

### Sponsoring Refugees: A Charitable Act

As the church in Canada, we have an incredible opportunity to respond to God's call to pursue justice and compassion on behalf of the oppressed<sup>1</sup> and the defenseless<sup>2</sup> through refugee sponsorship.

The Sponsorship Agreement, which the Associated Gospel Churches (AGC) has signed with the Government of Canada, clearly states that the Sponsorship Agreement Holder (the AGC) and its constituent groups (AGC Churches) will not profit financially through the sponsorship of refugees.

This means that 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 their own 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, sponsoring groups commit to having sufficient resources to support the privately sponsored refugee(s) for the period determined in the undertaking (contract), normally 12 months. All parties that sign the Sponsorship Undertaking Form (SAH, CG, and Co-sponsors) are jointly liable to fulfill the sponsorship obligations under the terms of this Agreement.

Depending on the type of sponsorship, you may have several months (Visa Referred) to several years (Sponsor Referred) to compile the funds. The level of support sponsors are expected to provide is equal to that of the prevailing rates for Resettlement Assistance (RAP) in the community the refugee is expected to settle in<sup>3</sup>, and sponsors will need to create a budget plan using realistic figures for the expected settlement community. Having said that, 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.

### Collection of Funds

#### **Option #1: Church Benevolent Funds and Issuing of Charitable Donation Receipts for Financial Support**

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<sup>1</sup> "He made heaven and earth, the sea, and everything in them. He keeps every promise forever. He gives justice to the oppressed and food to the hungry. The Lord frees the prisoners...The Lord protects the foreigners among us. He cares for the orphans and widows, but he frustrates the plans of the wicked." Psalms 146:6-7, 9 NLT

<sup>2</sup> "Enough! You've corrupted justice long enough, you've let the wicked get away with murder. You're here to defend the defenseless, to make sure that underdogs get a fair break; Your job is to stand up for the powerless..." Psalm 82:2-4 MSG

<sup>3</sup> Calculated using the Minimum Financial Support Calculator <http://www.rstp.ca/calc/?lang=en>

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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. All parties are aware that funds can come from different resources but not from the refugee, because that would be illegal. The refugee fund therefore operates as a benevolent fund.

Congregation and community members may support the refugee 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.

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.

### **Option #2: Establishing a fund to hold monies on behalf of others for a specific family (non-tax-receipting):**

When working with a co-sponsor, or another partner to the undertaking, the church may need to hold funds on behalf of others for the family’s arrival. A donor can be an individual, a group, or an organization, but not the privately sponsored refugee or funds acquired from the refugee, because that would be illegal. The individual rights and obligations of the CG and donor are set out in three different sources: provincial law, common law principles related to the law of trusts, and the Joint MOU which is drafted by the SAH representative, CG and donor to establish the terms of the fund.

The CG will issue a receipt to the donor designating the amount of money given and where it is being held. The CG will set up a GIC or a separate bank account with 2 signatories to hold the funds prior to an application being submitted, and then will release the funds to the sponsored refugees (the benefactors) on a monthly or bi-monthly basis after arrival.

The Joint MOU must clearly outline the terms of the fund, which include the identity of the sponsored refugees, when and how funds will be disbursed, and the outcome of the funds should the sponsored refugees not arrive in Canada. The MOU should also stipulate whether the fund is for a specific privately sponsored refugee (PSR) or is a general charitable trust fund for the sponsorship of any PSR.

In the event that the refugee is not accepted for resettlement in Canada, funds held to sponsor that refugee, including all accumulated interest, must be returned to the donor(s).

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### Privately Sponsored Refugees' Financial Obligations

The standards for using personal funds and income revenue that apply to Government Assisted Refugees (GARS), described in [Immigration and Refugee Protection Act Regulations](#), 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.

As a general operating principle, PSRs who have their own financial resources should contribute to their basic financial support. Those who have such financial resources retain the right to manage their own finances and **MUST NOT** submit their funds to their sponsors to manage. (Providing assistance to learn the Canadian banking system is certainly appropriate and necessary).

If the former refugee obtains employment or has other sources of income<sup>4</sup> before the 12-month period expires, disbursements from the CG can be adjusted. It is the CG's responsibility to discuss this intention with the SAH, sponsored refugee, and co-sponsors **prior to making any changes** to the dispersed amounts.

If an adjustment results in an excess of funds in the CG's designated Refugee Fund at the end of the sponsorship period, these monies can either be redirected by the CG to other refugee resettlement efforts, given to the newcomers to help pay down their travel loan, or in the case of trust funds/funds held in trust where no tax receipts have been issued, the monies (including interest) can be returned to the fund contributors.

### Sponsoring Group's Financial Obligations

As signors to the sponsorship undertaking, SAHs, CG's and their Co-sponsors are required to read and abide by the Sponsorship Agreement, the Appendix A financial guidelines (attached below) and to refer to the Frequently Asked Questions (FAQ) document if they are uncertain about what their sponsorship obligations are (attached below).

Sponsors should be aware that they are not liable for debts the refugee/newcomer<sup>5</sup> incurs in Canada or before coming to Canada (e.g. travel loans, medical expenses, fines to be paid to the country of asylum prior to obtaining exit visas). An exception exists however when the sponsor chooses to co-sign for loans and/or leases until the newcomer establishes their own credit rating, in which case the co-signor will be liable.

Before the family arrives in Canada, it is not generally advisable to send funds abroad to support refugees you hope to sponsor. Such support may create unrealistic expectations. However, if funds *are* sent, they can only be sent from **individuals**, not from the church so that the church is not at risk of losing their charitable status with the Canada Revenue Agency (CRA) if they are found to be in violation of the Income Tax Act. Canadian registered Charities cannot

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<sup>4</sup> **Note:** Government benefits (eg: Canada Child Benefit, GST) are not to be considered income.

<sup>5</sup> Once a former refugee arrives in Canada, they are no longer a "refugee." They are now a permanent resident in Canada. This document uses the term "newcomer" to refer to former refugees who are resettling in Canada with the help of their sponsors.

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send funds abroad without ensuring that an “Agency Agreement” is in place and maintaining “Direction and Control” over activities carried out outside of Canada (see CG-002 - [Canadian registered charities carrying out activities outside Canada](#))

## Appendix A

### Financial Guidelines: Sponsorship Groups of SAHs

These guidelines are intended to help sponsoring groups to plan for sponsorship costs when preparing their Sponsorship Applications for submission to Immigration, Refugees and Citizenship Canada (IRCC). **For detailed information on financial support that should be provided after the refugees have arrived, see the [Financial Support Rules for Sponsoring Groups](#)<sup>6</sup>.**

#### General Requirements

**Sponsoring groups will not:**

- profit financially by sponsoring refugees.
- accept funds from the refugees for any of the situations below, either before or after the refugees arrive in Canada:
  - as payment for submitting a sponsorship
  - as a prepayment or repayment for lodging, care and settlement assistance
  - as a deposit to guarantee the refugees will stay with the sponsor for one year after they arrive.

**Note:** The refugee's relatives or friends may contribute their own funds to the sponsoring group to help with resettlement costs.

- act as paid representatives and charge associated fees
- require that refugees, their relatives or friends use services of a paid representative for the purpose of a Sponsorship Application.

**Note:** You are not responsible to cover the costs of the refugee's Immigration Loan, or for any debt that a former refugee incurs in Canada, unless you have co-signed loans.

#### How long to provide financial support?

- You should provide income support to at least the equivalent amount that is provided by the Resettlement Assistance Program (RAP) in the expected community of settlement, adjusted by any eligible in-kind contributions. You should support the newcomer towards becoming self-sufficient. This can include enrolling the newcomers in language training or employment counseling before encouraging them to find employment.
- You need to provide the newcomer with both financial and non-financial support (including start-up costs) for:
  - up to 12 months or until the newcomer becomes self-sufficient, whichever comes first

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<sup>6</sup> See pg. 9 of this document.

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- up to 6 months or until the newcomer becomes self-sufficient, whichever comes first, for cases sponsored under the Blended Visa Office Referred (BVOR) Program (IRCC will cover an additional 6 months).
- If the newcomer becomes financially self-sufficient during the 12-month sponsorship period, your sponsoring group does not have to provide income support under the terms of the Sponsorship Undertaking for the rest of the sponsorship period. A definition of financial self-sufficiency can be found here (see question 18 of the [Financial Support Rules for Sponsoring Groups](#)).
- In case the newcomer stops being self-sufficient, your sponsoring group must make sure you can afford to start supporting them again for the remaining length of the sponsorship.

### Trust Funds and Funds held in Trust

There are two different types of financial accounts that sponsors may establish to demonstrate that they have sufficient funds available for the Sponsorship Application:

- 1) a formal trust fund; or
- 2) funds deposited into a chequing or savings account at a Canadian financial institution (funds held in trust).

For both types of accounts, funds can be contributed by individuals, groups, and organizations, but refugees cannot contribute any funds. In the event that the refugee is not accepted for resettlement to Canada, funds held in trust for the sponsorship of that refugee, including all accumulated interest, must be returned to the contributors.

#### **1) Formal trust fund**

Sponsoring groups may establish a formal trust fund with a Canadian financial institution. The individual rights and obligations of the contributors, sponsors and beneficiaries must be set out in the terms of the trust.

#### **2) Funds deposited into a bank account (funds held in trust).**

This account does not need to be a formal trust account; a chequing or savings account held with a Canadian financial institution is sufficient, provided there is a minimum of two account holders.

### Administrative Fees

As per the Sponsorship Agreement, SAHs may recover a one-time maximum payment of \$250 per application from the Constituent Group (CG) or co-sponsor for direct administrative costs incurred in support of the application. Direct administrative costs include rent, staff, accounting fees, telephone, facsimile, postage, courier and photocopying. As per the Sponsorship Agreement, SAHs must maintain for one year a record of all fees collected. These costs cannot be imposed on or required from the refugees.

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### Cost of Sponsorship

You should provide income support to at least the equivalent amount that is provided by the Resettlement Assistance Program (RAP) in the expected community of settlement, adjusted by any eligible in-kind contributions. Your SAH will use the [Minimum Financial Support Calculator](#)<sup>7</sup> to calculate the income support for your province you will have to prepare to give.

Sponsorship costs include start-up costs and monthly costs.

**Start-up costs** are a one-time payment and/or in-kind support for:

- household items (basic window coverings and common household products such as kitchen utensils, pots, pans, brooms, mops, detergents and cleansers, etc.);
- furniture (beds, mattresses, dining set, couches, end table and lamps, etc.);
- linens (including bedding);
- food staples;
- both regular and winter clothing;
- utility connection fees; and
- school start-up allowance (if applicable; may be issued twice for families who arrive between September 1 and May 31 and the support period spans 2 school years).

### Monthly costs

Sponsoring groups must also provide support for monthly costs including:

- basic needs (food and incidentals)
- shelter allowance (housing, including utilities)
- monthly public transportation passes for all persons 18 years of age or older
- a communication allowance to cover the costs of a telephone and internet connection.

In addition to the costs above, you should plan to cover deposits for utilities, phone installation and rental deposit.

Sponsoring groups are required to provide newcomers with financial support that, at the very least, matches the IRCC Minimum Required as determined by the Minimum Financial Support Calculator. Keep in mind that other case-specific factors, such as in-kind donations, shared living arrangements, or special needs may impact the amount of monthly financial support to be provided.

You should consider these specific needs in your cost estimate:

- maternity benefits,
- childcare,
- disability or age-specific top-ups,
- health-related expenses.

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<sup>7</sup> <http://www.rstp.ca/calc/?lang=en>

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### Family Composition

If there are linked Sponsorship Applications (including for adult children), you should estimate the costs for each family separately, even if the families intend to live together in Canada. Any adult children over the age of majority in the province they are expected to live are entitled to receive adult benefit rates, adjusted by in-kind contributions.

### Income Support Deductions

- The standards for using personal funds and earned income follow the same standards as the Resettlement Assistance Program (RAP); however, you may choose to maintain a higher level of income support.
- As the newcomer starts to earn money, you may be able to lower the monthly financial support.
  - Once their net earned income is 50% higher than the RAP rates, you may reduce your support. The total income they earn and get from you must still be at least the minimum they need.
- The Canada Child Benefit (CCB) is a tax-free monthly payment made to eligible families to help with the cost of raising children under 18. The CCB:
  - is available to all Permanent Residents and Canadian Citizens
  - can't be counted as earned income
  - can't be used to calculate reductions to sponsor support
  - can't be counted towards the financial support requirements under the Private Sponsorship of Refugees Program
  - has no impact on the minimum amount of financial support a sponsor is required to provide.

### In-Kind donations

In-kind donations include all donated goods, commodities or services (e.g. gently used furniture or clothing, or housing provided at no cost to the sponsored family). In-kind donations cannot be valued for more than their actual value or the financial benefit they are replacing.

Some items cannot be donated, including:

- Mattresses, which should always be purchased new;
- Opened food products; and
- Personal clothing items such as undergarments or footwear.

You can subtract the following types and values of in-kind donations from your estimated sponsorship costs:



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### Types of costs that may be deducted through donations (In-kind Deductions)<sup>8</sup>

Donated Item	% that can be deducted from IRCC determined sponsorship cost
<b>ONGOING MONTHLY COSTS</b>	
<b>Shelter</b> Includes housing costs, utilities, etc.	100%
<b>Basic Needs</b> The basic allowance of food and incidentals may be reduced by 50% <i>only</i> if the newcomer is residing with an official party to the sponsorship.	50%
<b>ONE-TIME START-UP COSTS</b>	
<b>Clothing</b> Includes basic clothing needs and seasonal needs such as: winter coat, boots, mittens, scarf, snow pants, rain wear, etc. <i>Note:</i> There are some clothing items that must be purchased new (such as undergarments and footwear). You should also account for personal or cultural clothing preferences.	70%
<b>Furniture</b> Includes: bed frame or crib, dining set, couches, end table, lamps, etc.	70%
<b>Household Needs</b> Includes: basic window coverings and common household products such as kitchen utensils, pots, pans, brooms, mops, detergents and cleansers, etc.	50%
<b>Linens</b> Includes: bedding, towels, etc.	100%
<b>School supplies</b> Not including registration costs	50%
<b>Food staples</b> New, unopened pantry items (rice, flour, sugar, spices, etc.) can be donated	50%

<sup>8</sup> Transportation costs cannot be reduced through in-kind deductions.

## Private Sponsorship of Refugees (PSR) Program Financial support rules for sponsoring groups

### Overview:

The Government of Canada is committed to ensuring that resettled refugees receive adequate settlement and financial support upon arrival to Canada.

Updated July 1, 2019, the level of financial support that sponsoring groups are expected to provide to newcomers sponsored under the Private Sponsorship of Refugees (PSR) Program and the Blended Visa-Office Referred (BVOR) Program must be, at a minimum, equal to the current Resettlement Assistance Program (RAP) rates in the community where the newcomer will settle. The financial support must also comply with RAP policies on the provision of income support.

### Q1. What financial support does the sponsor need to provide to the refugees they have sponsored?

Sponsors must provide one-time start-up supports upon the arrival of the sponsored refugee(s) and ongoing monthly costs during the entire sponsorship period.

#### Start-up costs

Start-up costs are a one-time payment of cash and in-kind support (if provided) for:

- household items (basic window coverings and common household products such as kitchen utensils, pots, pans, brooms, mops, detergents and cleansers, etc.);
- furniture (beds, mattresses, dining set, couches, end table and lamps, etc.);
- linens (including bedding);
- food staples;
- both regular and winter clothing;
- utility connection fees; and
- school start-up allowance (if applicable; may be issued twice for families who arrive between September 1 and May 31 and the support period spans 2 school years).

#### Monthly costs

Sponsoring groups must also provide support for monthly costs including:

- basic needs (food and incidentals)
- shelter allowance (housing, including utilities)
- monthly public transportation passes for all persons 18 years of age or older<sup>9</sup>
- a communication allowance to cover the costs of a telephone and internet connection.

To determine the actual amount of financial assistance that is required in a particular city or

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<sup>9</sup> The monthly transportation allowance may be waived in areas with no public transit system as long as alternative transportation is provided at no cost to the refugee, or if the allowance is provided in kind, such as through free bus passes or access to programs for low-income residents.

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province, your SAH representative will calculate the IRCC Minimum and then add a 10 – 12% cushion to monthly support, *and* a “contingency amount” for sponsors to hold for large unexpected bills that may be incurred (i.e. high dental bills). Other case-specific factors, such as in-kind donations, shared living arrangements, or special needs may impact the amount of monthly financial support to be provided.

In addition to the costs above, you should plan to cover deposits for utilities, phone installation and rental deposit.

Sponsoring groups must also consider other socio-economic benefits that might be required as support. These could include:

- maternity benefits,
- child care,
- disability or age-specific top-ups,
- health-related expenses, including travel to appointments, or critical health related expenses not covered through Interim Federal Health (IFH) or provincial health insurance plans.

**Note:** *In keeping with RAP guidelines, adults who choose to live with other members of their family (e.g. children who are above the age of majority residing with their parents) must be provided with start-up and monthly basic needs, communications and transportation allowances (and shelter, if required) as per RAP rates for single persons.*

### **Q2. What is in-kind support and how is it factored into the financial support requirements for sponsoring groups?**

In-kind support includes donated goods, commodities or services (such as gently used furniture or clothing, or housing provided at no cost to the sponsored family). Only a certain percentage of the total value of in-kind donations can be subtracted from the financial support that must be provided to the newcomer(s) as start-up support.

Refer to page 8 of this document for the maximum value of donated items that can be applied towards the financial obligations for start-up and monthly costs of the sponsorship. In-kind donations cannot be valued for more than either their actual value or the maximum in-kind deduction amounts.

#### **Start-up:**

Start-up costs can be provided in three ways:

- Through direct payments. A portion of the start-up amount must always be provided through direct payments (via cheque, e-transfer, or other trackable payment method)
- Through in-kind donations (donated items), according to the estimated value of the items and within the maximum deduction limits
- Through items purchased new, on behalf of, or with the sponsored newcomer(s),

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documented with receipts of purchases.

Sponsors are welcome to engage the sponsored person or family in the process to determine an appropriate balance of direct payments and purchases to be provided.

For start-up, the costs for the following /items may be partially deducted through in-kind donations:

- clothing
- furniture
- household needs
- linens
- school supplies
- food staples

The following items cannot be provided as in-kind donations:

- mattresses, which should always be purchased new<sup>6</sup>
- opened food products
- personal clothing items such as undergarments or footwear

**Start-up costs *cannot* be provided fully in-kind (through donations).**

A portion of the start-up amount must always be provided through direct payment (via cheque, e-transfer or other trackable payment method) to support the sponsored newcomers' right to self-autonomy and personal decision-making.

If additional items are purchased new (such as a mattress, clothing, or additional furniture), on behalf of or with the sponsored person or family, these costs may be deducted from the overall amount of financial start-up support provided. However, such purchases are not to be considered in-kind donations.

### **Monthly Costs:**

The following monthly costs may be provided in-kind:

Shelter:

- Shelter may be provided fully in-kind as long as it is appropriate, suitable and provided to the newcomer(s) without cost
- Anyone other than a newcomer who is within their sponsorship period can provide in-kind shelter; it does not have to be provided by a party to the sponsorship. Note: this exception only applies to in-kind shelter costs (see Question 5 for further information).

Basic needs (food and incidentals):

- The basic allowance may be provided in-kind to a maximum of 50% only if the newcomer(s) is residing with a party to the sponsorship. (See Question 7.)

Transportation:

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- In areas with no public transit system, the monthly transportation allowance for all persons 18+ may be waived as long as alternative transportation is provided at no cost to the newcomer, or if the allowance is provided in kind, such as through free bus passes or access to programs for low-income residents.

The financial amounts for all other monthly costs cannot be provided in-kind as this financial support will help newcomers start their life in Canada and develop the necessary knowledge and skills to make such decisions and maintain these costs on their own.

### **Q3. What is the required level of financial support for cases that were submitted before the current Sponsorship Agreement came into effect January 1, 2018?**

The AGC has no cases submitted prior to January 2018, so I have omitted this answer.

### **Q4. How does the sponsorship cost table in Appendix A of the Application Guide relate to the level of financial support to be provided?**

The sponsorship cost table is primarily used to provide Groups of Five/Community Sponsors with the information needed to demonstrate that they have the financial capacity to sponsor a case at the time they are applying to sponsor. IRCC uses this information as part of its assessment for a Group of Five/Community Sponsor application.

The Sponsorship Cost Table is not intended for use by SAHs, because they are not subject to upfront financial capacity assessments with each sponsorship application.

Post-arrival, all sponsoring groups (SAHs, Groups of Five, and Community Sponsors) are required to provide financial support that aligns with the RAP rates in the community where the newcomer will live.

### **Q5. What is the difference between support provided by a party to the sponsorship and someone who is not?**

Parties to the sponsorship sign the Sponsorship Undertaking either as a Signing Authority for a larger group, such as a Constituent Group, Sponsorship Agreement Holder, or Community Sponsor or as individuals, e.g. co-sponsors.

By signing the Undertaking they are committing to, and become liable for, providing financial and settlement support for the refugees listed. There can be other people who help to provide these supports during the sponsorship but only those who have signed the Sponsorship Undertaking will be held responsible if supports are not provided.

When a case is being reviewed by IRCC post-arrival, if financial or non-financial support was provided by someone who is not party to the sponsorship<sup>10</sup>, the sponsors should be able to

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<sup>10</sup> The only exception to this rule is in-kind shelter, which does not have to be provided by a party to the sponsorship; in-kind shelter, unlike other supports, may be provided by anyone other than a refugee who is within their sponsorship period.

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show that this support was planned when the case was originally submitted or immediately upon arrival. There should be an established pattern of this support provided. Such support will not be counted if it is in the form of ad hoc gifts.

Examples of documentation demonstrating this planned support from someone not party to the sponsorship could be the Settlement Plan on file, or emails or texts showing that there was an agreement between parties to the sponsorship and non-parties for the monthly support to be provided by someone who didn't sign the Undertaking. Sponsors always have the option of adding the non-party to the Undertaking to have the support be officially recognized and that person become officially liable. Adding a party to the sponsorship allows for support provided going forward to be officially recognized; it does not automatically recognize previous support given.

#### **Q4. How long is the sponsoring group expected to provide support? Is it possible to extend the sponsorship?**

Sponsoring groups are responsible for giving newcomers the financial support they need when they arrive in Canada.

Sponsoring groups must provide support to the newcomer for 12 months or until the newcomer(s) become [self-sufficient](#), whichever comes first. In some cases, we can extend a sponsorship to up to 36 months. The sponsoring group needs to agree to the extension period.

#### **Q6. How can sponsoring groups demonstrate that they are providing adequate financial support?**

Sponsoring groups are responsible for giving newcomers the financial and non-financial support they need when they arrive in Canada.

Sponsoring groups must provide support to the newcomer(s) for 12 months or until the newcomer(s) becomes self-sufficient, whichever comes first. In exceptional cases where the migration office determines that the newcomer(s) require additional time to become self-sufficient, they may request that a sponsorship be extended for to up to 36 months. The sponsoring group needs to agree to the extension period before the refugee travels to Canada.

Before deeming the newcomer to be financially self-sufficient, the sponsoring group should be making a calculation based on the earning exemptions rules outlined in Q 23.

Even if the newcomer is deemed to be financially self-sufficient, they may still be in need of settlement supports and assistance, which should continue to be provided as required over the duration of the sponsorship period.

Additionally, sponsors should keep in mind that the financial situation of the family may change during the sponsorship period, and so financial support may need to be re-instated. Sponsors should remember that they may need to demonstrate that they provided the necessary financial supports at all points of the sponsorship period.

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### **Q7. Are there circumstances where the amount of financial support can be varied for newcomers who choose to live together or for newcomers living with their sponsor or family member?**

In situations where newcomers choose to live together (for example, children who are above the age of majority reside with their parents or linked cases reside together), or where families or persons live with their sponsor or with a group/individual who is not a party to the sponsorship (such as a family link), some shared costs may be reduced.

However, this only applies if the overall needs of all family members are met in accordance with RAP guidelines, and that supports are reasonable and appropriate, as determined by IRCC:

- Start-up costs may be reduced in shared living situations, including certain household items (such as window coverings and household products such as kitchen utensils, pots, pans, cleaning products), shared furniture items, such as living and dining room furniture, and cost of utility/phone installations and deposits, as applicable.
- The shelter amount, which is based on need, can be provided fully in-kind if shelter is provided without cost by someone other than a newcomer(s) who is within their sponsorship period. Shelter allowances cannot exceed the actual cost of shelter.
- The transportation and communications allowances, as applicable, must be provided as noted in Question 1.

The basic allowance, which includes an amount for food and incidentals (such as personal care products), may be provided in-kind to a maximum of 50% only if the newcomer(s) is residing with a party to the sponsorship (such as a co-sponsor who is listed on the Sponsorship Undertaking). This does not apply to situations where the newcomer(s) resides with an individual/group who is not a party to the sponsorship (a family member).

### **Q8. What financial supports do sponsoring groups need to provide if the newcomer(s) decide(s) to move out of a shared living situation and establish an independent household?**

At all times, the dignity and the autonomy of the newcomer(s) must be considered and any shared living arrangement must be fully consensual; newcomer(s) who would prefer to live independently of the sponsor, or age of majority children wishing to reside independently of their parents must be given the right to do so.

For newcomer(s) initially living with a sponsor who move out on their own:

- If the newcomers choose to move out on their own within the sponsorship period, the sponsoring group:
  - must do a re-assessment of need regarding start-up items, and
  - may be required to provide start-up costs to assist with the newcomer's establishment in the new residence, minus any in-kind deductions.
- The sponsoring group must continue to provide the:
  - full basic allowance (food and incidentals)
  - shelter amount, minus any in-kind deductions (if shelter is being provided without cost)

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- full transportation<sup>11</sup> and communications allowances

For age of majority children wanting to live independently from their parent(s)<sup>12</sup>:

- If an adult child chooses to move out on their own within the sponsorship period, the sponsoring group may choose to either:
  - support 2 separate households, or
  - ask IRCC to consider a sponsorship breakdown.
- If sponsorship breakdown is declared:
  - the sponsoring group is expected to continue to support the household with the higher number of people
  - the other household is to be processed for breakdown and referred to a new sponsoring group or provincial social assistance
- Sponsoring groups should contact IRCC for assistance in these situations.

### **Q9. How often should financial support payments be made?**

Sponsors are strongly encouraged to issue financial support on a regular monthly basis to ensure that the newcomer(s) are able to properly budget and manage their funds in line with their monthly expenses.

The financial support payments should be provided by using cheques, e-transfers, or other traceable payment methods.

Issuance of funds should be accompanied by budgeting orientation, including a breakdown of the financial support to be provided during the sponsorship.

Sponsors are encouraged to review their financial commitments on a monthly basis to correspond with any changes to the newcomer's situation that may affect financial support entitlements.

Financial support may need to be reassessed for various reasons, including but not limited to the following:

- change of location
- employment or change of employment
- receipt of funds for training or school
- pregnancy or birth of a child
- dependant reaches age of majority
- arrival of dependants under one-year window
- marriage
- separation or divorce

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<sup>11</sup> The monthly transportation allowance may be waived in areas with no public transit system as long as alternative transportation is provided at no cost to the newcomer, or if the allowance is provided in kind, such as through free bus passes or access to programs for low-income residents.

<sup>12</sup> This guideline applies to age of majority children who were recorded and processed as dependents on the Generic Form (IMM0008).



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- death
- incarceration
- hospitalization
- gifts from relatives
- travel outside of province of residence or Canada
- repatriation

Lump sum payments are not encouraged. However, should sponsoring groups wish to issue support this way, the following guidelines should be followed:

- If support is being provided as a lump sum than this should be issued at the beginning of the period it is intended to cover, not at the end.
- Sponsors should clearly explain how long of a period the money is to cover and provide budgeting orientation and assistance.
- Sponsors should be aware that there is a risk in managing funds and budgeting when providing support as a lump sum so it is recommended that information and guidance provided to the newcomers is documented.
- Payment intervals should be consistent to avoid undue confusion and stress.
- Each lump sum payment cannot cover more than 3 months at a time.
- At any time if the newcomer is not able to properly budget their quarterly or bi-monthly lump sum payments, or if the sponsor is not providing a transparent breakdown of the payments, IRCC may recommend a re-adjustment of the frequency to monthly payments.

### **Q10. How can sponsoring groups demonstrate that they are providing adequate support?**

If IRCC requests information about the support being provided, sponsoring groups must be able to demonstrate that they are providing adequate care, lodging, financial support, and settlement assistance to all sponsored family members for the duration of the sponsorship period.

While sponsoring groups can provide financial support in any manner they wish, IRCC recommends that support be provided through cheques, e-transfers or other traceable methods. IRCC may ask for proof of financial support during a case review. If these methods aren't used sponsors should regularly document support, for example, by sending an email each month stating how much money was given. While giving cash is often the most convenient method of support, it is hard to track, so the methods of payment noted above are recommended.

If sponsoring groups have made deductions to the monthly support, they must give an explanation and supporting proof that clearly outlines how, and why, the deductions were calculated.

### **Q11. Does IRCC require personal information from the newcomer(s) to verify support?**

Sponsors may be asked to provide information that demonstrates that they have fulfilled the minimum financial and non-financial obligations under the terms of the sponsorship

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agreement.

IRCC has the authority to monitor sponsors' adherence to the terms of their sponsorship<sup>11</sup>, and the onus is on the sponsor to satisfy IRCC that program requirements are being met.

IRCC does not require sponsors to provide copies of government documents such as passports or health cards.

If there are privacy concerns, or if there is information that belongs to the newcomer that would satisfy IRCC's request, the sponsor should indicate this. In such cases an IRCC officer will approach the newcomer directly.

IRCC does accept, and will consider, attestations regarding personal assets or finances, along with all other submitted documentation, when reviewing a case. These are considered as part of the overall assessment.

However, as attestations cannot be verified, they may not be considered as definitive. If such information conflicts with other details on file, verifiable documentation may be required to resolve the discrepancy.

### **Q12. What financial support is required for One Year Window cases?**

Sponsoring groups are also responsible to provide financial support for One Year Window (OYW) cases for up to 12 months after their arrival in Canada, as per their commitment in the Sponsorship Undertaking.

However, the income situation of the family already in Canada should be considered in determining the required amount of financial support. See <https://www.canada.ca/en/immigration-refugees-citizenship/corporate/publications-manuals/operational-bulletins-manuals/service-delivery/resettlement-assistance-program/one.html> for additional information.

### **Q13. Can sponsors ask newcomers for receipts to demonstrate the need for income support?**

Newcomers cannot be obligated to provide receipts, bank statements, or other financial declarations as a condition of financial or in-kind support being provided.

### **Q14. Are sponsoring groups responsible for the Immigration Loans of the refugees they sponsor?**

Sponsoring groups are not responsible for covering the costs of the newcomer's immigration loan. They can help pay back the loan, but they are not obligated to do so. If sponsoring groups choose to help pay back the loan, this amount cannot be deducted from the monthly financial support the newcomer(s) should be receiving at RAP rates.

Sponsoring groups are also not responsible for any debt that a newcomer incurs in Canada, unless they have co-signed loans.

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### **Q15. Can sponsoring groups deduct Canada Child Benefit (CCB) and other benefit payments from monthly financial support?**

No. Since the Canada Child Benefit (CCB), and other federal or provincial tax benefits or rebates, are tax-free monthly payments available to all qualifying Permanent Residents and Canadian citizens, they cannot be counted as earned income or used to calculate reductions to sponsor support.

Sponsors also cannot count them towards the financial support requirements under the Private Sponsorship of Refugees Program. These tax benefits have no impact on the minimum amount of financial support a sponsor is required to provide.

### **Q16. Can sponsoring groups lend or advance funds (like a loan) while the newcomer family awaits their Canada Child Benefit (CCB) cheque?**

While the CCB is a significant benefit for families with children, the application process usually takes several months and although payments are retroactive sponsors should plan for the CCB waiting period.

Sponsoring groups can choose to:

- top-up the monthly income support by an amount similar to the CCB, as a grant or gift, or
- advance or loan additional funds to the family instead

If a sponsor chooses to provide a loan, a clear record of the agreement and terms should be kept by all parties. Interest should not be charged to newcomers.

Any later deductions to monthly support to repay a loan should be done in accordance with the agreed upon terms. The terms should consider the ongoing needs of the family and not cause undue financial hardship for the repayment.

Please note that once individuals begin receiving the CCB, they must annually file an income tax return in order to continue to receive this benefit.

### **Q17. Do newcomers have the right to manage their own finances?**

Yes. Newcomers have the right to manage their own finances and should be encouraged to do so. Sponsoring groups cannot require the newcomer(s) to submit their funds for management by others.

### **Q18. What is the RAP housing supplement, and does it apply to PSR cases?**

The RAP income support housing benefit has two components: the basic shelter rate and the national housing supplement.

The basic shelter rate is guided by the current provincial/territorial social assistance rates in the province/territory of residence and thus varies by destination and other variables, such as

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family size.

RAP also provides a national housing supplement as a discretionary top up of up to \$200 per case and to each adult dependant for RAP clients when the costs to secure shelter/housing exceeds the basic shelter rates. This national supplement also serves as a substitute for the more comprehensive rental supplement and subsidized housing programs offered by provinces, which are too numerous for RAP to administer/replicate.

The sponsoring group should work to ensure that the total amount for housing provided to newcomers meets their rental needs (including utility costs) and should include the housing supplement if required.

The sponsoring group may also want to inquire about what housing incentives are available in their community, such as subsidized housing programs.

### **Q19. The newcomer(s) have personal assets, how should these be considered in determining the level of income support?**

Personal assets are things or cash that persons might own before arriving in Canada or have in their possession when they arrive to Canada (i.e. an inheritance, gift or other source of funds).

Newcomers receiving financial support are expected (but not obligated) to provide information about any new personal assets on an ongoing basis over the course of the sponsorship period as this may impact the level of financial support to be provided.

If a sponsor does make deductions to their financial support, they should be able to explain the amount and the reason. The onus is always on the sponsor to be able to demonstrate and explain the support provided to the newcomer(s) and to show that program requirements have been met. However, the sponsoring group may choose to maintain a higher level of income support.

The maximum personal assets that newcomers can retain under the Resettlement Assistance Program income support guidelines without affecting the amount of income support they may receive can be found below. Any remaining assets will be factored in when determining the level of income support needed.

If a newcomer declares that they have more than the personal asset exemption limits outlined in the table below, sponsors should give them the option to apply their funds against the balance of their Immigration Loan before you deduct any financial support.

If the newcomer still has more than the personal asset limit, you can calculate support on a case-by-case basis taking into account the concepts of self-sufficiency and factoring in only the portion of assets above the exemption limit.

Family composition	Maximum amount allotted of personal assets. (Canadian \$)
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Single person	\$5,000
Couple	\$7,500
Single plus one dependant	\$7,500
Each additional dependant	\$2,500

Note: Sponsoring groups, including co-sponsors, must not accept funds from the refugee/newcomer(s) either before or after their arrival in Canada for:

- submitting the Sponsorship Application;
- housing, care, or settlement help; or
- a deposit to guarantee they will remain with the sponsor for one year after they arrive.

The Sponsorship Undertaking (IMM5373) has a declaration that confirms that the refugees did not provide any funds towards the sponsorship.

### **Q20. Do newcomers have to report their personal assets to their sponsors?**

While the declaration of funds and assets is voluntary and cannot be forced or coerced, newcomers are expected to declare income and assets to their sponsors as this may impact the level of financial support to be provided.

The Refugee Sponsorship Training Program has developed a Declaration of Funds and Assets form for this purpose.<sup>13</sup>

### **Q21. What is a sponsor group's role in encouraging a newcomer to find employment?**

A newcomer's focus during their first year in Canada is to participate in activities that will help them to become self-sufficient and independent, which may include employment, settlement activities, language training classes, college or university courses, and employment preparation programs.

Sponsoring groups should support the newcomer(s)' efforts in gaining self-sufficiency and independence and in undertaking activities that will best support their longer-term integration.

### **Q22. Can sponsoring groups reduce support to a newcomer if they will not work, attend school or do anything to contribute to their integration?**

Financial support **cannot** be reduced based on the personal choices of the newcomer. If newcomers are not participating in activities that would contribute to their integration, sponsoring groups are encouraged to try and work with them to understand why this is occurring, e.g. possible physical or mental health issues.

Either side may request IRCC assistance if a mutually acceptable solution cannot be reached.

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<sup>13</sup> <http://www.rstp.ca/en/sponsorship-responsibilities/forms-for-declaration-of-funds-and-assets-on-arrival/>

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### **Q23. How much can a newcomer earn before having financial support deducted by the sponsoring group? Can they be required to report employment earnings?**

If sponsoring groups decide to make deductions to monthly financial support based on earned income, it must be done in accordance with the principles of the RAP. Deductions can begin after **net** employment income becomes higher than 50% of the IRCC minimum monthly support amount, at which point income may be reduced dollar for dollar for each additional dollar earned above the threshold.

**Exception:** Where the employment income is earned by a newcomer who is attending secondary school on a **full-time** basis, the income is not to be included in the total of the family earnings. If employment income is earned by a newcomer who is attending secondary school on a part-time basis, the income is not exempt and is subject to reductions outlined above.

While the declaration of employment earnings is voluntary and cannot be forced or coerced, newcomers are expected to declare income to their sponsors as this may impact the level of financial support to be provided.

While sponsors may not withhold financial support as a result of non-reporting, they may contact IRCC for assistance in situations where there are reasonable grounds to believe that a newcomer may be withholding information about employment earnings.

### **Q24. How is it determined that a newcomer no longer requires financial support?**

When a newcomer's level of total earned household income has surpassed 50% of their household's level of financial support, deductions can be made for every dollar earned above that threshold. Refer to the RAP Delivery Instructions<sup>14</sup> on the 50% additional income incentive for additional information.

Once the monthly support is reduced to zero dollars (i.e. after a client has earned 150% of their household's financial support level) and the newcomer can sufficiently financially support themselves and their families on an ongoing basis, they may no longer require financial support from their sponsor. If support is reduced or eliminated, it is suggested that sponsoring groups keep documentation to show that the RAP policy for earnings has been followed.

At any time during the commitment period, if the financial situation of the newcomer and their family changes, the sponsor must resume providing financial support, as needed.

Newcomer(s) who no longer require financial support are not considered self-sufficient. The sponsoring group is still responsible for non-financial support for the duration of the sponsorship period.

### **Q25. What does RAP provide to Blended Visa Office Referred refugees and what am I**

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<sup>14</sup> <https://www.canada.ca/en/immigration-refugees-citizenship/corporate/publications-manuals/operational-bulletins-manuals/service-delivery/resettlement-assistance-program/incentive.html>

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### **expected to provide during the period while they are on RAP and afterwards?**

Once refugees sponsored through the Blended Visa Office-Referred (BVOR) Program arrive in Canada as newcomers, they receive income support through RAP, administered by IRCC, for 6 months of their 12-month sponsorship period, or until they become self-sufficient.

The remaining costs, including start-up and additional expenses as required, are to be covered by the sponsoring group.

Effective September 1st, 2018 RAP income support levels were increased for BVORs and other former refugees supported under an official cost-sharing arrangement with IRCC to better align monthly financial support provided to all resettled refugees.

Additional benefits that are automatically issued since September 1, 2018 include:

- a communications allowance of \$30 per month per case and to each adult dependant
- an age of majority top up allowance of \$150 (plus cost of transportation) for each dependant aged 18 residing in a province where the age of majority is 19 (that is, British Columbia, New Brunswick, Newfoundland and Labrador, and Nova Scotia).

As of September 1, 2018, BVORs and other newcomers supported under an official cost-sharing arrangement with IRCC are also eligible for supplementary benefits under RAP. Supporting documents must be submitted to the local IRCC office when requesting these benefits:

The benefits are:

- a monthly housing supplement of up to \$200 per case and to each adult dependant to reduce the gap between RAP shelter rates and actual housing costs.
  - to be considered for this allowance, IRCC must receive supporting documentation, such as a lease agreement, indicating that the newcomers' total housing costs (including utilities) exceed the maximum shelter allowances issued under RAP.
- A special dietary allowance of \$75 per month (maximum per family) upon request
  - Each request must include a note from a doctor or nurse practitioner indicating that the newcomer has a medical condition that requires a specialized diet.

### **Q26. For my BVOR case, are any RAP rates reduced if I provide in-kind or financial support?**

RAP income support is based on need and is not intended to duplicate benefits already provided through RAP or other sources, whether in-kind or financial.

If in-kind or financial support is provided while a client is on RAP, the circumstances and nature of the additional support is reviewed to determine its impact on RAP levels of support.

Generally speaking, if a newcomer's need is greater than the support being provided by RAP, a sponsoring group may be able to provide additional in-kind or financial support without any reduction in RAP rates.

When the in-kind or financial supports duplicate the benefits already provided through RAP, a

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reduction in RAP benefits may occur. Under the RAP agreement that is signed by the newcomer, all income or benefits received from any source must be reported to IRCC.

For example, where a sponsor provides in-kind housing at no cost or at a cost that is less than the RAP income support allowance for shelter during the period in which that BVOR newcomer is receiving RAP, this would trigger a reduction in the monthly shelter allowance component of payments to the newcomer in line with RAP guidelines.

One-time or monthly financial contributions from a sponsor should be assessed on a case-by-case basis to determine if:

- the amount and nature of the contribution exceeds what is necessary to support the needs of the newcomer and their family
- the contribution is a duplication of what is already provided under RAP, and
- the amount(s) are typical for a person receiving financial support.

### **Q27. In the event of a marital breakdown, am I expected to sponsor two separate households?**

In situations where the family undergoes marital or household separation, the sponsoring group is not responsible for supporting 2 separate households, though they may choose to support both households if they have capacity to do so.

If they choose to only support 1 household, the sponsor is expected to continue to support the household with the higher number of people. If both households are of equal size, it is up to the sponsoring group to decide which household they will continue to support.

The other household is to be processed for breakdown and referred to a new sponsoring group, provincial social assistance, or the RAP (typically for BVOR cases only<sup>15</sup>). Sponsoring groups must contact IRCC for assistance in these situations in order for IRCC to process the partial breakdown.

### **Q22. Do I need to provide support if the newcomer temporarily leaves the community of settlement, either to other parts of Canada or overseas?**

If newcomers leave the country for an extended period, sponsors are not expected to provide financial or non-financial support while they are absent. It is in the sponsor's best interests to report these situations and to provide proof, if available, in order to record this change with IRCC.

If a newcomer leaves the community of settlement or Canada temporarily, the length of the anticipated absence and the number of members in the household that will be both travelling and remaining are considered when determining whether or not the rate of financial assistance

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<sup>15</sup> In highly exceptional cases, SAH-sponsored PSR cases may also be referred to RAP in the event of sponsorship breakdown.



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should be affected.

Sponsoring groups are encouraged to contact IRCC if they have any questions related to these situations.

### **Q23. Do I need to provide support if the newcomer is temporarily hospitalized or incarcerated?**

Newcomers entering a hospital do not automatically become ineligible for financial support.

Certain factors such as the length of the anticipated hospital or correctional centre stay and the number of members in the household must be considered when determining whether or not the rate of financial assistance should be affected.

For instance, if the newcomers are temporarily hospitalized or incarcerated, they will likely still have rental or lease obligations. They should not lose their dwelling of these situations. There may be other expenses or factors to consider if sponsored newcomers are hospitalized or incarcerated.

Sponsoring groups are encouraged to contact IRCC if they have questions relate to such a situation.