

BILLS SUPPLEMENT

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Bill No. 10 *Non-Governmental Organisations Bill* 2015

THE NON-GOVERNMENTAL ORGANISATIONS BILL, 2015

MEMORANDUM

1. Principals of the Bill

The object of this Bill is to repeal and replace the Non-Governmental Organisations Act Cap. 113; to provide a conducive and an enabling environment for the Non-Governmental Organisation sector; to strengthen and promote the capacity of Non-Government Organisations and their mutual partnership with Government; to make provision for the corporate status of the National Board for Non-Governmental Organisations and strengthen its capacity to register, regulate, coordinate and monitor Non-Governmental Organisations activities; to provide for a board of directors; to provide for establishment of regional offices of the Non-Governmental Organisations Board, District Non-Governmental Organisations Monitoring Committees, Subcounty Non-Governmental Organisations Monitoring Committees and establish a fund for Non-Governmental Organisations; to make provision for special obligations of Non-Governmental Organisations and to provide for other related matters.

2. Gaps in the existing law

It is well-known that the Non-Governmental Organisations sector compliments Government service delivery through the provision of services like health, education and water among others.

It has however been noted that the rapid growth of Non-Governmental Organisations has led to subversive methods of work and activities, which in turn undermine accountability and transparency in the sector, there is therefore a need to streamline the regulation of Non Governmental Organisations.

3. Remedies

This Bill therefore seeks to provide for legal and procedural guidelines for Non-Governmental Organisations, to enable them contribute effectively to national development in a harmonised and transparent manner.

The Non-Governmental Organisations Board has not been able to sufficiently register, regulate, co-ordinate and monitor the activities of Non-Governmental Organisations, this Bill therefore seeks—

- (a) to make provision for a single legal regime of registration with the Board, issuing permits and certificates of incorporation;
- (b) to make the Board leaner for purposes of quick decision making, monitoring and regulation of Non-Governmental Organisations;
- (c) to establish regional offices of the Board, District Non-Governmental Organisations Monitoring Committees (DNMC) and Subcountry Non-Governmental Organisations Committees (SNMC); and
- (d) to make provision for the dissolution of the Non-Governmental Organisations.

The Bill also makes provision for the board of directors, which is the governing body of the Board.

The board of directors is responsible for overseeing the implementation of the Board's policies and programmes in the Non Governmental Organisations sector.

4. Provisions of the Bill

The Bill has 11 Parts and 2 Schedules.

PART I—PRELIMINARY

Clause 1-4 deal with preliminary matters of the Bill such as the proposed commencement date, interpretation of words and expressions used in the Bill and the objects of the Bill.

PART II—THE NATIONAL BOARD FOR NON-GOVERNMENTAL ORGANISATIONS

Clause 5-8 deal with the establishment of the Board, functions and powers of the Board among which are—

- (a) to register organisations;
- (b) to issue, renew and revoke permits;
- (c) to advise the Minister on policy relating to the operations of organisations;
- (d) to guide and monitor organisations in carrying out their activities; and
- (e) to issue guidelines for organisations.

Clause 8 deals with the Common seal of the Board.

PART III—BOARD OF DIRECTORS

Clauses 9-13 deal with the membership and tenure of office of the board of directors and their functions among which are—

- (a) to oversee implementation of the Board's policies and programmes in the organisation sector;
- (b) to review and approve strategic plans of the Board;
- (c) to review and approve the annual plans and budget of the Board; and
- (d) to approve staff appointments and conditions of service.

Clause 12 and 13 deal with the meetings of the board of directors and remuneration of the members of the board of directors.

PART IV—COMMITTEES AND SUB-COMMITTEES OF THE BOARD OF DIRECTORS

Clauses 14 and 15 make provision for committees and sub-committees of the board of directors and the procedure of committees and sub-committees of the board of directors.

PART V—MANAGEMENT AND STAFF OF THE BOARD

Clauses 16-18 deal with the Executive Director who shall be responsible for the day to day operations of the Board, Secretary to the board of directors who is principally responsible for the arranging the business of the board of directors, taking minutes of the Board of directors and keeping records of the decisions of the board of directors and other policy records and the staff of the Board who are responsible for the proper and efficient discharge of the objects and functions of the Board.

PART VI—REGIONAL OFFICES OF THE BOARD AND DISTRICT AND SUB COUNTY NON-GOVERNMENTAL ORGANISATIONS MONITORING COMMITTEES

Clauses 19-21 deal with the establishment of the Regional Offices of the Board, the functions of which are—

- (a) to guide and monitor District Non –Governmental Organisations Monitoring Committee (DNMC);
- (b) to maintain a register of organisations and Community Based Organisations within the region; and
- (c) to hear appeals from any person aggrieved by the decisions of the DNMC.

Clause 20 deals with the (DNMC) whose functions are—

- (a) to consider applications for registration by Community Based Organisations (CBOs);
- (b) to keep and update the register of CBOs;
- (c) to recommend organisations to the Board for registration;
- (d) to advise the district on matters of registration and monitoring organisations, among others.

Clause 21 deals with the Subcounty Non-Governmental Organisations Committee whose functions are—

- (a) to recommend CBOs to DNMCs for registration;
- (b) to advise the DNMC on matters of organistaions and CBOs in their subcounty;
- (c) to monitor and provide information on the activities of the organisations in the subcounty; and
- (d) to report to the DNMC on matters of the organisations in the subcounty.

PART VII—FINANCIAL PROVISIONS

Clauses 22-30 deal with the finances. Clause 22 provides that the funds of the Board which shall consist of—

- (a) money appropriated by Parliament for purposes of the Board;
- (b) fees charged for services rendered by the Board under the Act; and
- (c) grants, gifts or donations from the Government or other sources made with the approval of the Minister responsible for Finance.

Clause 27 makes provision for establishment of a fund for organisations.

PART VIII—REGISTRATION AND INCORPORATION OF NON-GOVERNMENTAL ORGANISATIONS

Clause 31-33 deal with registration and incorporation of organisations with the Board.

The Board shall on written application, reserve a name pending registration of an organization, the Board may accept or reject a name.

Upon registration of an organisation, the Board shall issue a permit to the organisation. A registered organisation shall be a body corporate, If it is not already a body corporate.

The Board issues the incorporated organisation with a certificate of incorporation.

Clause 33 provides for grounds for revocation of a permit where—

- (a) the organisation does not operate in accordance with its constitution;
- (b) the organisation contravenes any of the conditions in the permit; and
- (c) the organisation contravenes provisions of this Act.

Part IX—SELF-REGULATION, ADMINISTRATIVE AND OBLIGATIONS

Clauses 34- 36 deal with self regulatory bodies, where two or more organisations come together to form a self regulating body. Self regulating bodies are required to submit to the Board their annual returns.

PART X—MISCELLANEOUS

Clauses 37-48. Clause 37 provides for inspection of premises of organisations by officers of the Board, clause 38 provides for protection of members of the board of directors and employees of the Board from liability, clause 39 deals with assistance that shall be afforded to the Board by Ministries, Departments and Agencies, clause 41 deals with staffing of organisations, clause 44 deals with voluntary dissolution of organisations or dissolution by order of the Board where it is proved the organisation has defrauded the public or it has violated the terms and conditions of its permit, clause 45 deals with appeals to the Minister by any person aggrieved by the decision of the Board, and clause 46 provides for the Minister's powers, where the Minister may give the Board written instructions of a general or specific nature relating to the Board's functions.

Clause 47 provides for making of Regulations to give effect to the Act and clause 48 deals with the repeal of the Non-Governmental Organisations Act, Cap 113 and savings.

PART XI—SAVING AND TRANSITIONAL PROVISIONS

Clause 49-51. Clause 49 deals with vesting of assets and liability of the Board and clause 50 deals with continuation of the Board and employment of employees of the Board and clause 51 deals with continuation of operation of organisations that are in existence at the commencement of the Act.

Schedule 1- provides for the currency point.

Schedule 2- provides for meetings of the Board.

GEN. ARONDA NYAKAIRIMA (MP)
Minister of Internal Affairs.

THE NON-GOVERNMENTAL ORGANISATIONS BILL, 2015

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A Bill for an Act

ENTITLED

THE NON-GOVERNMENTAL ORGANISATIONS ACT, 2015

An Act to repeal and replace the Non-Governmental Organisations Act Cap. 113; to provide a conducive and an enabling environment for the Non-Governmental Organisations sector; to strengthen and promote the capacity of Non-Governmental Organisations and their mutual partnership with Government; to make provision for the corporate status of the National Board for Non-Governmental Organisations and provide for its capacity to register, regulate, coordinate and monitor Non-Governmental Organisations activities; to provide for the board of directors; to provide for the establishment of regional offices of the Non-Governmental Organisations Board, District Non-Governmental Organisations Monitoring Committees, Subcounty Non-Governmental Organisations Monitoring Committees, and to establish a fund of the Non-Governmental Organisations; to make provision for special obligations of Non-Governmental Organisations and to provide for other related matters.

BE IT ENACTED by Parliament as follows—

PART I—PRELIMINARY

1. Title

This Act may be cited as the Non-Governmental Organisations Act, 2015.

2. Commencement

This Act shall come into force on a date appointed by the Minister by statutory instrument.

3. Interpretation

In this Act, unless the context otherwise requires-

“Board” means the National Board of Non-Governmental Organisations established under section 5;

“board of directors” means the board of directors established under section 9;

“CBOs” means Community Based Organisations;

“certificate of incorporation” means the certificate of incorporation issued by the Board under this Act;

“Chairperson” means the Chairperson of the Board appointed under section 9;

“Community Based Organisation” means a non-governmental organisation operating at a subcounty level and below whose objectives is to promote and advance the wellbeing of the members of the community;

“continental organisation” means an organisation that has its original incorporation in any African country, other than the Partner States of the East African Community, and is partially or wholly controlled by citizens of one or more African countries, other than the citizens of the Partner State of the East African Community, and is operating in Uganda under the authority of a permit issued by the Board;

“currency point” has the value specified in Schedule 1;

“dissolution” means the cessation of operations of an organisation, voluntarily or by order of the Board;

“DNMC” means District Non-Governmental Organisations Monitoring Committee;

“each region of Uganda” means the northern, southern, eastern and western regions of Uganda;

“emergency situation” means a situation of a serious nature that develops suddenly and unexpectedly and poses an immediate risk to health, life, property or the environment;

“Executive Director” means the Executive Director of the Board appointed under section 16;

“foreign organisation” means an organisation that does not have original incorporation in any country, and is partially or wholly controlled by citizens of other countries, other than the citizens of the Partner States of the East African Community, and is operating in Uganda under the authority of a permit issued by the Board;

“indigenous organisation” means an organisation that is wholly controlled by Ugandan citizens;

“international organisation” means an organisation that has its original incorporation in a country, other than a Partner State of the East African Community and is partially or wholly controlled by citizens of one or more countries, other than the citizens of the Partner States of the East African Community, and is operating in Uganda under the authority of a permit issued by the Board;

“Minister” means the Minister responsible for internal affairs;

“organisation” means a legally constituted non-governmental organisation under this Act, which may be a private voluntary grouping of individuals or associations including religious bodies established to provide voluntary services including education, literacy, scientific, social or charitable services to the community or any part, but not for profit or commercial purposes;

“permit” means a permit issued by the Board under section 31, granting permission to an organisation to operate;

“regional organisation” means an organisation incorporated in one or more of the Partner States of the East African Community, and which is partially or wholly controlled by citizens of one or more of the Partner States of the East African Community, and which is operating in Uganda under the authority of a permit issued by the Board;

“register” means a record of all organisations registered under the Act that is maintained by the Board in both electronic and hard copy;

“secretary” means the secretary to the board of directors appointed under section 17;

“SNMC” means Subcounty Non-Governmental Organisations Monitoring Committee.

4. Objects of the Act

The objects of this Act are to—

- (a) promote and develop a charity culture that is voluntary, non-partisan and relevant to the needs and aspirations of the people of Uganda;
- (b) provide an enabling environment for the organisations sector;

- (c) establish an administrative and regulatory framework within which organisations can conduct their affairs;
- (d) strengthen the capacity of the Board;
- (e) promote and require organisations to maintain high standards of governance, transparency and accountability;
- (f) promote a spirit of cooperation, mutual partnership and shared responsibility between the organisations sector, the Ministries, Departments and Agencies of Government and other stakeholders dealing with organisations;
- (g) promote and strengthen the capacity of the organisations sector that is sustainable and able to deliver services professionally; and
- (h) promote the development of self-regulation among organisations.

**PART II—THE NATIONAL BOARD FOR NON-GOVERNMENTAL
ORGANISATIONS**

5. Establishment of the Board

(1) There is established a National Board for Non-Governmental Organisations.

(2) The Board shall be a body corporate with perpetual succession and a common seal and shall have power to sue and be sued in its corporate name.

(3) The Board may for, and in connection with its functions under this Act—

- (a) purchase, acquire, hold, manage and dispose of any movable and immovable property;
- (b) enter into any contract or other transaction it may deem expedient; and

- (c) do all acts and things as a body corporate may lawfully do.

6. Functions of the Board

The functions of the Board are—

- (a) to advise the Minister on the policy relating to the operations of organisations;
- (b) to issue guidelines for organisations;
- (c) to guide and monitor organisations in carrying out their activities;
- (d) to establish regional offices of the Board, DNMCs and SNMCs;
- (e) to formulate and develop policy guidelines for DNMCs, SNMCs, and CBOs;
- (f) to make recommendations to the relevant authorities with regard to employment of noncitizens by an organisation, on whether an organisation may be exempted from taxes and duties or be accorded any other privileges or immunities;
- (g) to coordinate the establishment and functions of a National Non Governmental Organisations consultative and dialogue platform;
- (h) to register organisations, issue permits, revoke permits and renew permits;
- (i) issue certificates of incorporation; and
- (j) perform any other function prescribed by or under this Act or as may be directed in writing by the Minister.

7. Powers of the Board

- (1) The Board shall have power to—

- (a) co-opt technical officers to deal with specific issues;
- (b) summon and discipline organisations, and the disciplinary action may include—
 - (i) a warning;
 - (ii) suspension of permit;
 - (iii) exposure of the affected organisation to the public;
 - (iv) black listing; or
 - (v) any other disciplinary action that the Board may deem fit; and
- (c) charge fees for any services performed by the Board.

(2) The Board shall before taking any action against an organisation under subsection (1), give an organisation the opportunity to show cause why the disciplinary action should not be taken against it.

8. Common seal of the Board

(1) The Board shall have a common seal which shall be kept in the custody of the Executive Director.

(2) The affixing of the common seal of the Board shall be authenticated by the signatures of the Chairperson and the Executive Director.

(3) Every document purporting to be an instrument issued by the Board, sealed with the official seal of the Board, and is authenticated in the manner provided by this section, shall be received and deemed to be such an instrument without further proof unless the contrary is shown.

PART III—BOARD OF DIRECTORS

9. Membership of the board of directors

(1) The governing body of the Board is the board of directors.

(2) The board of directors shall be appointed by the Minister with the approval of Cabinet and shall consist of-

- (a) a Chairperson;
- (b) a vice chairperson; and
- (c) not more than seven persons.

(3) The members of the board of directors shall have proven experience of 10 years in the following fields—

- (a) organisation regulation and administration;
- (b) local governance;
- (c) law;
- (d) public finance;
- (e) security matters; or
- (f) international relations.

(4) At least one third of the members of the board of directors shall be female.

(5) A member of the board of directors shall—

- (a) be a citizen of Uganda;and
- (b) be of high moral character and proven integrity.

(6) A member of the board of directors may resign his or her office by writing to the Minister or may be removed from office by the Minister on any of the following grounds—

- (a) inability to perform the functions of his or her office arising out of physical or mental incapacity;
- (b) incompetence;
- (c) conflict of interest;
- (d) being convicted of a criminal offence in Uganda or elsewhere; or
- (e) failure to attend four consecutive board of directors meetings without prior permission of the chairperson, or absence from Uganda for more than twelve months.

(7) Where a member of the board of directors dies, resigns or for any reason ceases to be a member, the Minister may appoint another person to take the place of that member, and the person appointed, shall hold office until the expiration of the term of the member in whose place he or she was appointed.

10. Tenure of office of members of the board of directors

A member of the board of directors shall hold office for a period of four years and is eligible for reappointment for one term.

11. Functions of the board of directors

(1) The board of directors is responsible for—

- (a) overseeing implementation of the Board's policies and programmes in the organisations sector;
- (b) reviewing and approving strategic plans of the Board;
- (c) reviewing and approving the annual plans and budget of the Board;

- (d) approving the annual reports and accounts of the Board;
- (e) establishing and approving rules and procedures for proper financial management and accountability of the Board;
- (f) determining and reviewing the structure and staffing levels;
- (g) approving staff appointments;
- (h) establishing and approving rules and procedures for appointment, discipline, termination of services and general personnel matters; and
- (i) determining and reviewing terms and conditions of service of staff of the Board.

(2) Without prejudice to the general application of subsection (1) the board of directors shall, for the purpose of achieving its objects have the following functions—

- (a) consider applications for registration by organisations;
- (b) consider applications for renewal of permits;
- (c) register self-regulating bodies; and
- (d) handle complaints concerning organisations from individuals, organisations, Ministries, Departments and Agencies of Government and any other complainants.

12. Meetings of the board of directors

Schedule 2 has effect in relation to meetings of the Board and other matters provided for in that Schedule.

13. Remuneration of the board of directors

The chairperson, vice chairperson and members of the board of directors shall be paid such remuneration as the Minister may, in consultation with the Minister responsible for finance, determine.

**PART IV—COMMITTEES AND SUB-COMMITTEES OF THE BOARD OF
DIRECTORS**

14. Committees and sub-committees

(1) The board of directors may establish committees and sub-committees for the efficient performance of their functions under this Act.

(2) A committee or sub-committee established under this section may comprise members of the board of directors or members of the staff or both.

(3) The board of directors may assign to any committee or sub-committee established under this section, functions subject to conditions and restrictions as the board of directors may determine.

(4) A decision of the committee or sub-committee shall be subject to confirmation by the board of directors before being implemented.

(5) A member of a committee or sub-committee shall disclose conflict of interest.

15. Procedure of committees and sub-committees

Except as expressly provided under this Act, the procedure of committees or sub-committees established under section 14 shall be prescribed by the board of directors.

PART V—MANAGEMENT AND STAFF OF THE BOARD

16. Executive Director

(1) The Minister shall appoint an Executive Director on the recommendation of the board of directors and on terms and conditions specified in the instrument of his or her appointment.

(2) The Executive Director shall be an ex-officio member of the board of directors.

(3) The Executive Director shall be the chief executive officer of the Board and shall be subject to the general supervision and control of the board of directors, and shall be responsible for —

- (a) the day to day operations of the Board;
- (b) the management of the funds of the Board;
- (c) the administration and management of the property of the Board;
- (d) the supervision and control of the officers and other staff of the Board;
- (e) keeping a register of registered and incorporated organisations;
- (f) implementing the decisions of the board of directors;
- (g) reporting to the board of directors on the operations of the Board;
- (h) certifying documents upon payment of the prescribed fee; and
- (i) performing any other functions assigned to him or her by the board of directors.

(4) The Minister may, on recommendation of the board of directors, remove the Executive Director from office for —

- (a) inability to perform the functions of that office due to infirmity of mind or body;
- (b) misbehaviour or misconduct;
- (c) incompetence; or
- (d) any other reason the board of directors deems fit.

17. Secretary to the board of directors

(1) There shall be a Secretary to the board of directors who shall be appointed by the board of directors.

(2) The Secretary shall hold office on terms and conditions determined by the board of directors in consultation with the Ministry of Finance, Planning and Economic Development and the Ministry of Public Service.

(3) The Secretary to the board of directors shall perform such functions as the board of directors may direct and in addition, shall be responsible for—

- (a) arranging the business at meetings of the board of directors;
- (b) taking of the minutes of the board of directors; and
- (c) keeping records of the decisions and other policy records of the board of directors.

(4) The Secretary to the board of directors shall, in the performance of his or her duties, report to the Executive Director.

18. Other staff

(1) The board of directors may employ officers and employees as may be necessary for the proper and efficient discharge of the objects and functions of the Board.

(2) The officers and employees appointed under this section shall hold office on terms and conditions determined by the board of directors in consultation with the Ministry of Finance, Planning and Economic Development and the Ministry of Public Service.

(3) Without prejudice to the general effect of subsection (2), the board of directors may provide for payment to its officers and employees of salaries, allowances, pensions, gratuities or other retirement benefits and may require them to contribute to any pension, provident fund or superannuation scheme.

(4) Public officers may be seconded to the service of the Board or may otherwise give assistance to the Board.

(5) The board of directors may, subject to any conditions and restrictions delegate any of its powers under subsection (1) to a committee of the board of directors, the executive director or any employee of the Board.

**PART VI—REGIONAL OFFICES OF THE BOARD AND DISTRICT AND
SUB COUNTY NON-GOVERNMENTAL ORGANISATIONS MONITORING
COMMITTEES**

19. Regional offices of the Board

(1) There is established a regional office of the Board in each region of Uganda.

(2) The functions of a regional office of the Board are—

- (a) to guide and monitor DNMCs;
- (b) to maintain a register of the registered organisations and CBOs within the region;
- (c) to hear appeals within 30days from any person aggrieved by a decision of the DNMC made under this Act; and
- (d) to perform any other function that the Board shall deem fit and necessary for purposes of giving effect to this Act.

20. District Non-Governmental Organisations Monitoring Committee

(1) There is established a DNMC in each district.

(2) The DNMC shall comprise of—

- (a) the Resident District Commissioner who shall be the chairperson of the committee;

- (b) the Chief Administrative Officer who shall be secretary to the committee;
- (c) the District Community Development Officer;
- (d) the District Internal Security Officer; and
- (e) a representative of organisations in the district.

(3) The committee may co-opt technical officers to deal with specific issues.

(4) The functions of the DNMC are to —

- (a) to consider applications for registration by CBOs;
- (b) to keep and update the register of CBOs;
- (c) to monitor and supervise SNMCs;
- (d) to recommend organisations to the Board for registration;
- (e) to advise the District Councils on matters of registration and monitoring of organisations;
- (f) to monitor and provide information to the Board regarding activities and performance of organisations in the district;
- (g) to guide and monitor CBOs in the provision of their services;
- (h) to implement policy guidelines for CBOs;
- (i) to hear appeals against any decision made by the SNMCs; and
- (j) to perform any other function that the Board shall deem fit for purposes of giving effect to this Act.

(5) Community Based Organisations shall be required to register with the DNMCs.

21. Subcounty Non-Governmental Organisations Monitoring Committee

(1) There is established a SNMC in each sub-county in Uganda.

(2) The SNMC shall comprise of—

- (a) the Resident District Commissioner who shall be the Chairperson of the committee;
- (b) Senior Assistant Secretary of the subcounty who shall be Secretary to the committee;
- (c) the Community Development Officer;
- (d) the Gombolola Internal Security Officer (GISO); and
- (e) a representative of organisations in the subcounty.

(3) The functions of the SNMC are—

- (a) to recommend CBOs to the DNMC for registration;
- (b) to advise the DNMC on matters of organisations and CBOs in the subcounty;
- (c) to provide the CBOs in the subcounty with guidelines to enable them effectively participate in the implementation, monitoring and evaluation of programmes;
- (d) to monitor and provide information on activities of the organisations in the subcounty to the DNMC;
- (e) to report to the DNMC on matters of the organisations in the subcounty; and
- (f) to perform any other function that the Board shall deem necessary for purposes of giving effect to this Act.

PART VII—FINANCIAL PROVISIONS**22. Funds of the Board**

(1) The funds of the Board shall consist of—

- (a) money appropriated by Parliament for the purposes of the Board;
- (b) fees charged for services rendered by the Board under this Act; and
- (c) grants, gifts or donations from the Government or other sources made with the approval of the Minister responsible for finance.

(2) Any fees and other monies received by the Board from services rendered by the Board, under this Act, shall be retained by the Board in a fund established for the purpose, in accordance with the Public Finance Management Act, 2015 for purposes of defraying the expenses of the Board and for the effective implementation of this Act.

(3) The Board shall at all times comply with the Public Finance Management Act, 2015.

23. Estimates

(1) The Executive Director shall, within three months before the end of each financial year, cause to be prepared and submitted to the board of directors for its approval, estimates of the expenditure of the Board for the next financial year.

(2) The board of directors shall within two months after receipt of the estimates referred to in subsection (1) cause to be submitted to the Minister for his or her approval, the estimates of income and expenditures approved by the board of directors.

24. Power to open and operate bank accounts

(1) The Board shall with the authority of the Accountant General open and maintain such bank accounts as are necessary for the performance of its functions.

(2) The Board shall ensure that all money received by or on behalf of the Board is deposited in the bank as soon as practicable after being received.

(3) The Board shall ensure that no money is withdrawn from or paid out of any of the Board's bank accounts without the authority of the Board.

25. Financial year of the Board

The financial year of the Board is the period of twelve months beginning on 1st July, in each year and ending on 30th June in the next calendar year.

26. Accounts

(1) The Executive Director shall cause to be kept, proper books of accounts and records of the transactions of the Board.

(2) Subject to any direction given by the Minister, the Board shall cause to be prepared and submitted to the Minister responsible for finance in respect of each financial year, a statement of accounts, which shall include—

- (a) a balance sheet, statement of income and expenditure and a statement of surplus or deficit; and
- (b) any other information in respect of the financial affairs of the Board as the Minister responsible for finance may, in writing require.

27. Establishment of a fund for organisations

(1) The Board shall establish an organisations fund.

(2) The funds for the organisations fund shall consist of—

- (a) money appropriated by Parliament;
- (b) grants, gifts or donations from the Government or other sources made with the approval of the Minister responsible for finance.

(3) The Board shall issue guidelines on how organisations may access this fund.

28. Audit

(1) The Auditor General or an auditor appointed by the Auditor General shall, in each financial year, audit the accounts of the Board.

(2) The Board shall ensure that within four months after the end of each financial year, a statement of accounts under section 26 is submitted for auditing to the Auditor General or an auditor appointed by the Auditor General.

(3) The Auditor General and an auditor appointed by the Auditor General shall have access to all books of accounts, vouchers and other financial records of the Board, and is entitled to any information and explanation required in relation to those records.

(4) The Auditor General or an auditor appointed by the Auditor General shall, within four months after receipt of the statement of accounts, under subsection (2) deliver to the Board a copy of the audited accounts together with a report on the accounts.

29. Investment of surplus funds

Any funds of the Board not immediately required for any purpose under this Act, may be invested in a manner which the Board may, after consultation with the Minister responsible for finance, determine.

30. Annual report

(1) The Board shall, within three months after the end of each financial year submit to the Minister the annual report of the activities of the Board.

(2) The Minister shall, within one month after the receipt of the annual report from the Board, submit the report to Cabinet.

PART VIII—REGISTRATION AND INCORPORATION OF
NON-GOVERNMENTAL ORGANISATIONS

31. Registration and incorporation of organisations with the Board

(1) An organisation shall not operate in Uganda, unless it has been duly registered with the Board.

(2) The Board shall, on written application, reserve a name pending registration of an organisation for a period not exceeding sixty days and during that period, no other organisation shall be entitled to be registered with that name.

(3) Without prejudice to subsection (2), the Board may reject a name of an organisation if, in its opinion the name may cause confusion with an existing organisation.

(4) An organisation shall not be registered under this Act—

- (a) where the objectives of the organisation as specified in its constitution are in contravention of the law;
- (b) where the application for registration does not comply with the requirements of this Act;
- (c) where the applicant has given false or misleading information in any material particular;
- (d) where it is in the public interest to refuse to register the organisation; or
- (e) for any other reason that the Board may deem relevant.

(5) Upon registration, the Board shall issue a permit to the organisation, subject to such conditions or directions generally as it may think fit to insert in the permit and particularly relating to—

- (a) the operation of the organisation;
- (b) the areas where the organisation may carry out its activities;
- (c) staffing of the organisation;
- (d) geographical area of coverage of the organisation;
- (e) location of the organisation's headquarters;
- (f) expiry date of the permit; and
- (g) the type of organisation registered.

(6) An organisation registered under subsection (5) shall be a body corporate with perpetual succession and with power to sue and be sued in its corporate name and shall be issued with a certificate of incorporation by the Board.

(7) Subsection (6) does not apply to an organisation that is already a body corporate.

(8) An organisation shall apply to the Board for renewal of a permit not later than three months before the day on which the permit is due to expire.

(9) An organisation which fails to submit its application for renewal of a permit within the period specified in subsection (8), shall pay a fine of ten currency points for every month of default.

(10) An organisation which—

- (a) contravenes any provision of this Act;
- (b) carries out any activity without a valid permit ;or
- (c) operates contrary to the conditions or directions specified in its permit;

commits an offence and is liable, on conviction, to a fine not exceeding two hundred currency points.

(11) Where an organisation commits an offence under subsection (10) any director or officer of the organisation whose act or omission gave rise to the offence also commits an offence and is liable, on conviction—

- (a) in the case of an offence under subsection (10) (a), to a fine not exceeding one hundred currency points or imprisonment not exceeding four years or both;
- (b) in the case of an offence under subsection (10) (b) or (c), to a fine not exceeding two hundred currency points or imprisonment not exceeding eight years or both .

32. Application for registration and incorporation with the Board

(1) An organisation shall apply for registration and incorporation under this Act to the Board.

(2) An application made under subsection (1) shall be—

- (a) in such form and supported by such evidence of statements made in the application as the Minister may prescribe by regulations;
- (b) accompanied by a copy of the organisation's constitution; and
- (c) accompanied by the prescribed fee.

(3) The Minister may, in consultation with the Board, in an emergency situation, exempt an organisation from any of the provisions of this section, except that the exemption shall not include the payment of the prescribed fee.

(4) An exemption granted under this section is valid for six months during which period, the organisation shall ensure satisfactory completion of all the registration requirements.

(5) The Board shall issue to a registered organisation, a permit for a period not exceeding five years at a time, and the organisation shall pay the prescribed fee for each year for which the permit is granted.

(6) Different fees may be prescribed in respect of an indigenous, regional, continental foreign or international organisation.

33. Grounds for revocation of a permit

(1) The Board may revoke the permit of an organisation if—

- (a) the organisation does not operate in accordance with its constitution;
- (b) the organisation contravenes any of the conditions or directions specified in the permit;
- (c) the organisation contravenes the provisions of this Act; and
- (d) in the opinion of the Board, it is in the public interest to do so.

(2) Before the Board revokes a permit under this section, it shall by notice in writing request the holder of the permit to show cause why the permit should not be revoked within thirty days from the date of notice.

(3) Where the Board revokes a permit under this section, it shall inform, in writing, the holder of the permit of the reason why the permit has been revoked.

**PART IX—SELF-REGULATION, ADMINISTRATIVE AND REPORTING
OBLIGATIONS**

34. Formation of self-regulatory body

(1) Two or more organisations may form a self-regulating body.

(2) A self-regulatory body shall be registered with the Board.

(3) An application for registration under this section shall be accompanied by—

- (a) the resolution of each of the organisations forming the self-regulatory body stating its willingness to be part of the self-regulatory body;
- (b) the code of conduct of the self-regulatory body; and
- (c) any other information that the Board may reasonably require.

(4) The code of conduct of a self-regulatory body shall be adopted by a special meeting of the policy making organ of the self-regulating body, attended by not less than three quarters of the voting members present.

(5) A self-regulatory body under this section shall adopt its own structure, rules and procedure for the efficient administration of its activities.

35. Self-regulatory mechanism.

A self-regulatory body that has established a self-regulatory mechanism shall inform the Board of its existence and mode of operations.

36. Annual returns, estimates and furnishing of information

An organisation shall—

- (a) submit to the Board annual returns;
- (b) declare and submit to the Board and Local Government of the area of operation, its budget, work plan, information on funds received and the sources of funds;
- (c) submit to the Board a report approved by the organisation's annual general meeting or the organisation's board of directors;

- (d) furnish to the district technical planning committee and the DNMC of each area in which it operates, estimates of its income and expenditure for information; and
- (e) submit to the Board any other information that the Board may consider to be in the public interest.

PART X—MISCELLANEOUS

37. Inspection

(1) An officer of the Secretariat authorised by the Board may, at any reasonable time inspect the premises of an organisation and may request for any information that appears to him or her necessary for purposes of giving effect to this Act.

(2) A person who obstructs an officer under subsection (1) in the carrying out of his or her functions under this section or who gives an officer information which he or she knows to be false, commits an offence and is liable on conviction a fine not exceeding forty eight currency points or imprisonment not exceeding two years, or both.

(3) An officer of the Secretariat authorised by the Board may investigate any matter for the purpose of ensuring compliance with this Act and may subject to the power of the Director of Public Prosecutions under Article 120 of the Constitution prosecute any person for an offence alleged to be committed under this Act.

38. Protection from liability

A member of the board of directors, an officer or an employee of the Board or a person acting on the directions of the Board is not personally liable for any act or omission done or omitted to be done in good faith in the exercise of the functions of the Board.

39. Assistance to the Board

Ministries, Departments and Agencies of Government shall afford the Board all necessary assistance for purposes of giving full effect to this Act.

40. Special obligations

An organisation shall—

- (a) not carry out activities in any part of the country, unless it has received the approval of the DNMC and Local Government of that area and has signed a memorandum of understanding with the Local Government to that effect;
- (b) not extend its operations to any new area beyond the area it is permitted to operate unless it has received a recommendation from the Board through the DNMC of that area;
- (c) co-operate with local councils in the area of its operation and relevant DNMC and SNMC;
- (d) not engage in any act which is prejudicial to the security and laws of Uganda;
- (e) restrict its operations to the area of Uganda in respect of which it is permitted to operate;
- (f) not engage in any act, which is prejudicial to the interests of Uganda and the dignity of the people of Uganda;
- (g) be non-partisan and shall not engage in fundraising or campaigning to support or oppose any political party or candidate for an appointive office or elective political office, nor may it propose or register a candidate for elective political office; and
- (h) have a memorandum of understanding with its donors, sponsors, affiliates, local and foreigner partners, if any, specifying the terms and conditions of ownership, employment, resources mobilised for the organisation and any other relevant matter.

41. Staffing of organisations

An organisation shall comply with the following in respect to staffing—

- (a) at the time of applying for registration, submit to the Board a chart showing its organisational structure as stipulated in its constitution accompanied by a statement—
 - (i) specifying its foreign staff requirements where necessary;
 - (ii) indicating its requirements of Ugandan counterparts of the foreign employees; and
 - (iii) indicating the period for the replacement of its foreign employees with qualified Ugandans.
- (b) comply with any written law in Uganda relating to labour and employment services;
- (c) shall not employ a person who is not a citizen of Uganda unless that person has, before proceeding to Uganda for the purposes of the employment by the organisation, submitted to the Ugandan diplomatic mission in his or her country of origin for transmission to the Government of Uganda for consideration, for his or her suitability for the employment—
 - (i) certified details of his or her certificates, credentials and recommendations of his or her academic and professional qualifications and proven work experience; and
 - (ii) a certificate of clearance of no criminal record from his or her country of origin; and
- (d) ensure that any remuneration including salaries, allowances, fringe benefits and other terms and conditions of service of the Ugandan employees of the organisation are reasonably comparable to those for the time being

prevailing in the employment market in Uganda or reasonably comparable to those of their foreign counterparts.

42. Business operations of organisations

(1) An organisation or a member or employee of the organisation shall not use the organisation directly or indirectly to engage in any gainful activities for individual interest, except for the economic interest of the organisation or in fulfilling its objectives.

(2) An organisation shall open and maintain a bank account.

(3) Where an organisation receives monies in foreign currency, it shall open and operate a foreign currency bank account with a reputable bank in which the currency shall be deposited and through which the transactions shall be conducted.

(4) Except for fundraising purposes, where an organisation sells any goods or services to the public or to any other organisations, the prices of the goods and services shall be in conformity with the prices if any, prescribed by the Government for those goods and services or conformity with the open market prices in respect of those goods and services for the time being obtaining in Uganda.

(5) Any sum of money received from the sale of any goods or services under subsection (4) in excess of the administrative costs incurred in the sale shall be reinvested in the project or as directed by the organisation.

43. Affiliated organisations

An organisation which is affiliated to another organisation registered under this Act shall not operate in Uganda, unless it has itself been duly registered under this Act.

44. Dissolution

(1) The dissolution of an organisation may be either—

(a) voluntary; or

(b) by order of the Board.

(2) An organisation may dissolve voluntarily—

(a) where the members pass a resolution according to the constitution of the organisation, requiring the organisation to be dissolved; or

(b) where the organisation resolves by resolution to the effect that it cannot by reason of its liabilities continue its activities and that it is advisable to dissolve in accordance with its constitution.

(3) An organisation may be dissolved by order of the Board if—

(a) the Board has reason to believe that a registered organisation has not commenced its activities within twelve months from the time of registration or without justifiable cause has ceased to exist after that;

(b) it is proved to be defrauding the public or its members or both;

(c) it has violated the terms and conditions attached to its permit; or

(d) for any other reason the Board considers it necessary, in the public interest.

(4) In the case of dissolution by the Board, before a decision is made, the Board shall give thirty days' notice to the organisation to appear before it and show cause why it should not be dissolved and the notice shall take effect from the date of communication to an authorised officer of the organisation.

(5) Where an organisation appears before the Board and fails to satisfy the Board in its defence as to the need for its continued existence, the Board shall proceed to dissolve the organisation.

(6) Where the organisation, without justifiable cause, fails to appear, the Board shall proceed to dissolve the organisation.

(7) Upon dissolution by the Board—

- (a) the Board shall issue a dissolution certificate; and
- (b) the Board shall cause the assets and liabilities of the organisation to be dealt with in accordance with the relevant provisions of the constitution of the organisation.

(8) Upon voluntary dissolution, an organisation shall—

- (a) submit to the Board a copy of the resolution of the organisation showing—
 - (i) that the organisation has been dissolved;
 - (ii) how the organisation intends to clear its debts, if any; and
 - (iii) what the organisation intends to do with the remaining property.
- (b) submit to the Board a financial report and such other documents that the Board may consider necessary.

(9) On fulfilling the conditions in subsection (8), the Board shall issue the organisation with a certificate of dissolution.

45. Appeals

A person aggrieved by any decision of the Board, may within three months of the date he or she is notified of the decision, appeal to the Minister.

46. Minister's Powers

The Minister may, subject to this Act, give to the Board written instructions of a general or specific nature relating to its functions to which it shall be bound to comply.

47. Regulations

(1) The Minister may, after consultation with the Board, make regulations for giving full effect to this Act.

(2) Without prejudice to the general effect of subsection (1), regulations made under subsection (1) may prescribe the following—

- (a) the form of application for registration;
- (b) the form of a permit;
- (c) the form of certificates of incorporation;
- (d) the form of application for renewal of a permit;
- (e) different fees for foreign, indigenous, continental, regional and international organisations for purposes of application for registration and application for renewal of permits;
- (f) the manner in which the organisation shall—
 - (i) be wound up when it ceases to operate;
 - (ii) carry out a search at the Board;
 - (iii) regulate itself;
 - (iv) acquire tax exemption;
 - (v) submit annual returns;
 - (vi) replace its permit or certificate of incorporation in case of loss or damage;
 - (vii) notify the board on changes within the organisation and its constitution.

- (g) terms and conditions that may be specified in the permit;
- (h) the manner in which the board of directors shall handle complaints;
- (i) fees for services rendered by the Board; and
- (j) anything that is required or authorised to be prescribed under this Act.

(3) The Minister may, by statutory instrument amend schedule 1 to this Act, with the approval of Cabinet.

(4) Regulations made by the Minister under this section shall be laid before Parliament.

48. Repeal of the Non-Governmental Organisations Act, Cap. 113 and savings

(1) The Non-Governmental Organisations Act, Cap. 113 is repealed.

(2) Any statutory instrument made under the Non-Governmental Organisations Act, Cap 113, repealed under subsection (1) and which is in force immediately before the commencement of this Act, shall remain in force, so far as it is not inconsistent with this Act, until it is revoked by a statutory instrument made under this Act and until that revocation, shall be deemed to have been made under this Act.

PART V—SAVINGS AND TRANSITIONAL

49. Vesting of assets and liabilities

On the commencement of this Act—

- (a) all property and assets vested in the Board before the commencement of this Act shall be vested in the Board subject to all interests, liabilities, obligations and trusts affecting the property.

- (b) any money held by or on account of the Board shall vest in the Board;
- (c) all contracts, agreements and undertakings made by the Board and all securities lawfully given to or by it and in force immediately before the commencement of this Act have effect as contracts, agreements and undertakings by and with the Board and may be enforced by and against the Board.
- (d) any proceedings commenced by or against the Board may be continued by or against the Board.

50. Continuation of the Board and employment of employees of the Board.

(1) Notwithstanding the repeal in section 48(1), the Board established under the Non-Governmental Organisations Act, Cap. 113, shall continue to operate until the Minister appoints the board of directors, under section 9 of this Act.

(2) On the commencement of this Act—

- (a) every person who, immediately before the commencement of this Act was employed by the Board becomes an employee of the Board and shall continue to be employed by the Board;
- (b) the terms and conditions, including the salary, on which a person referred to in subsection (1) was employed immediately before the commencement of this Act, shall be no less favourable than those that applied to that person's office immediately before the commencement of this Act; and
- (c) there is no break or interruption in the employment of such person because of the enactment of this Act.

(3) Subject to subsection (1) (b), the terms and conditions of any employment referred to in subsection (1) may be varied after the commencement of this Act.

(4) Nothing in this Act affects the pension rights under the Pensions Act of any person referred to in subsection (1).

51. Continuation of operation of organisations

An organisation which existed immediately before the commencement of this Act and to which section 2(1) of the Non-Governmental Organisation Act, Cap. 113 applied, before the commencement of this Act, may continue to operate, but shall apply for registration within six months after the commencement of this Act.

SCHEDULE 1

Sections 3, 37

CURRENCY POINT

A currency point is equivalent to twenty thousand shillings.

SCHEDULE 2

Section 12

MEETINGS OF THE BOARD DIRECTORS

1. Meetings of the board of directors

(1) The Chairperson shall convene every meeting of the board of directors at times and places as the board of directors may determine, and the board of directors shall meet for the discharge of business at least once in every three months.

(2) The Chairperson may, at any time, convene a special meeting of the board of directors and shall also call a meeting within fourteen days, if requested to do so in writing by at least four members of the board of directors.

(3) Notice of the board of directors meeting shall be given in writing to each member at least fourteen working days before the day of the meeting.

(4) The Chairperson or in his or her absence the vice chairperson shall preside at every meeting of the board of directors and in the absence of both the Chairperson and vice chairperson; the members present shall appoint a member from among themselves to preside at that meeting.

2. Quorum

(1) The quorum for a meeting of the board of directors is 5 members.

(2) All decisions at a meeting of the board of directors shall be by a majority of the votes of the members present and voting and in case of an equality of votes, the person presiding at the meeting shall have a casting vote in addition to his or her deliberative vote.

3. Minutes of meetings.

(1) The board of directors shall cause to be recorded and kept, minutes of all meetings of the board of directors in a form approved by the board of directors.

(2) The minutes recorded under this paragraph shall be submitted to the board of directors for confirmation at its next meeting following that to which the minutes relate and when so confirmed, shall be signed by the Chairperson and the Secretary to the board of directors, in the presence of the members present at the latter meeting.

4. Decision by circulation of papers.

(1) Subject to subparagraph (2), decisions of the board of directors may be made by the circulation of the relevant papers among the members and the expression of their views in writing, but any member is entitled to request that any such decision shall be deferred until the subject matter has been considered at a meeting of the board of directors.

(2) A decision made by circulation of papers under this paragraph is not valid unless it is supported by not less than five members.

5. Power to co-opt

(1) The board of directors may co-opt any person who, in the opinion of the board of directors, has expert knowledge concerning the functions of the board of directors, to attend and take part in the proceedings of the board of directors.

(2) A person co-opted under subparagraph (1) may take part in any discussion at the meeting of the board of directors on which his or her advice is required but shall not have any right to vote at that meeting.

6. Validity of proceedings not affected by vacancy

The validity of any proceedings of the board of directors shall not be affected by a vacancy in its membership or by any defect in the appointment or qualification of a member or by reason that a person not entitled, took part in its proceedings.

7. Disclosure of interest of members

(1) A member of the board of directors who is in any way directly or indirectly interested in a contract made or proposed to be made by the board of directors, or in any other matter which falls to be considered by the board of directors, shall disclose the nature of his or her interest at a meeting of the board of directors.

(2) A disclosure made under subparagraph (1) shall be recorded in the minutes of that meeting.

(3) A member who makes a disclosure under subparagraph (1) shall not—

- (a) be present during any deliberation of the board of directors with respect to that matter; or
- (b) take part in any decision of the board of directors with respect to that matter.

(4) For purposes of determining whether there is a quorum, a member withdrawing from a meeting or who is not taking part in a meeting under subparagraph (3) shall be treated as being present.

8. The board of directors may regulate their own procedure

Subject to this Act, the board of directors may regulate their own procedure or any other matter relating to its meetings.

Cross References

Public Finance Management Act, Act. No. 3 of 2015.

Pensions Act, Cap. 286