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## **Refugee Sponsorship: Financial Guidelines – Updated Nov 26, 2015**

### **SPONSORING REFUGEES: A CHARITABLE ACT**

The Sponsorship Agreement, which the Canadian Unitarian Council (CUC) has signed with the Government of Canada, clearly states that the Sponsorship Agreement Holder (The CUC) and its Constituent Groups (Member Congregations) will not profit financially through the sponsorship of refugees. We respond to the call for justice when we meet a refugee's need for protection or a durable solution with the commitment of private refugee sponsorship.

Congregations cannot charge fees, expect contributions, or demand or accept repayment from refugees for the act of private sponsorship. Privately sponsored refugees have no legal obligations and cannot be made to enter into a legal obligation or to prepay or repay their sponsors for lodging, care, and settlement assistance. The refugee's relatives in Canada or abroad may contribute funds to the resettlement, but they must not expect reimbursement (financially or in kind) for doing so from the sponsored refugee.

### **BASIC COMMITMENT**

When submitting a private refugee sponsorship, congregations commit to having sufficient resources to support the privately sponsored refugee(s) for the period determined in the undertaking (contract), normally 12 months. Submitting the sponsorship undertaking means the congregation is legally responsible for the financial and moral support of the refugee(s). Submitting co-sponsorship commits the co-signers to shared responsibility for the sponsorship.

The Settlement Plan required by Citizenship and Immigration Canada lists commitments to start-up costs (rent, clothing, food, utilities), monthly expenditures (transportation, living costs) and on-going settlement assistance for at least one year (orientation and support for health care, school, language training, employment assistance, child care, etc).

Depending on the type of sponsorship, the amount of time for the sponsorship process varies. You may have several months to compile the funds, as in the case of Blended Visa Office Referred (BVOR) sponsorships, to several years, as is sometimes the case with Family Referred sponsorships. sometimes takes only a few months to process, and to several years Family Referred to compile the funds. The level of support sponsors are expected to provide is equal to that of the prevailing rates for provincial/municipal or social assistance in the community the refugee is expected to settle in. However, the sponsor may find that additional funding is needed for accommodation or health and dental care. When possible, it is advisable that sponsors equip and encourage privately sponsored refugees to manage their own budget.



## **BASIC START-UP COSTS**

We have calculated a simple formula that we believe is a realistic calculation for 1 year of required sponsorship support:

- Individual: between \$15,000 - 20,000 CAD
- A couple or two people together: between \$25,000 - 30,000 CAD
- A family of 4 or 4 people together: between \$35,000 - 40,000. An additional \$3,000 CAD/person is recommended for larger family groups

These amounts vary depending on resettlement location, and the SG should plan to raise the higher amount in larger urban centres.

## **ENSURING CHARITABLE STATUS OF DONATIONS**

The Canada Revenue Agency advises that a congregation can use its registered charity tax number to give receipts for donations to its refugee support fund, provided the church board has decided that refugee sponsorship is a mission of the congregation. The board shall then set up a Refugee Sponsorship Fund, which shall operate as a benevolent fund, and which shall be used solely for the purpose of funding individual and group sponsorships.

Congregation and community members may support the Refugee Sponsorship Fund if the following steps are followed:

1. The board by formal motion must endorse or affirm that “refugee sponsorship is a mission of the congregation.”
  - Use the term “refugee sponsorship.” This is a broader commitment than support to specifically named refugees.
  - The motion can indicate that sponsorship depends on a specified amount of money being raised.
2. The board must designate a budget line for refugee sponsorship and must oversee the distribution of refugee sponsorship funds. All money must be accounted for and transactions recorded.

A Constituent Group which is a registered charity may give donation receipts to donors, where donations are given explicitly to its refugee sponsorship program. The designation of donations to the refugee fund/program is important as it permits the funds to be used for other sponsorships if a particular sponsorship does not go through, or as the board may determine.

The total sponsorship costs may be reduced through the donation of “in-kind” goods, which can include accommodation, furniture, and clothing. Such donations, when their value is



independently and objectively verified, may be eligible to be recognized with charitable tax receipts.

## **REFUGEE SPONSORSHIP FUND**

The Constituent Group (congregation) should establish a Refugee Sponsorship Fund, which is held and accounted for separately. A donor to the Fund can be an individual, a group, or an organization, but not a privately sponsored refugee or funds acquired from the refugee.

The Constituent Group must clearly outline the terms of the Fund, which include the identity of the beneficiary, when and how funds will be disbursed, and the outcome of the funds should the beneficiary not arrive in Canada. In order to issue tax receipts to donors, the agreement should also stipulate that the Fund is a general charitable fund for the sponsorship of any refugee.

The sponsor is responsible for ensuring that the terms of the Fund, including the respective rights and obligations, conform to the laws of the province in which the fund is registered.

Working with more than one group: A Constituent Group may work with more than one Sponsoring Group at a time, with the need to track separate donations amounts for the different groups. If this is the case, the CUC suggests maintaining one Refugee Sponsorship Fund rather than opening multiple accounts, and separately tracking the donations that come in through each channel.

Just in case: Sometimes sponsorships don't work out for a variety of reasons. The CUC recommends that, in the event that the refugee is not accepted for resettlement in Canada, or other circumstances interfere with the resettlement, the funds designated for that sponsorship, including all accumulated interest, shall either: i) revert to the congregation's general Refugee Sponsorship Fund; or, ii) donated to another Canadian UU congregation for their refugee sponsorship program; or, iii) donated to the CUC's Refugee Fund; or iv) donated to another charity which helps refugees resettle in Canada.

## **SPONSOR'S FINANCIAL OBLIGATIONS**

Sponsors are only responsible for financial obligations they have agreed to in the sponsorship undertaking. They are not liable for debts the refugee incurs in Canada or before coming to Canada (e.g., travel loans). It is not advisable to send funds abroad to support refugees you hope to sponsor. Such support creates very unrealistic expectations.

In Canada, an exception might arise if a sponsor is approached to co-sign a rental lease; this may be needed until the newcomer establishes his or her own credit rating.



## **PRIVATELY SPONSORED REFUGEES' FINANCIAL OBLIGATIONS**

The standards for using personal funds and income revenue that apply to government- assisted refugees, described in Immigration and Refugee Protection Act Regulations (chapter 1P3), may be applied to privately sponsored refugees who arrive with personal funds or begin to generate income or receive entitlements after they arrive, unless the sponsor chooses to maintain a higher level of income support.

Privately sponsored refugees with financial resources should contribute to their basic financial support. Those who have financial resources retain the right to manage their own finances and **MUST NOT** submit their funds to their sponsors to manage.

For further information on refugee sponsorship, please contact [refugee@cuc.ca](mailto:refugee@cuc.ca).