

NEXT GENERATION  
ACCOUNTANTS



# YOUR GUIDE TO NPO COMPLIANCE

## *A ROADMAP TO SUCCESS*



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# Chapter 1

## SARS Compliance

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### INTRODUCTION

Dear NPO leader,  
Running a Nonprofit Organization (NPO) is no small feat, and navigating the compliance landscape is crucial for your organization's success. Let's break down the essentials and discuss what you should be doing to ensure your NPO stays on the right track.

### INCOME TAX COMPLIANCE (SARS)

You know, dealing with taxes isn't the most exciting part of running your Nonprofit Organization, but it's a necessary task to keep things afloat. The South African Revenue Service (SARS) is our guide here, and we need to show them some love by submitting our income tax returns **three times a year** – two provisional returns and one annual return.



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# Chapter 1

## SARS Compliance

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### Here's what you should do to comply with SARS

- First, register your organization on the SARS e-filing
- Every year, you must **submit 2 provisional tax returns** 6 and 12 months from financial year-end.
- Every year, you must **submit 1 annual income tax return** with financial statements.
- Set up reminders for the submission deadlines.
- Create a schedule for the two provisional returns and the annual return.
- Allocate resources for professional assistance if needed.
- Establish a system for timely record-keeping.
- Regularly communicate with your accountant to ensure everything is in order
- **Apply for tax exemption (PBO) so that you do not pay tax**

# Chapter 2

## Companies Act Compliance (for NPCs)

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For every non-profit organization registered as an NPC with CIPC, your status is precious, and to keep the legal magic alive, you've got to comply with CIPC. You need to file annual returns on your organization's birthday – it keeps your organization alive.

### Here's what you should do to comply with CIPC

**1. File Annual Returns:** Note down the organization's birthday for CIPC annual returns and file them when they are due.

**2. Keep financial records** of the organization: bank statements, invoices, receipts, contracts, payroll records, etc which will help you prepare financial statements for filing CIPC annual returns and SARS tax returns at the end of the financial year.



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# Chapter 2

## Companies Act Compliance (for NPCs)

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**3. Prepare financial statements** 6 months after the end of the organization's financial year. This means that at the end of the financial year, you will provide your accountant with the financial records stated in bullet point number two to prepare the financial statements for your organization.

**4. File changes with CIPC:** Notify CIPC of any changes to the organization's information e.g. directorship, address, financial year end, or name change.

**5. You are also required to submit the company's Beneficial Ownership information** within 10 business days of registration with the CIPC. Thereafter, you will have to update the Beneficial Ownership information as and when it changes or when you file Annual Returns for your company.

Appoint an accountant to take care of your company's financial statements and CIPC.

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# Chapter 3

## Labour Acts Compliance

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Your employees are the heartbeat of your NPO, and navigating the legalities around their well-being is a responsibility you can't take lightly. Registering everyone for the Unemployment Insurance Fund (UIF) isn't just a task; it's a promise to fair and ethical employment practices.

### Here's what you should do to comply

- Register for UIF with the DOL
- Ensure all employees are registered for UIF
- Submit monthly UIF declarations to the DOL
- Regularly audit employee records to guarantee compliance
- Get advice from your accountant about payroll, fair labor practices, etc

# Chapter 4

## NPO Act (DSD) Compliance

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Your compliance journey gets a bit intricate with the NPO Act overseen by the Department of Social Development (DSD). This is where the magic of good governance happens. From maintaining accurate records to timely reporting, there's a bit to cover.

### Here's what you should do to comply with CIPC

**A. Accounting Records:** Keep detailed records of income and expenditure – it's like our organizational diary. Preserve those records for a period of at least 5 years – important for SARS audit.

**B. Financial Statements:** Prepare financial statements within 6 months after the organization's financial year-end. The financial statements have to be prepared by a registered accountant. You need to budget for this cost from the beginning of the year when you prepare your budget.



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# Chapter 4

## NPO Act (DSD) Compliance

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### C. Reporting and Notifications:

- Submit the narrative and financial reports to the DSD within nine months after the end of your organization's financial period. It's like sharing your successes and challenges.
- Notify the DSD of any changes such as changes to the constitution, office bearers, NPO name, etc - promptly.

In the end, this isn't just about rules; it's about showcasing our commitment to transparency, accountability, and responsible management. **It also ensures that your organization does not get deregistered.**

## Conclusion

Compliance might sound like a legal buzzword, but for you, it's a testament to your commitment. It's a pledge to good governance, good leadership, and a responsible approach to making a positive impact.

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# Chapter 5

## Our Services

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### ACCOUNTING SERVICES:

- Annual financial statements
- Management accounts
- Monthly Bookkeeping
- Cashflow Projections
- Business Advisory

### PAYROLL SERVICES

- COIDA Letter of Good Standing
- UIF & PAYE Registration
- Monthly Submissions UIF & PAYE to SARS & DOL
- Employment Contracts
- Monthly Pay slips
- Annual Recon IRP5 Certificate
- Monthly Payroll Services: EMP 201
- Monthly Submission
- COID Registration & Letter of Good Standing



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# Chapter 5

## Our Services

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### **BUSINESS ADVISORY**

- Business Plan
- Business Profile
- Business Proposal
- Logo Design & Letterhead
- Business Cards
- Trademarks
- Accountant's Letter

### **TAX (SARS) SERVICES**

- E-filing (Income Tax) Registration
- Personal Income Tax Returns
- Company Income Tax Returns
- Vat Registration & Submissions
- SARS Debts & Audits
- Tax Clearance (PIN)
- UIF, PAYE, and SDL Registration
- Import / Export License



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# Chapter 5

## Our Services

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### CIPC SERVICES

- Company Registrations (Private)
- Cooperative Registration
- NPC Registration
- CIPC Annual Returns
- Company & Director Amendments
- B-BBEE & Sworn-A davit
- Share Certificate
- Name Reservations Only
- Retrieve Company Registration Certificates
- Business Address Change
- Add Director to a Pty Company
- Name Change of a Company
- Resign Members or Directors
- Update director details
- Company De-registrations
- Company Reinstatement
- CC to Pty Conversions



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# Chapter 5

## Our Services

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### NPO/NPC SERVICES

- NPO/NPC Registration
- Constitution drafting
- Financial Statements Preparation
- SARS Tax Number Registration
- TAX Exemption Application (PBO and Section18A)
- Funding & Lottery Applications
- All Accounting and Tax (SARS) Services

### OTHER SERVICES

- CSD Registrations and Amendments
- PSIRA Registrations and Renewals (Security Company)
- CIBD Registrations
- NHBRC Registrations
- Website Design & Development

For expert assistance with accounting, tax, registrations, submissions, and compliance, **call or WhatsApp** us at **081 435 4234** or Email: **[inquiries@nextgee.co.za](mailto:inquiries@nextgee.co.za)**

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