

Compliance & Good Governance FAQ Handbook

About the Handbook

This handbook is a compilation of Frequently Asked Questions (FAQs) drawn directly from the Certification Program in SPO Governance & Compliance Management, conducted under the *Catalysing Good Governance & Accountability Systems* initiative by the Centre for Good Governance at ISDM. It has been developed in response to real-time questions raised by practitioners during the sessions—translating the lived dilemmas and practical challenges of Social Purpose Organisations (SPOs) into an accessible, solution-oriented reference document.

Tailored specifically for small and mid-sized Social Purpose Organisations (SPOs), the guidebook serves as a ready reckoner for SPO leaders and professionals looking at compliance & governance in navigating the complex regulatory and ethical landscape of the sector. By addressing the most frequently asked and recurring queries, it aims to build institutional clarity, strengthen decision-making, and promote a culture of proactive compliance.

Structured around four critical aspects the content is grounded in field realities and validated through in-person dialogues with sectoral experts¹.

¹ **Disclaimer – This guidebook is intended not as a legal manual, but as a practical governance companion to support SPOs in becoming not only mission-driven but also management-strong.**

The four key aspects of compliance essential especially for small and mid-sized Social Purpose Organisations (SPOs) include :

1. **Statutory and Regulatory Compliance** – Ensuring organisational adherence to Indian legal, tax, and regulatory frameworks through timely registrations, filings, and transparent operational practices.
2. **Financial Compliance** – Upholding robust financial governance through accurate budgeting, transparent reporting, recognised accounting standards, and audit readiness.
3. **Donor, Fundraising, and Stakeholder Compliance** – Maintaining ethical and legal integrity in fundraising by ensuring donor due diligence, transparent fund utilisation, and alignment with organisational values.
4. **Operational Compliance** – Embedding consistent systems, policies, and data governance practices that enable effective program delivery and uphold organisational accountability.

Statutory and Regulatory Compliance

This refers to the organisational adherence to all necessary legal, financial, and operational registrations and filings as required by Indian law. It includes registration certificates, tax exemptions, audit practices, and timely submissions to government bodies.

Question	Response
What is the role of the Board and CEO in ensuring statutory compliance in SPOs?	<p>The Board of Trustees or Directors is responsible for approving policies that align with applicable laws, ensuring fiduciary oversight, and fostering a culture of legal and ethical accountability. The CEO operationalises these policies, ensures day-to-day compliance across departments, and reports to the Board. Compliance is not the prerogative of one function but a shared responsibility throughout the organisation.</p>
What are the critical Income Tax obligations applicable to SPOs post-registration?	<p>SPOs must obtain exemptions under Sections 12AB and 80G to claim tax benefits. They are required to spend at least 85% of their annual income towards charitable purposes or carry forward the balance via Form 9/10. Annual obligations include filing Form 10B (audit report), ITR-7, and Form 10BD (donation disclosures). TDS must be deducted on applicable payments and remitted monthly, with quarterly returns filed on time.</p>
How is foreign funding regulated under FCRA, and what are the compliance requirements?	<ol style="list-style-type: none"> 1. Usually FCRA registration takes 6 months. So, in case there is some foreign funding which is planned to come in a certain period, the process should start 6 months before. 2. If an organisation does not receive any foreign contribution for three consecutive financial years, its FCRA registration is liable to be cancelled or non-renewal of FCRA registration by the Ministry of Home Affairs (MHA). Even if the organisation continues to file nil returns

<p>What constitutes administrative expenses under Rule 5 of FCRA?</p>	<p>Administrative expenses include remuneration and travel of key personnel, consultant and legal fees, and operational overheads like rent and utilities. These are capped at 20% of total foreign contributions. This is not exhaustive and Rule 5 of the FCRA should be referred to for details. Expenditures directly related to project implementation are excluded.</p>
<p>At what operating budget does GST registration become mandatory for NGOs?</p>	<p>GST registration is mandatory for NGOs if their annual operating income (from taxable services or sale of goods) exceeds the following thresholds:</p> <ul style="list-style-type: none"> • ₹20 lakhs for services • ₹10 lakhs for services in special category states (e.g., North Eastern states, Himachal Pradesh, Uttarakhand, Jammu & Kashmir) • ₹40 lakhs for sale of goods <p>This includes income from activities such as training, consultancy, or sale of products that are not exempt under GST. Pure grants or donations with no quid pro quo are generally excluded from this calculation.</p>
<p>How are donations, grants, and sponsorships treated under GST law?</p>	<p>Unconditional donations are not taxable under GST. Grants that are tied to deliverables or outcomes may be considered taxable services. Sponsorships, particularly those involving brand visibility or marketing benefits to the donor, are explicitly taxable. NGOs must assess the nature of each inflow to determine GST applicability and ensure appropriate disclosures in returns.</p>

<p>Can NGOs with 12A/80G exemptions also register under GST?</p>	<p>Yes. Tax exemption under the Income Tax Act (Sections 12A/80G) does not preclude an NGO from registering under GST if their revenue crosses the threshold or involves taxable supplies. These are distinct regulatory regimes, and compliance under one does not imply exemption under the other.</p>
<p>What are the implications of income from business activities for tax-exempt NGOs?</p>	<p>As per current provisions, income from business activities incidental to the NGO's objects should not exceed 20% of total receipts. Breach of this threshold can jeopardise the tax-exempt status under Section 12AB. NGOs must maintain separate books of accounts for such activities and ensure they contribute to the charitable mandate.</p>
<p>Are in-kind donations taxable under GST?</p>	<p>In-kind donations are exempt from GST if they are unconditional and not associated with any service or benefit to the donor. However, if they include promotional entitlements (e.g., logo placement, product display), such contributions may be treated as consideration for supply and become liable for GST.</p>
<p>What are the implications of not updating changes in organisational details with regulators?</p>	<p>Failure to notify regulators (such as Income Tax, GST, or FCRA authorities) about changes in address, bank details, or board composition may result in delayed approvals, invalidated filings, or non-compliance notices. Forms such as FC-6 (for FCRA) must be filed within specified timelines to maintain regulatory compliance.</p>

Is internal audit a mandatory requirement for NGOs?	Internal audit is not legally mandatory for all NGOs but is considered a best practice. It strengthens governance, ensures timely compliance with statutory obligations (e.g., TDS, FCRA, ITR), assesses financial controls, and reinforces donor confidence. Larger or multi-project NGOs are strongly advised to institutionalise internal audit mechanisms.
Are foreign contributions from relatives subject to FCRA reporting?	Yes. If the aggregate foreign contribution received from relatives exceeds ₹10 lakhs in a financial year, the NGO must notify the Ministry of Home Affairs within three months. Non-disclosure may result in penal action or suspension of FCRA registration.
Why is it important to align job titles with programmatic responsibilities under FCRA?	Accurate designation ensures proper classification of expenditures as programmatic or administrative. Managerial and Administrative roles in a program may be classified as Administrative expenses as per Rule 5 of FCRA.
When should an NGO begin the process for FCRA registration renewal?	Renewal should be initiated 6 to 9 months before the expiry date to prevent any interruption in receiving foreign contributions. Organisations must also plan for alternative funding sources during the transition period in case of processing delays.
Can Section 8 companies register under Startup India while holding 12A/80G exemptions?	Section 8 companies are eligible to register under the Startup India initiative if they meet innovation and scalability criteria. However, they cannot claim tax exemptions under Section 80G for the same income streams for which startup incentives are availed. Dual benefits for the same revenue are not permitted.

<p>How should SPOs manage fixed-term contractual employment within compliance frameworks?</p>	<p>Contractual staffing aligned to project duration is acceptable. However, such arrangements must not be used to bypass statutory entitlements like gratuity or leave. Contractual; employment terms must be transparent, linked to donor commitments, and not in violation of labour laws such as PF, ESI, or Maternity Benefits Act.</p>
<p>What is the recommended number of trustees in a charitable trust for governance effectiveness?</p>	<p>Although no legal minimum or maximum exists, an odd number (e.g., 3, 5, or 7) is advisable to avoid decision-making deadlocks. The composition should reflect gender and domain diversity for robust oversight. The number of trustees should be specified in the trust deed.</p>
<p>What is the difference between the MOA and AOA of an NGO?</p>	<p>MOA and AOA are statutory regulations applicable to Section 8 companies. The Memorandum of Association (MOA) outlines the vision, mission, and permissible activities of the organisation. The Articles of Association (AOA) prescribe the governance mechanisms, internal controls, roles of directors, and procedures for meetings.</p>
<p>Are performance-linked incentives permissible in the nonprofit sector?</p>	<p>Yes. Incentives based on achievement of programmatic or organisational milestones can be structured, subject to donor agreement and sector norms. Such incentives must be reasonable, transparently disclosed, and aligned with the mission of the organisation.</p>

<p>Is Shops and Establishment registration mandatory for NGOs operating across states?</p>	<p>Registration under the Shops and Establishments Act is state-specific and generally required in most states where an NGO has an office or employs staff. However, it is not uniformly mandatory across all states—some states require registration only if the organisation operates as a commercial establishment or employs a certain number of people. The Act typically governs conditions of employment, working hours, leave policies, and related matters for establishments operating within state boundaries. NGOs are advised to check the specific regulations and thresholds applicable in each state of operation and register accordingly through the respective state's Labour Department or online portal.</p>
<p>How should SPOs engage consultants while ensuring legal and financial compliance?</p>	<p>Consultants must be engaged via formal service contracts detailing scope of work, deliverables, timelines, and compensation. They should function independently and not be supervised like employees. Misclassification may attract PF, ESI, and other liabilities under labour laws.</p>
<p>Does professional tax apply to employees working remotely across states?</p>	<p>Yes. Professional tax is a state-specific levy and is applicable based on the employee's work location. NGOs must register and deduct the applicable tax for employees residing in states where such laws are enforced, irrespective of the head office location.</p>
<p>How must Section 8 companies dematerialise physical share certificates?</p>	<p>Section 8 companies must comply with the Companies Act, 2013, which mandates conversion of physical share certificates into electronic form. This requires engagement with a registered Depository Participant (DP), passing necessary board resolutions, and filing prescribed forms with the Ministry of Corporate Affairs (MCA).</p>

Donor, Fundraising and Stakeholder Compliance

It refers to the organisation's approach to fundraising, donor communication, and stakeholder transparency. It assesses the systems in place to track donor contributions, ensure legal compliance of funds, and maintain financial accountability.

Question	Response
Are anonymous donations permissible under Indian law?	No. As per Section 115BBC of the Income Tax Act, anonymous donations—defined as contributions where the identity of the donor is unrecorded—are subject to a penal tax rate of 30%. To ensure compliance, SPOs must adopt rigorous donor identification (KYC) protocols, particularly for contributions exceeding ₹50,000, and maintain transparent documentation.
What due diligence measures are required under the Prevention of Money Laundering Act (PMLA) and the Income Tax Act?	SPOs are required to verify donor identity through official documentation such as PAN or Aadhaar for contributions above ₹50,000. Additionally, they must evaluate the legitimacy and proportionality of the donor's source of funds, particularly for high-value or foreign contributions. Under the PMLA, even unintentional facilitation of money laundering activities may attract legal liability, necessitating enhanced scrutiny of suspicious or unusual transactions.
What is the distinction between FEMA and FCRA in the context of fundraising?	The Foreign Exchange Management Act (FEMA) governs all cross-border financial transactions and foreign exchange dealings applicable to both commercial and nonprofit entities. The Foreign Contribution (Regulation) Act (FCRA), in contrast, is specifically designed to regulate the receipt and utilisation of foreign contributions by NGOs, imposing additional

	registration, reporting, and usage restrictions aimed at safeguarding national interest and financial transparency.
How should SPOs approach crowdfunding from a compliance and due diligence perspective?	While crowdfunding often involves micro-donations, SPOs must ensure legal compliance by verifying the operational integrity of the crowdfunding platform, capturing donor information, maintaining transaction trails, and securing consent for data usage. For large aggregated donations or foreign contributions, the SPO must undertake KYC procedures, document donor intent, and ensure compliance with FCRA and PMLA regulations.
What are key indicators of potential ethical or regulatory risks in donor relationships?	Indicators of concern include: (a) substantial donations without clarity on provenance; (b) attempts by donors to influence governance or strategic decisions; (c) financial engagements involving donor-affiliated individuals without due process; (d) unusual routing of funds through multiple intermediaries; and (e) resistance to disclosure or verification procedures. These indicators should trigger enhanced scrutiny, internal review, and appropriate documentation in alignment with organisational risk protocols.
What is the recommended duration for retaining donor records and documentation?	Donation receipts, KYC documentation, fund utilisation reports, and associated correspondence should be retained for a minimum of 10 years. This duration aligns with best practices in statutory audit readiness, retrospective compliance verification, and institutional memory, and is particularly critical for foreign or high-value donations.

<p>Can SPOs accept donations from corporations with questionable ethical or environmental records?</p>	<p>Although there is no statutory prohibition on accepting such contributions, SPOs must evaluate alignment with their mission, potential reputational risks, and stakeholder perceptions. Some organisations adopt donor exclusion lists or institute ethics committees to screen such cases and ensure that funding sources do not compromise organisational credibility or community trust.</p>
<p>Can SPOs accept donations from industries engaged in controversial or ethically sensitive sectors?</p>	<p>Donations from industries such as tobacco, mining, or alcohol may be legally permissible, but should be evaluated for ethical compatibility with the SPO's mission and stakeholder expectations. Many NGOs develop sectoral exclusion frameworks and apply ethical screening protocols to avoid perceived conflicts, mission drift, or reputational dilution.</p>
<p>Why must SPOs undertake independent due diligence on donors, even when using third-party platforms?</p>	<p>Legal accountability for verifying donor identity, legitimacy of funds, and compliance with anti-money laundering regulations lies with the receiving NGO. Reliance on third-party crowdfunding or payment platforms does not absolve the SPO from responsibility under PMLA, FCRA, or the Income Tax Act. NGOs must perform their own due diligence irrespective of the platform's internal protocols.</p>
<p>What constitutes a robust donor acceptance and compliance policy for SPOs?</p>	<p>An effective donor compliance policy should include: (a) formal procedures for donor identity verification; (b) screening for source of funds; (c) alignment assessment with organisational mission and values; (d) procedures for disclosing and managing conflicts of interest; and (e) periodic review by the Board or a designated ethics committee. This policy should be scalable based on the organisation's size, sectoral exposure, and risk tolerance.</p>

<p>How should SPOs respond to donations from Politically Exposed Persons (PEPs)?</p>	<p>While not prohibited, contributions from PEPs necessitate enhanced due diligence due to the heightened risk of undue influence, reputational harm, and compliance complications. NGOs should require additional documentation, undertake board-level review, and establish internal sign-offs by designated compliance authorities to ensure transparency and mitigate risk.</p>
<p>What is 'mission drift' in the context of donor engagement and how can it be mitigated?</p>	<p>Mission drift refers to the deviation of an organisation from its stated purpose or objectives due to external pressures, particularly donor influence. To prevent this, SPOs must integrate mission alignment criteria into donor selection, maintain internal checks during program planning, and uphold core values when evaluating funding opportunities. Regular strategy reviews and staff training on organisational mandates also help mitigate this risk.</p>
<p>What protocols must SPOs follow under the Digital Personal Data Protection (DPDP) Act while conducting digital fundraising?</p>	<p>Under the DPDP Act and rules (to be notified), there is no specific provision for donors. However DPDP rules centre around lawful and transparent processing of donor data. This includes: (a) obtaining explicit consent for data collection; (b) minimising data to what is necessary; (c) encrypting and securely storing personal information; (d) implementing role-based access controls; and (e) enabling donors to access, rectify, or erase their data (subject to retention if necessary for compliance with any law). NGOs handling sensitive data of donors or beneficiaries (e.g., health, caste, gender, children related information) must implement stricter safeguards.</p>

<p>How can resource-constrained NGOs establish effective risk management frameworks?</p>	<p>Small and mid-sized SPOs can initiate basic risk management practices through cost-efficient tools such as Excel-based risk registers, RACI matrices, SOPs for critical functions, and regular internal reviews. Staff training on compliance and scenario planning can enhance organisational preparedness. Prioritisation of top strategic and compliance risks is key to maintaining resilience within limited resource contexts.</p>
<p>What role does ethical fundraising play beyond statutory compliance?</p>	<p>Ethical fundraising reinforces public trust, preserves organisational integrity, and safeguards long-term legitimacy. It involves transparent communication about funding utilisation, respectful and non-coercive solicitation practices, rejection of contributions that compromise core values, and proactive conflict-of-interest disclosures. Ethics must be embedded as a cross-cutting principle, not merely an adjunct to legal compliance.</p>
<p>How should SPOs address culturally inappropriate donor visibility or branding?</p>	<p>SPOs must ensure that donor branding and public visibility do not perpetuate stereotypes, exploit vulnerable communities, or disregard socio-cultural norms. This involves pre-validating visual materials with community stakeholders, integrating local sensitivities into co-branding protocols, and empowering programme teams to mediate between community dignity and donor expectations.</p>
<p>Can donor relationships be reassessed after a funding agreement has been initiated?</p>	<p>Yes. SPOs should institutionalise a dynamic donor review mechanism that enables reassessment of ongoing partnerships if new ethical, legal, or reputational risks arise. This review should be anchored in a donor engagement and ethics policy, involve documented deliberation by the Board or ethics committee, and, where necessary, lead to renegotiation</p>

or termination of the funding agreement in alignment with organisational values.

Financial Management Compliance

The robustness of financial practices including internal and external audits, accounting systems, transparency in financial records, and adherence to recognised accounting standards and tax regulations.

Question	Response
What are the four key components of True Cost budgeting?	The four primary components include: (i) Program Costs: costs related to planning, execution, and monitoring; (ii) Support Costs: non-programmatic operational expenditures (e.g., admin, HR); (iii) Contingency: provisions for unforeseeable short-term expenditures; and (iv) Reserves: allocations to support long-term organisational sustainability.
What constitutes 'True Cost' for a nonprofit organisation?	'True Cost' refers to the comprehensive estimation of the total financial resources required to effectively plan, implement, monitor, and sustain organisational programs. This includes direct program costs, support costs (e.g., HR, administration), contingencies (short-term unpredictabilities), and reserves (long-term sustainability). It reflects the actual cost of impact delivery, beyond donor-defined line items.

<p>Why is it important to distinguish between fixed and variable costs in budgeting?</p>	<p>Differentiating fixed (e.g., rent, salaries) and variable (e.g., per-unit beneficiary expenses) costs enable accurate financial modeling, realistic budgeting, and enhanced clarity during funder negotiations. It also helps preempt donor queries and ensures that cost misattribution does not lead to underfunding or reputational risk.</p>
<p>How should organisations respond to donors requesting a refund due to lower-than-expected beneficiary turnout?</p>	<p>Organisations should present cost structures that delineate fixed and variable components, justifying that a reduction in attendance does not proportionally reduce total expenditure. Proactive budget communication with assumptions, cost classifications, and utilisation plans should be embedded in proposals to minimise such disputes.</p>
<p>Can organisations use a range-based costing model (e.g., minimum-maximum beneficiary coverage)?</p>	<p>Yes, range-based costing is a valid approach, particularly in uncertain or pilot contexts. However, it must be analytically sound and accompanied by justifications for each scenario. Indicating optimal vs. minimum thresholds, and the cost implications thereof, can improve donor confidence and mitigate risk.</p>
<p>How should contingency percentages be determined in nonprofit budgets?</p>	<p>Contingency allocations should be context-sensitive. Higher percentages are justified in scenarios involving new geographies, nascent organisations, or pilot programs due to higher exposure to uncertainty. Established programs may warrant lower provisions. There is no fixed benchmark; it should reflect operational volatility and risk profile.</p>

<p>Why is it critical to update the objects clause in a Trust Deed or MoA?</p>	<p>Legal compliance under the Income Tax Act mandates that all charitable activities align with the stated objects. Activities beyond this scope may result in deregistration and tax penalties (up to 40% on corpus). Updating the clause on Trust Deed or MoA ensures legal defensibility and coherence between mission and statutory obligations.</p>
<p>What is the strategic value of presenting a full organisational budget versus a donor-specific budget?</p>	<p>A full organisational budget ensures strategic resource alignment, improves internal governance, and positions the organisation as institutionally strong. Donor-specific budgets often overlook overheads and indirect costs. A comprehensive budget is vital for long-term sustainability and transparency.</p>
<p>How should SPOs articulate the impact of underfunding to donors?</p>	<p>SPOs must communicate that funding gaps affect program scale, quality, or timelines. Cost-outcome mapping and trade-off scenarios (e.g., fewer activities, staff reductions) help donors understand how investments correlate with impact. This fosters transparency and supports full cost recovery advocacy.</p>
<p>How should financial management functions be structured in SPOs?</p>	<p>Financial management should be segmented into three functional domains: (a) Accounts, which focuses on bookkeeping, audit, and statutory financial records; (b) Finance, which manages budgeting, donor communications, and internal financial planning; and (c) Compliance, which ensures adherence to regulatory frameworks and internal control mechanisms. This structure enhances role clarity, accountability, and effective financial governance.</p>

<p>What are the most common financial management challenges SPOs face?</p>	<p>SPOs often rely on manual tools such as Excel, face data fragmentation across platforms (e.g., Tally, Dropbox), and lack real-time reporting. Inconsistencies in donor-specific formats, prolonged closure timelines, and requests for physical records despite digital transitions further complicate financial operations and audit preparedness.</p>
<p>Are digital records acceptable for audit and compliance purposes?</p>	<p>Yes. According to Rule 17AA of the Income Tax Act, electronic records are valid for audit if maintained according to prescribed protocols. SPOs must establish robust data governance policies, ensure secure access, and align digital recordkeeping practices with both legal mandates and donor expectations.</p>
<p>What features should be prioritised when selecting a finance tech system for SPOs?</p>	<p>Key features of the system should include real-time dashboards, multi-donor grant management, budget decentralisation, seamless accounting integration, user-friendly interfaces, and robust data security. It must also support audit trails, enable program-to-expense mapping, and provide reliable after-sales support to facilitate smooth adoption and long-term use. Additionally, the system should ensure regular data backup and allow for easy data migration, should the NGO choose to switch technologies in the future. Importantly, the technology must be capable of scaling with the growth and complexity of the organisation's programs.</p>
<p>What are the best practices for implementing new financial technology systems?</p>	<p>Recommended approaches include: (i) Hard Stop (complete switch on a fixed date); (ii) Parallel Systems (running old and new systems concurrently); and (iii) Hybrid Pilots (small-scale pilots for testing and feedback). The hybrid approach is most effective in SPOs due to reduced resistance and better change management.</p>

Should SPOs build their own financial software or adopt off-the-shelf tools?	Custom-built tools are generally resource-intensive and difficult to maintain. SPOs should prefer off-the-shelf or sector-adapted software with nonprofit-specific features. These solutions offer better sustainability, reduced cost of ownership, and vendor support tailored to the operational realities of the development sector.
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Operational Compliance

(Programs, Process and Organisational Policies)

The internal systems and processes that guide the organisation's daily functioning and long-term strategy. It includes planning, staffing, monitoring of programmatic effectiveness, data tracking, and alignment to overall goals

Question	Response
Why are Organisational policies essential for SPOs?	Organisational policies provide a structural framework that aligns the organisation's practices with its vision, mission, and values. They ensure consistency, transparency, accountability, and legal compliance, fostering trust internally among employees and externally among donors and stakeholders. For any area where the organisation seeks a structured, consistent approach—whether operational, financial, or ethical—it can develop a policy, even if it's a simple one-page document. This reinforces clarity in decision-making and strengthens organisational integrity.
How can Social Purpose Organisations (SPOs)	Conflicts of interest arise when individuals in positions of authority face competing personal, professional, or financial interests that could potentially impair their ability to act

Identify and manage conflicts of interest?	impartially. SPOs should institutionalise a Conflict of Interest (Col) policy that mandates disclosure of potential conflicts during board or committee deliberations, requires recusal from related decisions, and records all such instances in official minutes. Typical scenarios include trustees entering into consultancy or procurement arrangements with the organisation.
How can smaller organisations approach policy development effectively?	Even with limited resources, smaller SPOs can begin with simplified, essential policy documents that reflect their core operations and values. These can be scaled up and formalized over time. Central repositories like shared drives. They should keep policies simple, clear, and practical—focusing on what’s realistic to implement given their size and resources. Engaging staff in the process ensures relevance and buy-in, while borrowing templates from trusted sources (like networks or larger NGOs) can save time. Regular updates and feedback loops help keep policies alive and meaningful as the organisation evolves. or printed manuals help maintain accessibility and continuity.
Which core HR and operational policies are considered mandatory for SPOs?	Mandatory policies typically include Code of Conduct, Prevention of Sexual Harassment (POSH), Whistleblower Policy, Health and Safety Policy, Child Protection Policy (especially when working with children), and policy frameworks for employee recruitment
What are some good-to-have policies that support operational efficiency?	These include policies on procurement, crisis and business continuity planning, travel and reimbursement, wellness leave, and mechanisms for internal grievance redressal and restorative justice, employee onboarding and exit processes,

	attendance and leave management, performance management, procurement, travel & related reimbursements
What challenges do SPOs face in recruiting suitable talent within donor-imposed salary constraints?	SPOs often face a mismatch between donor expectations and market realities. Candidates with relevant skills may demand higher salaries than budgeted. This necessitates documentation-based donor negotiation showcasing candidate profiles, skill gaps, and realistic cost implications. This approach helps build donor understanding and flexibility while ensuring the organization can attract the right expertise to deliver impactful outcomes. Additionally, they can explore hiring part-time or project-based consultants, or invest in capacity building for internal talent as a cost-effective alternative.
What are the components of a governance framework to address appraisal-related grievances?	A robust governance framework includes: (1) clearly stated values, (2) documented appeal mechanisms, (3) accountability structures for review processes, (4) ethical decision-making protocols for reviewers, (5) transparency in feedback, and (6) channels for safe reporting and redressal. (7)renewal/exit mechanism to ensure financial and audit-ready accountability.
What are some effective tools for data and knowledge management?	Google Workspace, Slack, Notebook LM, Zoho Creator, and OKRs-based tracking dashboards.

<p>Why is managing the full data lifecycle critical in social sector programs?</p>	<p>Effective data lifecycle management ensures that data is responsibly handled across all stages—collection, processing, storage, analysis, sharing, and deletion. Inadequate oversight at any stage can lead to compromised data integrity, breach of privacy norms, and reduced effectiveness in program monitoring and evaluation. A structured data lifecycle not only aligns with principles of data governance and security but also enhances decision-making, reduces redundancy, and ensures accountability to stakeholders and regulatory authorities.</p>
<p>What are the primary categories of data managed by SPOs, and what are their implications?</p>	<p>SPOs typically manage five broad categories of data: (a) employee data (e.g., contracts, attendance, payroll), (b) donor and partner data (e.g., contribution records, compliance documentation), (c) beneficiary and programmatic data (e.g., health, education, livelihoods data), (d) financial and statutory data (e.g., audit trails, FCRA records), and (e) survey and research data (e.g., needs assessments, impact evaluations). Each category requires differentiated handling, protection mechanisms, and retention protocols, especially when dealing with personally identifiable or sensitive information.</p>
<p>How can SPOs improve data quality and minimize errors in field-level data collection?</p>	<p>Enhancing data quality begins with robust form design and user-friendly data entry mechanisms. SPOs should employ controlled vocabulary through dropdown menus, coded fields, and data validation rules to standardize inputs and reduce typographical errors. Open-ended fields should be limited to areas requiring qualitative data. Additionally, training data collectors on form logic, using vernacular interfaces, and instituting regular data audits can significantly improve data reliability and utility for programmatic analysis.</p>

<p>Why is implementing a Unique Identification (UID) system critical in social impact programs?</p>	<p>A UID system facilitates consistent tracking of individuals, households, or entities over time and across geographies. In the absence of such identifiers, SPOs face challenges such as data duplication, mismatched records, and loss of continuity in longitudinal studies. UIDs enable integration of datasets across departments, improve targeting and monitoring of services, and support impact evaluation by linking inputs and outcomes to specific beneficiaries. In sensitive sectors such as health, education, and financial inclusion, UIDs are foundational to maintaining ethical and programmatic coherence.</p>
<p>What are the different types of dashboards that SPOs should develop, and what is their strategic value?</p>	<p>Dashboards serve as visual decision-support tools and can be categorised into three types: (1) Operational Dashboards, which monitor the status of daily activities and process adherence (e.g., field visits completed, forms filled); (2) Output/Outcome Dashboards, which present intermediate results and performance metrics (e.g., number of beneficiaries reached, behavior change indicators). Output and Outcomes aren't different types of dashboards, should be components they should consider, can be a single dashboard also; and (3) Impact Dashboards, which capture long-term systemic changes attributable to interventions (e.g., improved health outcomes, reduced dropout rates). These dashboards provide real-time insights, enhance transparency, and facilitate adaptive program management.</p>

<p>What approaches can SPOs adopt to build digital systems despite low technology capacity?</p>	<p>Organisations with limited digital infrastructure can adopt a phased approach to technology adoption. Initial steps may include leveraging widely accessible tools like Google Workspace, Excel, and open-source platforms. The focus should be on building internal capabilities through staff training, peer learning, and iterative system design. A fit-for-context approach—where technology aligns with on-ground realities—ensures adoption, minimizes resistance, and builds a foundation for future scalability. Partnerships with digital enablers or social tech organisations can also augment capacity.</p>
<p>How should SPOs navigate cultural sensitivities and contextual limitations when implementing tech-driven data systems?</p>	<p>Contextual appropriateness is essential for successful technology deployment in community-centric programs. SPOs must co-create data processes with frontline workers and community representatives to ensure cultural legitimacy. In environments where direct digital identifiers (e.g., QR tags on livestock or biometric tracking) face resistance due to social taboos or infrastructural constraints, alternative mechanisms—such as household IDs, locally accepted symbols, or verbal consent-driven methods—should be used. Respecting local norms while upholding data integrity is a hallmark of ethical tech adoption.</p>
<p>What is tacit knowledge, and how can SPOs institutionalise it to avoid loss during staff transitions?</p>	<p>Tacit knowledge comprises experiential insights, know-how, and contextual intelligence that are not formally documented but are critical to operational effectiveness. In SPOs, this may include strategies for community engagement, field navigation, or informal stakeholder networks. To prevent the loss of tacit knowledge during staff turnover, organisations should establish knowledge capture systems such as reflection logs, team debriefs, SOP documentation, peer</p>

	mentoring, and structured onboarding processes. Institutionalizing this knowledge enhances continuity and organisational resilience.
Why is it necessary for SPOs to implement data deletion protocols, and what should such protocols include?	Data deletion is a core principle of data minimisation, required by data protection laws and ethical standards. Retaining data indefinitely—particularly personal or sensitive data—poses significant risks including breaches, misuse, and non-compliance. A data deletion protocol should specify retention periods based on legal, programmatic, and donor requirements; define roles and responsibilities; and include guidelines for secure destruction. Periodic reviews and audits of data inventories ensure that obsolete or redundant data is responsibly disposed of, thereby upholding the principles of privacy, security, and accountability.