recommendation 6: Proportionate Compliance Requirements

Regulators should protect accountability while considering the administrative capacity and risk profile of smaller organisations.

Recommendation 7: Funding for Administration

Donors should recognise that governance, accounting, transport, connectivity, and compliance are legitimate organisational costs.

Recommendation 8: Stronger Community Partnerships

Established nonprofits could mentor smaller organisations, share facilities, provide training, and help develop financial management capacity without compromising their independence.

Chapter 11: Your Community NPO Compliance Checklist

Use this checklist at least once every three months.

Governance

- ☐ Our founding document is available and current.
- ☐ Our board or governing body is functioning.
- ☐ Meetings are held as required.
- ☐ Minutes and resolutions are recorded.
- ☐ Office-bearer changes have been reported where required.

Financial Management

- ☐ We record all money received and spent.
- ☐ We keep supporting documents.
- ☐ We maintain records of assets and liabilities.
- ☐ We review financial records regularly.
- ☐ We have a plan for preparing annual financial statements and obtaining the accounting officer's report.

Reporting

- ☐ We know our financial year-end.
- ☐ We know our DSD annual reporting deadline.
- ☐ We have prepared or submitted required reports.
- ☐ We retain proof of submissions.
- ☐ We understand any applicable CIPC and SARS obligations.

Programmes and Community Impact

- ☐ We document activities honestly.
- ☐ We keep appropriate evidence of results.
- ☐ We protect beneficiaries' personal information.
- ☐ We review community needs and programme priorities.

Funding Readiness

- ☐ We have an organisation profile.
- ☐ We have a realistic budget.
- ☐ We have a basic project proposal.
- ☐ We can explain our funding needs.
- ☐ We maintain transparent donor records.

Conclusion: Compliance Should Strengthen Community Service, Not Replace It

A community organisation's value is not determined by the size of its bank balance. An unfunded organisation may still play an important role in protecting children, supporting families, and responding to local needs.

However, good intentions alone do not replace legal obligations. Organisations need basic governance, reliable records, honest reporting, and a clear understanding of their responsibilities.

At the same time, government, professional bodies, and funders must recognise that compliance requires capacity.

> **The long-term solution is not simply stricter enforcement. It is enforcement combined with accessible education, practical assistance, appropriate financial support, and proportionate regulatory systems.**

For community organisations, the journey begins with manageable steps:

Know your obligations. Keep accurate records. Ask for help early. Report honestly. Protect the people you serve.

You do not need to have funding to begin building a trustworthy organisation.

Useful Official Resources and Further Reading

Department of Social Development

- DSD: Obligations of registered NPOs
- South African Government: NPO registration guidance
- Nonprofit Organisations Act 71 of 1997
- DSD: February 2025 non-compliance and deregistration statement

Tax and Company Compliance

- SARS: Public Benefit Organisations
- SARS: Section 18A approval
- CIPC: Beneficial Ownership

Privacy and Financial Regulation

- Information Regulator eServices
- Financial Intelligence Centre: Compliance

Nonprofit Sector Research

- NACOSA: 2025 Network Survey Findings
- Inyathelo: Research on the Unintended Consequences of FATF Recommendations

> **Final reminder:** Check official websites for current legislation, procedures, and deadlines before relying on this guide for a regulatory submission.

About the Founder and Consult My Community



Minky Mfeka
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Consult My Community supports community organisations, grassroots leaders, and emerging nonprofits to build the governance, compliance, and funding-readiness they need to serve their communities with confidence.

This guide grew from a simple belief: an organisation should never be judged only by the size of its bank balance, and no community leader should face compliance alone.

If your organisation needs practical support with registration, governance, reporting, or preparing for funding, we would love to hear from you.

Get in Touch

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