

PHILIPPINE COUNCIL FOR NGO CERTIFICATION

NGO/Foundation Certification Process

- A. From the PCNC website, download, review and accomplish the Application for Accreditation/ Certification and Organizational Profile forms.¹
- B. Refer to the checklist of documents that applicants for certification must submit to PCNC.
- C. Prepare and organize four (4) sets/copies of required documents for application, submit to PCNC and pay initial amount of ₱1,000 to PCNC.
- D. Upon receipt of the organized four (4) sets of the required documents, PCNC representative reviews these for correctness and completeness.

1. If submitted documents are found to be complete and in order, PCNC representative requests for payment (*minus the ₱1,000 initial payment to PCNC*) of the **socialized application dues** based:

a. On total assets of the applicant organization as follows:

Total Assets of Applicant NGO/Foundation	Application Due
₱ 5 million and below	• ₱ 10 thousand
Above ₱ 5 million up to ₱15 million	• ₱ 15 thousand
Above ₱ 15 million up to ₱ 50 million	• ₱ 20 thousand
Above ₱ 50 million	• ₱ 30 thousand

b. On total assets of the organization of more than ₱50 million and **with current assets of more than ₱100 million** application dues are as follows:

TOTAL CURRENT ASSETS*	Application Due**
Above ₱100 million to ₱200 million	• ₱ 40 thousand
Above ₱200 million to ₱300 million	• ₱ 50 thousand
Above ₱300 million to ₱400 million	• ₱ 60 thousand
Above ₱400 million to ₱500 million	• ₱ 70 thousand
Above ₱500 million to ₱1 billion	• ₱ 80 thousand
Above ₱1 billion	• ₱ 90 thousand

* *Current Assets include cash and cash equivalents, accounts receivables and financial instruments (e.g. bonds, shares of stocks, etc.) that can be easily converted in to cash, whether classified in the Balance Sheet Statement as current or non-current assets.*

** **Effective September 1, 2016**

2. If submitted documents are found to be incomplete and/or not in order, compliance with specific deficiencies must be completed within one (1) year². Otherwise the initial payment of ₱1,000 will be forfeited and the sets of documents submitted to PCNC need to be updated.

E. After full payment of the application due (*best if deposited in the bank account of PCNC with corresponding deposit slip faxed or emailed to PCNC with name of applicant written in it*)

¹ The applicant organization must have assigned a point person (specified in the Application Form) with whom PCNC will directly coordinate the evaluation process.

² It is only after the four (4) sets of documents submitted to PCNC are assessed and accepted as complete and in order, will the application for PCNC certification by an NGO/Foundation be considered as active.

arrangements are made by the assigned PCNC Evaluation Associate for the organizational evaluation of the applicant NGO/Foundation as follows:³

1. Setting of tentative date/s of conduct of evaluation visit..
 2. Organizing evaluation team composed of two (2) to three (3) Volunteer Peer Evaluators.
 3. Finalizing date/s of evaluation visit as per common availability of evaluation team members, the applicant NGO/Foundation and PCNC Evaluation Associate who will act as facilitator.
- F. In coordination with the applicant’s point person, PCNC Evaluation Team conducts evaluation visit in the official address of the applicant. Among the activities that will be conducted are as follows:
1. Interviews/focus group discussions with Board Members, management, staff, partners and beneficiaries of applicant NGO/Foundation
 2. Review of relevant documents (*refer to the checklist for documents to be reviewed by the PCNC evaluation team.*)
 3. Project visit
- G. Evaluation Team organizes evaluation findings and:
1. If no adverse findings and/or significant deficiencies have been identified, an evaluation report is prepared, detailing degree of compliance with the PCNC organizational standards.
 2. In case of adverse findings or deficiencies, these will be discussed by the PCNC management team and the applicant NGO/Foundation is informed and given three (3) to six (6) months to institute corrective measures. If corrective measures were found to be:
 - a. Satisfactory, the evaluation report is prepared.
 - b. Unsatisfactory, the application for PCNC certification is recommended to the PCNC Board for denial. Applicant is advised to re-apply when deficiencies have been satisfactorily corrected. This means, submission of updated documents and payment of evaluation dues.
- H. PCNC secretariat submits evaluation report to the PCNC Board for deliberation.
- I. Based on the evaluation report and the results of the PCNC Board deliberation, the Board approves, defers or denies PCNC certification of the applicant NGO/Foundation.⁴ In case of:
1. **Approval** of the PCNC certification of the applicant NGO/Foundation:
 - a. A PCNC certificate of “Good Governance and Management” and Accountability and Transparency is issued to the applicant NGO/Foundation that meets the minimum and required organizational standards. *This certification is not the equivalent of the “donee status” certificate that the Bureau of Internal Revenue issues (BIR) after PCNC endorsement.*
 - b. Corresponding documents of the applicant organization are sent to the BIR and endorsed for issuance of the “donee status”
 2. **Deferment** of approval of PCNC certification, the applicant NGO/Foundation is asked to reply to concerns raised and/or comply with additional documents required by the PCNC Board. Upon satisfactory compliance with reasons for deferment, the PCNC certification is issued to the applicant NGO/Foundation and endorsed to BIR for issuance of the “donee status”.

³ Using the PCNC designed Organizational Self-Assessment Guide (may be downloaded from the PCNC website), applicant NGO/Foundation is highly encouraged to conduct organizational self-assessment prior to the conduct of the PCNC evaluation visit.

⁴ Based on the degree of compliance with the organizational standards set by PCNC: first time applicants are given one (1) or three (3) year certification; an NGO/Foundation re-applying for PCNC certification is given one (1), three (3) or five (5) year certification and: an NGO/Foundation that re-applies for PCNC certification two (2) years after the expiration of its last certification will be considered as first time applicant.

- c. **Denial** of PCNC certification, applicant NGO/Foundation is provided with reason/s and recommendations for improvements. The applicant is encouraged to re-apply, after one (1) year, for PCNC certification and corrective measures have been put in place.
- J. If BIR finds documents of the applicant endorsed by PCNC in order, certificate of “donee status” is issued by BIR. *The “donee status” certificate issued by BIR specifies the inclusive dates that the NGO/Foundation can receive donor’s tax exempt donations and issue corresponding certificates of donor’s tax exemption to its local donors.*
- K. Six (6) months before the expiration of the PCNC/BIR certification, PCNC reminds NGO/Foundation of the need to start the process of re-applying for PCNC certification to avoid any lapse in the validity of its “donee status”. *In this regard, make sure to inform PCNC of any change in mailing and email addresses and telephone numbers to make sure you receive the notice.*

IN CASE OF NEED FOR GUIDANCE AND CLARIFICATION, DO NOT HESITATE TO COMMUNICATE WITH PCNC

Sept. 1, 2016