



# No, “Nonprofit” Does Not Mean Taxless.

**Tax Compliance for Nonprofits**





## Day 3 of the CivFund Compliance Training Series:

CivFund partners arrived at Day 3 with two foundations already laid: legal structure and governance (Day 1), and lawful people management (Day 2). The final session turned to the topic many organisations fear most, tax, and approached it in a way that replaced panic with clarity. Hosted by Lillian Tamale and facilitated by the TASLAF Legal/Tax Team, the session centred on a truth that can no longer be avoided in Uganda's operating environment: nonprofit does not mean invisible to the Uganda Revenue Authority (URA).

Lillian opened by appreciating partners who had stayed through the full series and connected the journey into one simple compliance chain: you register and structure your organisation; you manage people lawfully; you honour tax obligations in a regulated fiscal environment. As an intermediary stewarding donor funds, CivFund must be able to demonstrate that its partners are tax compliant. This wasn't framed as a preference, it was presented as a survival issue for the ecosystem.

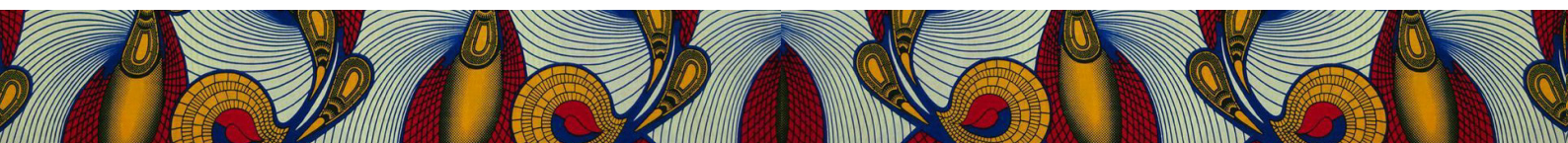
TASLAF painted the wider picture. URA scrutiny of NGOs and CSOs has increased, and non-compliance can trigger penalties, frozen accounts, reputational harm, and difficulties renewing registrations or licences. In that environment, tax compliance becomes more than a legal duty; it becomes a shield that protects continuity of service to communities.

The session broke down tax compliance into the areas organisations must master. Every organisation needs an active TIN and must keep URA updated when things change. PAYE must be deducted and remitted where staff earnings cross taxable thresholds. Withholding Tax (WHT), often overlooked, matters when paying consultants, landlords, and certain service providers. NSSF and statutory contributions must be budgeted for, not treated as an afterthought. Partners also examined the difference between exempt and taxable activities, particularly where income-generating projects are involved, and how that can attract additional obligations.

Documentation emerged as the most repeated discipline of the day, not as bureaucracy, but as protection. One phrase landed with particular force: "If it's not documented, it didn't happen." In an audit or compliance review, intentions don't count. Paper trails do.

The Q&A surfaced real anxieties: how to handle tax for project-based staff, whether to withhold tax when paying community facilitators, and what to do if an organisation already has arrears. TASLAF encouraged early engagement with URA, regularise rather than hide, and urged partners to budget for tax within grants so compliance becomes part of programme design rather than a disruptive surprise. It was not about becoming finance experts overnight; it was about making tax planning normal, deliberate, and visible inside organisational practice.

Lillian closed the series with a message that captured CivFund's approach to partnership: "We don't just disburse money; we accompany you." By the end of Day 3, the three sessions had done something important: they reframed compliance as the infrastructure of sustainability. When partners are compliant in law, HR, and tax, organisations become safer, donors trust the ecosystem more, funds flow with fewer disruptions, and communities are served with greater stability.





#CivFund #CapacityBuilding #ComplianceMatters

**Day 3**

# Legal & Regulatory Compliance Capacity -Building Training for CivFund Partners

**Date**

**4th - 6th  
November  
2025**

**Time**

**2:00 PM  
– 4:00 PM**

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Teams



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