

## Annual filing of statement of donations received in Form 10BD

### Introduction

Section 80G of the income tax act provides deductions to the assesseees in case donations made to eligible institutions, charitable organizations, and funds approved by the government. Sections 80G(5)(viii)/(ix) and section 35(1A) requires furnishing of statement of donation received and issue of donation certificates to the donors for claiming deduction from the gross total income. The CBDT issued a Notification no. 19/2021 dated 26<sup>th</sup> March 2021 prescribing a Form 10BD to be filed by institutions and charitable organisations providing specific details of the donations made by the donors. This notification has framed the rules for furnishing such statements and certificates of donation to donors. Rule 18AB has been notified to facilitate the implementation of such a mechanism. Following are a few aspects that is to be noted relating to form 10BD.

### What is Form 10BD?

Form 10BD is the statement of donations that the donee organizations shall be required to furnish on or before 31<sup>st</sup> May immediately following the end of the financial year in which donations were received. The due date for filing form 10BD for the financial year 2022-23, is 31<sup>st</sup> May 2023.

### Who is Required to File Form 10BD?

The organizations being a trust, research institutions, colleges, universities or other institutions or funds covered under the following sections shall be required to file Form 10BD:

- Section 80G(5)(viii) of the act
- Section 35(1A) (i) of the act.

The organisation shall report the aggregate amount of donation received from each person in the financial year for which the statement is furnished.

### How to file form 10BD?

The statement of donation in Form 10BD is required to be furnished online electronically by logging into the income tax portal. Form No. 10BD shall be verified by the person who is authorised to verify the return of income under section 140 of the Act with digital signature (DSC) or EVC.

### What is Form 10BE?

Once the Form 10BD of income tax act is filed by the donee organization, Certificates of Donation will be generated in **Form 10BE** that shall be furnished by the donee organizations to the donors. The certificate of donation in Form 10BE is required to be generated and downloaded from the income tax portal and issued to the donors. The certificate of donation is required to be furnished to the donor on or before the 31<sup>st</sup> May, immediately following the financial year in which the donation is received. The due date for issuing the certificate in Form 10BE for the financial year 2022-23, is 31<sup>st</sup> May 2023.

**What are the practical issues about the due dates for filing form 10BD and issue of certificate of form 10BE?**

As per the Rule 18AB of the Income Tax Rules 1962, the due date for filing the form 10BD is 31<sup>st</sup> May 2023 and the due date for issue of certificate to the donor in the form 10BE is also 31<sup>st</sup> May 2023. Form 10BE is generated only after filing Form 10BD which may take around 12-24 hours to process the filing of Form 10BD. Also if there are any errors or technical glitches in filing Form 10BD, the processing time may extend further. Hence it is suggested to file the Form 10BD on or before 25<sup>th</sup> May 2023 so that there is sufficient time for processing the Form 10BD and the certificate in the Form 10BE can be issued to the donor within the due date of 31<sup>st</sup> May 2023.

**What are the consequences of non-filing Form 10BD?**

The institutions and the charitable organisations are mandated to comply with the filing of Form 10BD and failure to comply will attract a fee of Rs.200/- per day of delay as per newly inserted section 234G. Apart from the fee for delay in furnishing statement of donations in Form 10BD, failure to file such statement will also attract penalty u/s 271K, which shall not be less than Rs.10,000/- and which may extend up to Rs.1,00,000/-

**Conclusion**

The due date for filing the Form 10BD and issue of certificate to donors in the Form 10BE is the same, i.e. 31<sup>st</sup> May 2023. The Form 10BE is generated only after processing the filed form 10BD, which may take around 12 to 24 hours. If there are any errors or technical glitches in filing Form 10BD, the processing time may extend further. Hence, it is beneficial to file the form 10BD before 25<sup>th</sup> May 2023 to avoid the hassles of delay in issue to certificate in the form 10BE to the Donors.

From the donor perspective, it is not just sufficient to obtain a donation receipt, but it is very much imperative to obtain a certificate of donation in Form 10BE after the end of the financial year. The certificate of donation has to be issued to all the donors in order to claim the deduction from the total income.

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For assistance and further clarifications relating to Form 10BD / Form 10BE, kindly contact Ms. Sreelatha. Her contact number is +91-7095684515 and her email address is sreelatha.n@vishnudaya.com

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