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Financial Situations of NGOs in Gujarat: A Study

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ABSTRACT

Gujarat has a long history of community service. The state's philanthropic proclivity and Gandhi's influence in social reconstruction have helped to cover a wide range of development activities. NGOs refer to a diverse set of institutions that operate on a non-profit basis, serve the public sector, and engage in long-term, development work within the framework of international development cooperation. As NGOs' primary mission is to help their targeted beneficiaries and communities achieve mutually agreed-upon social goals, their effectiveness as organizations should be judged by their ability to help beneficiaries achieve mutually agreed-upon social goals. Beyond this, there is now a call for NGO financial performance or situation to focus on the overall functioning of the organization. This paper attempts to provide an overview of non-governmental development activity over the last few years in Gujarat with a focus on its financial situations.

Key Words: NGO, Community Service, Financial Situation, Non-Profit

Introduction

The analysis of non-governmental organization (NGO) is difficult because different definitions describe NGO in different ways. NGO's come in all shapes and sizes, ranging from small informal groups to large formal organizations. NGOs work in a variety of ways to achieve their goals that is why they take on different forms within and across societies. NGOs provide a variety of services to society. When it comes to raising funds, NGO's have a variety of methods. Some NGOs receive funding from the government, while others seek to profit from their efforts. There is a debate about its working process, goals, achievement, and profits arise as a result of ambiguous boundaries. When it comes to structure, non-governmental organizations can be large or small, bureaucratic or flexible, and work on a formal or informal basis. In terms of funding, some are well-funded, while others rely on locally mobilized resources. NGOs are also known as the third sector, and they arose as a result of the government's insufficient or, more accurately,



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poor work management towards the less fortunate, who require immediate assistance in order to survive and live respectful lives. There are many terms, such as grassroots NGOs, which work outside of the community's boundaries, and briefcase NGOs, which are formed solely for personal gain.

Non-governmental organizations are simply organizations or groups that are not affiliated with the government. They are non-profit organizations created to meet the needs and aspirations of the people they are supposed to help. They have a long history of working in India to help tribal people develop. HGOs and voluntary organizations played an important role in the tribal people's socio-economic, health, and educational development even before independence.

Literature Review

Sourav Kalra (2019) in his paper entitled *Role of NGOs in Sustainable Rural Development in India* opined that India is a land of villages, and the Indian government has implemented a number of rural development programs to help rural communities. The scope of development in India is very broad; it includes not only economic development but also social development, quality of life, empowerment, women's and child development, education, and citizen awareness. The development task is so large that it cannot be completed solely by the government. A holistic vision and collaborative efforts involving various agencies, departments, and even NGOs are required to achieve this.

A non-governmental organization (NGO) is a voluntary, autonomous, non-profit organization or a group of citizens formed to address various social problems and disadvantages. Non-governmental organizations play a critical role in the management of various types of development initiatives in rural areas. NGOs have been working nonstop to solve various problems involving children, women, senior citizens, the environment, and so on. NGOsIndia.com currently offers a web directory and NGO resources for Indian NGOs. According to a Times of India report, one NGO is behind the 600 people in India. The



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purpose of this research paper is to examine the role and function of non-governmental organizations (NGOs) in long-term rural development.

D. Rajsekhar (2000) researched on *Non-Governmental Organizations in India: Opportunities and Challenges*. This paper aims to discuss the definition, types, advantages and weaknesses of NGOs, based on a review of existing studies and the author's research experience with a large number of NGOs in India. The evolution of NGOs reveals that NGOs' perspectives have broadened from charity and welfare to development, as well as sustainable development and empowerment. The policies of donor agencies and the Indian government have influenced this. Following a discussion of funding sources, this paper argues that NGOs must play a dynamic role in the context of liberalization policies, increased NGOs' credibility and legitimacy, and so on.

Aditi Nath and Samir Kanti Nath (2014) published a research article on *Human Research Development: A Case Study of an NGO in Assam*. The paper gives due consideration to the concept of human research development, citing its importance in light of the current situation. Through a case study, the paper also highlighted the contribution of an NGO in Assam, India called "Society for North East Handmade Paper Development (SNEHPAD)" in the field of Human Research Development. The authors conclude the paper with a few recommendations based on the data gathered through the case study.

Based on literature review, it is observed that there is a very few research work carried out on NGO and the available research works mostly on its functions, development and role for the upliftment of the society. Hence, the present research is specially addressing the issue of financial situations of NGO which is unexplored area.

Objective of the Study

The research study makes an attempt to review the financial situation of NGO with special reference



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to Gujarat. The objectives of this study include the following points:

- To understand the various sources from NGO gets monetary fund.
- To study how NGOs are able to maintain the financial situations being non-profit organisation
- To analyse the financial situations of the selected NGOs of the Gujarat State

Research Methodology

It is an explanatory study based on secondary data gathered from various journals, books, government reports, articles, and newspapers that focus on various aspects of non-governmental organizations (NGOs).

Selection of Sample Units

The overall areas of the study focused on NGOs in Gujarat. The researcher has selected 3 NGOs as the sample for this study. As a part of the research, study researcher has selected NGOs at macro level. The selection has been done from NGOs with the help of random sampling method and availability of financial reports.



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Sr No.	Name of NGOs
1	ANJALI SOCIETY FOR RURAL HEALTH AND DEVELOPMENT
2	SHRI BHULKA BHAVAN, BARODA
3	RACHNA DEVELOPMNET CENTRE

The Financial Situations of the Selected NGOs: An Overview

Anjali society for rural health and development received highest donation during the year 2014-15



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from the financial institution, individuals, banks etc. The lowest donation has been received during the year 2011-12. Same as Donation, Gross income of Anjali society for rural health and development is highest during the year 2014-15 and lowest during the year 2012-13. Anjali society for rural health and development has received highest grant from government during the year 2011-12 followed by year 2014-15. Current liabilities are highest during the year 2011-12 followed by year 2013-14. Current assets are highest during the year 2014-15 followed by year 2013-14. Total assets are highest during the year 2014-15 followed by total assets during the year 2013-14 whereas total assets lowest during the year 2011-12. Anjali society for rural health and development has spent highest during latest year 2014-15 to achieve their objective.

Shri Bhulka bhavan, Baroda received highest donation during the year 2014-15 from the financial institution, individuals, banks etc. lowest donation has been received during the year 2010-11. Same as Donation, Gross income of Shri Bhulka bhavan, Baroda is highest during the year 2014-15 and lowest during the year 2010-11. Shri Bhulka bhavan, Baroda has received highest grant from government during the year 2010-11 followed by year 2011-12. Current liabilities are highest during the year 2014-15 followed by year 2010-11. Current assets are highest during the year 2012-13 followed by year 2014-15. Total assets are highest during the year 2014-15 followed by total assets during the year 2013-14 whereas total assets lowest during the year 2010-11. Shri Bhulka bhavan, Baroda has spent highest during latest year 2014-15 to achieve their objective.

Rachana development centre received highest donation during the year 2010-11 from the financial institution, individuals, banks etc. lowest donation has been received during the year 2013-14. Same as Donation, Gross income of Rachana development centre is highest during the year 2010-11 and lowest during the year 2012-13. Rachana development centre has received highest grant from government during the year 2010-11 followed by year 2011-12. Current liabilities are highest during the year 2014-15 followed by year 2010-11. Current assets are highest during the year 2011-12 followed by year 2014-15. Total assets



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are highest during the year 2014-15 followed by total assets during the year 2013-14 whereas total assets lowest during the year 2010-11. Rachana development centre has spent highest during latest year 2014-15 to achieve their objective.

Conclusion

As fund raising is such an important aspect of running a non-profit organization, NGOs should concentrate on raising funds in an efficient manner and have a clear understanding of their goals and objectives. NGOs should have a proper HR system in place to retain their employees, as well as a system to motivate and retain them. Policies concerning employee welfare should be included in their system. NGOs should hire social workers with professional training who can help them achieve their objectives. The government should enact policies that assist NGOs in motivating, encouraging, and resolving their issues. NGOs should place advertisements in newspapers, social media, government schools, government offices, and other places to raise awareness of their goals. The government should take the necessary steps to address the issue of fund raising in areas where NGOs work at the grassroots level and aid society. Employees and members of SGOs should be more literate, according to NGO officials. Financial audits should be conducted at regular intervals to determine the financial condition of NGOs, and NGOs' CAs should offer advice on how to maintain good financial standing. Banks, financial landers, and financial institutions should be approached to raise funds by projecting the NGOs' goals.



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