Summary of Financial Safeguards

Overview

As a Community Sponsorship Group, you play a vital role in refugee resettlement. Even though you're not a registered charity, it's a good idea to be well organised, manage your money openly and responsibly, and be aware of any legal or tax issues that might affect your group.

Responsibilities

Legalities

- Community Sponsorship Groups are unincorporated associations established to support a specific family or individual. They are not charities and are not required to register with the Charities Regulator.
- Ensure you present yourselves as a Community Sponsorship Group, supporting 1 family or individual, not supporting refugees collectively.
- ***PLEASE NOTE: It is an offence under s.46 for an organisation, other than a registered charitable organisation, to present itself in such a way that would cause a member of the public to believe that it is a charitable organisation*.**
- CSGs are not legal companies. This means that if members sign any contracts on behalf of the group (e.g. renting a house or buying services), they are personally responsible for those contracts — including any debts or issues that arise.

Money Management

- Each group should open a dedicated bank account for handling donations and payments. At least two trusted members should be officially appointed to manage the account.
- A Treasurer should ensure fundraising is properly managed and keep all receipts, records, and budgets.
- Follow any conditions set by donors (e.g. funds to be used towards education only). If you can't meet those conditions, return the money.
- If you say or publish anything about how the money you raise will be used, you must follow through on it. This helps avoid any accusations of fraud or misuse of funds.
- Each group should look into getting insurance to protect against risks.
- Any unspent money must still be used for the original purpose (donate to a CSG or charity).

Tax Implications

- Money donated to CSGs is usually tax-free if it supports a public programme for a "public purpose".
- The 'small gift exemption' lets people give up to €3,000 per year to someone without tax.
- Gifts to refugee families should also be tax-free if they are under €3,000 per person, per donor.
- If you raise money in return for something (like selling coffee or tickets), it may be treated as taxable personal income for CSG members and you may still need to report this to Revenue.
- To avoid tax issues, it's better to raise money through straightforward donations whenever possible.