



SO YOU WANT TO SET UP AN NGO?

Another great initiative by
ENGAGE - Do Your Part for Peace



**WHO WE ARE
& WHY WE
CREATED THIS
MANUAL**





The NGO Support Centre is a non governmental organisation formed in 1999. **Our main aim is to support the emerging civil society in Cyprus and strengthen its voice.**

We push for positive change by implementing a number of projects in the fields of: **Active Citizenship, Peace and Reconciliation, International Development, Volunteerism, Knowledge Innovation, Human Rights and Gender.**

We also provide technical assistance to organisations so that they can in turn assume their role as full partners in the development of their society.

We developed this manual because we know it is often easy to become so engrossed in our personal affairs that we feel as if it is almost impossible to devote sufficient time to social change.

Our goal is to inform, empower and motivate you because the true functions of citizenship are not confined to the enjoyment of personal rights; they also involve the protection of collective rights and the general enhancement of our society for future generations.

Through our programme "**ENGAGE – Do your part for peace**" which we have been implementing alongside The Management Centre, with the support of UNDP-ACT since 2009, we promote social change generated through civic engagement and citizen initiatives.

We strongly believe that it is the grassroots that can (and should) push for positive change on our island.

SO YOU WANT TO SET UP AN NGO

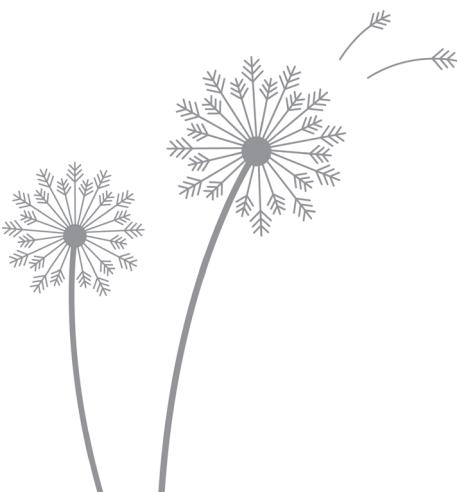
They say a journey of a thousand miles begins with a single step...
and setting up an NGO can be quite an amazing and life-changing journey!

Having a clear idea or a cause that you believe in and want to promote is the first step you need to take and inarguably the most important one.

There are however a series of requirements that need to be completed in order to officially register your organisation. This manual aims to provide some basic information in order to gain a deeper understanding of what the term 'Non-Governmental Organisation' actually means and help clarify the registration process step by step.

**OUR GOAL IS TO PROVIDE YOU WITH THE INFORMATION
NEEDED TO LAY THE GROUNDWORK FOR THE FUTURE
AND MOVE FORWARD WITH CONFIDENCE.**

Apart from this updated manual that you have in your hands you also have the experience and good-will of the NGO Support Centre team. **We are more than happy to answer any further questions you may have and assist you throughout the process.**



WHY ARE NGOs IMPORTANT?

Civic Engagement and participation is extremely important for the promotion and safeguarding of human rights and citizen interest. Our participation in the decision-making and functions of the public sector should not be confined to voting and electing state officials. Instead, **we should always be able to voice our opinions, promote causes we believe in and hold our elected officials and national agencies accountable.**

As active members of society, **citizens are the force which drives a state forward.** We are the ones that will bring to light causes which are not a priority in government agendas, such as the protection of animal rights and the protection of minority groups. We can and should call on the state to ensure the protection of human rights and voice our opinions and ideas with regards to improving the quality of life of our fellow citizens as well as **push for positive change in our neighborhood, city and in our country as a whole.**

WHAT IS AN NGO?

The term Non-Governmental Organisation (NGO) is used to describe organisations that are set-up voluntarily and with a non-profit agenda, seeking to promote a cause or a set of values. Such organisations, in Cyprus, can be found in four legal forms:

- 1) Non-Profit Companies**
- 2) Associations**
- 3) Foundations**
- 4) Clubs**

WHAT IS THE BEST TYPE OF NGO FOR ME?

1) Non-Profit Companies

A non-profit company is founded for the promotion of art, science, religion, commerce, charity or any other cause it deems useful to society. In contrast to profit companies, a non-profit company distributes its income or profit, if any, for the promotion of its cause and also prohibits the payment of any dividend to its members.

Examples include the Cyprus Anti-Cancer Society and CARDET.

2) Associations

Associations are a formation of no less than 20 people that work collectively for an organized cause.

Examples include the NGO Support Centre and Culture in Action.

3) Foundations

A foundation is a certain property (i.e. assets or funds) dedicated to the promotion of a designated purpose which can be charitable, patrimonial or collective. Foundations require the founder to establish a fund (the property), which will act as the means to finance itself, its activities or other organizations.

Examples include the Stelios Ioannou Foundation and ARTOS.

4) Clubs

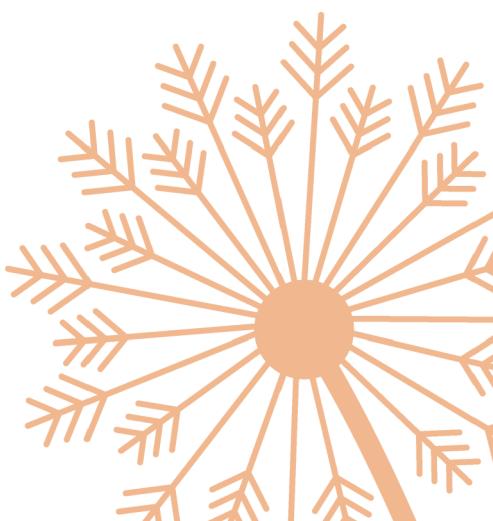
Clubs are comprised of 20 people (minimum) who have a shared interest and come together for the purposes of socialisation or entertainment. A club can include any lawful activity, except from activities that involve the acquisition of gain.

Examples include the Rotary Club and the Aris Lemesou Football Club.

VOLUNTARY ORGANISATIONS

This is an umbrella term that includes associations, foundations and clubs. Voluntary Organisations have no legal benefits but can have access to government funding.

Their distinction lies in the term ‘voluntary’, which can be applied after an organisation becomes a member of the **Pancyprian Volunteerism Coordinative Council (PVCC)**. An annual membership subscription fee is required.



GUIDE TO REGISTRATION

DISCLAIMER: Please consult your lawyer and/or accountant for approximate fees, audit and taxing details as well as the duration of the registration process as these often fluctuate.

Download this manual in a more comprehensive form including links to legislations and application forms from our site: www.ngo-sc.org.

1) Non-Profit Companies

Non-profit companies are established under *The Companies Law*, as amended on numerous occasions. In order to be registered as non-profit a company needs to be limited by guarantee (without shared capital). Legally, anyone can be a founder or director of a non-profit company. There is no particular scrutiny of an applicant's purposes.

The duration of the registry process for new non-profit companies is approximately one month while it may take up to six months to change the status of an already existing limited company.

Brief step-by-step registration process for new non-profit companies:

- Appoint a Board of Directors which consists of at least 7 people.
- Consult a lawyer who will undertake the registration, draft the memorandum or sign it if the founders draft it themselves.
- Draw up a set of rules regarding membership and other issues.
- Obtain an application form from the Ministry of Interior.
- Submit the application to the Company Registrar Department of the Ministry of Trade and Commerce and include a copy of the company's constitution and the act of incorporation.
- Once the application is approved, the proposed name of the company is published in the Government Gazette so as not to clash with existing names.
- Once the company is established, it must submit professionally audited accounts to the Company Registrar on an annual basis.



Changing a limited company into a non-profit company:

- Submit an application to change the company from limited by share to limited by guarantee to the Company Registrar.
- Announce the company's plans to change its limited status in two newspapers.
- If no objections arise within three weeks the Company Registrar will transfer the application to the Ministry of Finance for final approval.

2) Associations

Associations are established under the *Societies and Institutions Law of 1972* (i.e. Associations and Foundations Law). There is a considerable amount of scrutiny at the internal administration. The law requires a number of clauses to be included in the memorandum of an association such as: purpose, names, seat, membership and association rules. Rules for member meetings, auditing accounts and amending the memorandum should also be included.

Approximate duration of registration process: 7-10 months.

Brief step-by-step registration process:

- Obtain the application form from the Ministry of Interior.
- Collect full names and signatures of 20 founding members.
- Appoint a Board of Directors which consists of at least 3 members.
- Consult a lawyer who will undertake the registration, draft the memorandum or sign it if the founders draft it themselves.
The lawyer will also certify that the association has no assets at the time of application submission.
- The registration application must include: the act of incorporation, the signed and dated memorandum, the names and addresses of its members, the association's emblem and certification of non-ownership of assets.
- Once the application is approved, the proposed name of the association is published in the Government Gazette so as not to clash with existing names.



3) Foundations

Foundations are established under the *Societies and Institutions Law of 1972* (i.e. Associations and Foundations Law) through an act of incorporation. This is done either by legal action or ex vivo as an act of last will. Through the act of incorporation the founder/s transfer/s the offered funds or assets to the Foundation, in order to operate. The registration undergoes a considerable amount of scrutiny concerning internal administration.

The process is slow and takes at least one year.

Brief step-by-step registration process:

- Obtain and an application form from the Ministry of Interior.
- Consult a lawyer who will clarify issues of funds and assets, undertake the registration, draft the memorandum or sign it if the founders draft it themselves.
- A person must be selected as the administrator of the Foundation and be in charge of its affairs and act as its representative.
- Submit the application to the Ministry of Interior and include: the act of incorporation, a signed and dated memorandum and a cover note by the lawyer.
- Once the application is approved, the proposed name of the foundation is published in the Government Gazette so as not to clash with existing names.
- Once the foundation is established, detailed books of accounts must be kept as well as complete accounts for each year that need to be submitted to the Ministry of Interior. Accounts should detail the amounts held at the beginning of the year, the amount collected during the year and any outstanding amounts owed. These accounts must be audited by a certified auditor.

4) Clubs

Clubs are established under the *Clubs Law of 1930*. Establishing a club is open to any citizen of the Republic of Cyprus. In order to register, the club must own an independent space allocated as its premises. The management of the club is the responsibility of the Board of Directors and Secretary.

Approximate duration of registration process: 2-3 months.

Brief step-by-step registration process:

- Obtain an operations permit application and a members form from the District Office.
- Appoint a Board of Directors which consists of at least 3 members and a Secretary.
- Collect at least 20 initial members for the Club.
- Consult a lawyer who will undertake the registration, draft the memorandum or sign it if the founders draft it themselves.
- Submit the application signed by the Secretary, the members list and the club's memorandum to the District Office.
- In order to issue a permit, the District Office examines the application and evaluates the name of the club. The District Office may also send copies of the application to relevant Ministries for comments.
- Once the permit is issued it must be renewed annually.
- The club must keep books including names and addresses of every member and guest who visits the club.





HOW THE NGO SUPPORT CENTRE CAN HELP YOU

The NGO Support Centre has been at the forefront of engaging civil society in constructive dialogue between citizens and the state for quite a few years.

The Centre is part of the NGO Law Reform Initiative, pushing for a reform in the current laws regarding non-governmental organizations.

We are pushing for change in the legislation regarding NGOs in Cyprus, **asking for more accountability, transparency and less bureaucracy** from both government and NGOs.

This in turn, will assist in achieving more credibility for Civil Society Organizations, both locally as well as globally and allow for more trust from international donors willing to fund projects for positive change in Cyprus.

Since networking is a large part of NGO success, **we can introduce you to people in Cyprus and abroad who have already been involved in initiatives similar to yours.**

Reading about various case studies, or meeting teams that have undergone similar processes can save you a lot of trouble.

We can also offer **consultations sessions** stemming from our experience in projects especially with regards to funding sources, **establishing and branding your NGO** and promoting your events or services.

We can promote your events and services through our targeted mailing list and our contacts with traditional and social media.

We can also offer you **conference room space and technical equipment** for your get-togethers.

We can also help you brainstorm! Believe it or not, on your way to establishing yourself, knowing how to free you mind and work with others can help generate priceless ideas.

We also offer **capacity-building** by helping you organize new projects, shaping your methodology and building on your current skills through seminars and consultation sessions.



TIPS 'N TRICKS:

Thankfully, setting up an NGO is not just a technical process; it is also a personal one. Follow these steps and you can't go wrong:

Set clear and achievable goals for yourself and your NGO.

Be realistic about how much time you have to offer to your NGO.

Taking on projects beyond your comfortable limits will not be beneficial in the long run.

Consider joining an already existing NGO that does similar work to your cause for a while. If setting up your own NGO is really the right step for you, the experience of working for an already established non-governmental organisation will help strengthen and direct your passion.

Find a capable lawyer with experience in the the NGO registration process.
Ask the NGO Support Centre team for reliable contacts.

Assess your NGOs financial needs. Make an action plan and make sure your NGO is set up in a way that will attract your potential donors and/or volunteers.

Develop an online presence early on.

Remember that attention spans on the web are very short. Be clear and concise.

Local knowledge is indispensable to every NGO. Make solid local contacts and **NETWORK, NETWORK NETWORK!**

Maintain control and do not let your passion burn out.

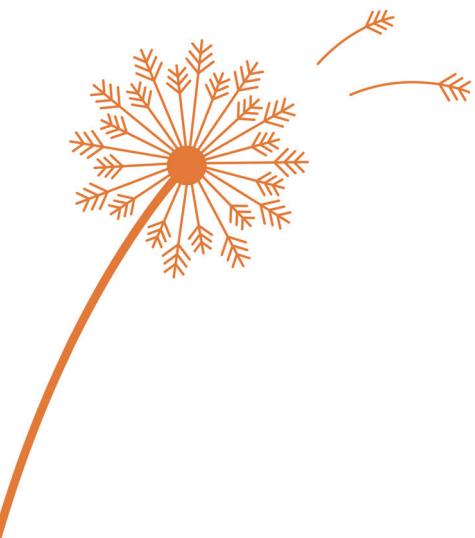
Take a step back and look at what you have done and where it is all headed.

Take joy in what you have accomplished and **STAY MOTIVATED!**



PUBLISHED: APRIL 2013

www.engage4peace.org | facebook.com/engage4peace
www.ngo-sc.org | facebook.com/ngosupportcentre
info@ngo-sc.org | (357) 22875099



Implemented by:



Supported by:

