A picture containing text, sign, outdoor

Description automatically generated

**FINANCIAL GUIDELINES FOR COMMUNITY SPONSORSHIP GROUPS**

**1.** **Legal Structure**

Community Sponsorship Groups (CSGs) are unincorporated associations established on a not-for-profit basis. They are not charities as they typically aim to support an individual, a single family, or in rare circumstances a small number of families at a time. On this basis, as they are not seeking to support a section of the public, CSGs are not regarded as charities and do not need to register with the Charities Regulator.

**2.** **Formation**

Each CSG should have a governing document. Best practice would be for this document to be signed and dated by each member. The governing document (called a *Constitution*) will state the aim (or *object*) of the CSG. Therefore, all actions, including those relating to each CSG’s finances, need to relate to the stated object of the CSG. A template Constitution has been developed specifically for CSGs and can be downloaded on The Open Community website [here](https://www.supports-theopencommunity.com/groupconstitution).

**3.** **CSG Structure**

As suggested in the template Constitution, each CSG should appoint a *committee* (this will be the members of the CSG), and assign roles such as a *Chairperson*, *Secretary* and *Treasurer*. A committee meeting should be held to discuss and agree all decision making – including any discussions that relate to financial arrangements, fundraising activities, budgeting, and expenditure etc. Best practice would be for some form of minutes to be recorded for all committee meetings, which would usually be maintained by a Secretary.

**4.** **Bank Account**

Each CSG should open a bank account to lodge fundraising funds and donations and make payments. To do this, each CSG should have a formal name which is not in use by another organisation and should appoint at least two authorised signatories who can use and manage the bank account. Best practice would be for the signatories to be nominated and appointed at a documented meeting of the CSG. It is also advisable for the two signatories to be independent of each other i.e. not family members, in a relationship etc.

**5.** **Finance and Accounting Procedures**

The Treasurer should maintain accounting records, including all lodgements and withdrawals from the bank account and all statements of cash received. The Treasurer should also have responsibility for drafting and updating an income and expenditure budget/forecast for the CSG’s activities.

**6.** **Insurance**

The Community Sponsorship Insurance Policy is provided by The Open Community in partnership with IPB Insurance and offers public liability cover at no cost to all CSGs in Ireland as they conduct their fundraising activities.

To be added to the policy, CSGs should contact: info@theopencommunity.ie.

**7.** **Fundraising Considerations**

**- Requirement:** Each CSG must fundraise a minimum of EUR 10,000, 20% of which can be in the form of contributions in kind.

**- Collections:** Best practice would be for any monies collected during a fundraising activity to be counted on the given day and clearly documented - at least two people should oversee the count.

**- Public Collections:** All public collections require a Garda permit or permission from a local authority, landlord, land/building owner or Church/Diocese.

**- Collaboration:** Any fundraising or sponsorship activities undertaken with assistance/ involvement from a charity or fundraising body should have details regarding the division of funds, expenses and responsibilities agreed and recorded at the outset to avoid any lack of clarity.

**8.** **Proper Use of Funds Raised**

**- Timing:** Best practice would be for all funds raised to be used for the purpose for which the money was collected and in a reasonable time frame.

**- Representations:** If any representations, statements or publications are made in respect of how the collected funds are to be used, they must be followed in order to protect against any potential allegations of fraud or misrepresentation.

**- Ancillary Expenses:** CSGs should take into consideration any bank charges, taxes or administration expenses that will need to be settled when making any decisions on how funds will be spent.

**9.** **Unspent Funds**

- In the event that a CSG is left with unspent funds, these funds should be donated to another charitable purpose.

- The chosen charitable purpose must be in line with the stated object in the CSG’s Constitution. It would therefore be best practice to donate such unspent funds to another CSG, or its Regional Support Organisation (RSO).

- CSG members should not retain any unspent funds after their responsibilities as a CSG have ended, and they should be spent or donated promptly and without undue delay.

**10.** **Tax Implications for the Refugee Family or Individual**

There should be no tax liability that arise for members of the refugee family or the individual refugee who receive assistance from the CSGs.

***Where a more detailed explanation or further guidance is required on anything contained in this guidance document, please contact your RSO or The Open Community at: info@theopencommunity.ie.***