



The
University
Of
Sheffield.

Financial Guarantee Fact sheet.

Please ensure that you read this and all other documents from the Host University relating to the financial guarantee very carefully. It can cause extensive delays if you do this incorrectly.

Please share these notes with your guarantor (parents, grandparents etc)

Who is required to get a financial guarantee?

Students going to the USA

Students applying to a University in the USA will have to do this at application stage (i.e. February/March). The host universities application sheet will tell you how much they require and sometimes give you a form you need to complete. You'll get this in late January/February once you know where you are going.

Students going elsewhere in the world

You will need to show the Immigration Department for the host country that you have the sufficient money to live in their country. This will be made clear at VISA APPLICATION stage. It is your responsibility to check on their website.

What is a Financial Guarantee?

In order to study abroad you need to show the government of that country that you have the necessary funds to study in the host country for an academic year before you can be issued with a visa.

What does it cover?

Accommodation and general living costs (entertainment, basic travel, books, clothes, personal care, etc) are included within these amounts.

Why do I have to provide a Financial Guarantee?

As an "International" student studying abroad, the host country needs to see that you can support yourself during your studies. They need to see actual proof that the money is available, so that they can ensure that you are not going to try and live off state funding. Also, if you left debts at the University or country, they would then be able to go to your "sponsor" or "guarantor" to try to retrieve the money to cover the debt.

Do I need to actually give the money to any one?

No, you are just asked to show proof that in the event of the above happening they can go to the person acting as your "sponsor" or "guarantor" to retrieve the money. The money isn't given to anyone, just simply showing you have it in the event of leaving a large debt.

How do I show I have the necessary funds?

The financial guarantee can be made up by several sources of capital. It can include a:

- recent statement from a bank account (yours or relative's)
- recent Statement from a savings account i.e. ISA/TESSA (yours or relative's)
- recent reference letter from the bank stating that the proposed "sponsor" or "guarantor" has £X available to them

Not appropriate:

- wage slips
- letters from employers
- share certificates

The guarantee can be made up from several "sponsors" or "guarantors" if necessary – your own money/parents/relatives etc.

If the money is not yours, then the person will have to provide a letter explaining they will be your guarantor. A quick example letter is outlined at the bottom of this factsheet.

Some organisations require 7-10 days notice to provide statements, letters etc. Don't expect that it can be done immediately. Plan in advance.

Step by step guide & important notes

1. Identify your sponsor/guarantor or it can be yourself
2. Work out how much you need to guarantee, in pounds (or your local currency if you are an international student), see Host university application sheet. Always try and guarantee a little more.
3. If you usually apply for a loan, you can **TRY** to use your Loan as part of the guarantee.
4. If you are using the loan as part of the guarantee, you will have to make up the difference with your own funds or a sponsor/guarantor.

Example:

Guarantee required \$12,000 = £7,314 Exchange rate of £1 = \$1.60	Loan amount - £4,000 Amount left to find - £3,314 minimum
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You can guarantee make up the amount in several ways; see above

IMPORTANT

5. Some Universities DO NOT accept the Student Loan as part of the guarantee as it is "projected" money and not money in the bank. It will tell you on their application materials. You may be asked to provide further funds if the host university REJECTS the projected student loan. It is best to check this out with the host university.

Host university Financial Guarantee Forms

- Some universities provide their own financial guarantee form. If they provide this, you must complete it. It will be included with their application form, if there is one.
- If it requires a signature from the guarantor(s), please ensure that they sign it, even though they may have already done a supporting letter.
- If you have used a bank statement or letter to supplement it, please write – "see attached" on the form.

Supporting Letter from Guarantors

- If you are funding yourself you do not need to do a letter.
- If anyone else other than yourself is guaranteeing you, you will need a letter from them. This is to prove that the person has agreed to sponsor you.
- If the account is joint then both parties **MUST** sign the letter
- See example letter

Bank/Building Society Statements

- It **MUST** clearly state the guarantors name, if it is a joint account then it must have both names
- It **MUST** be an original statement (internet statements are not accepted)
- It **MUST** be dated no more than 1-2 months prior of Jan/Feb. The more recent the better

Pass books

- It MUST clearly state the guarantors name, if it is a joint account then it must have both names
- You will need to take a photocopy of the name page and the page where the balance is shown

Bank/Building Society Reference Letters

- It MUST clearly state the guarantors name, if it is a joint account then it must have both names
- It MUST be on bank/building society letter head
- It MUST be signed by the manager and clearly state their name

On-Line Only Accounts

- Try and obtain an official statement from the company/bank/society.
- A print out may not be suffice; you will have to make enquiries with the host institution, if you **cannot** obtain an official statement.

Any general questions about Financial guarantees can be answered by International Exchanges Unit (0114 2221248) or by the contact at the Host University

EXAMPLE SPONSOR LETTER

Mr John Smith & Mrs Joan Smith
123 The Road
Sheffield
S10 2TE

To whom it may concern;

I am writing to confirm that I will act as financial guarantor for my daughter Amy Smith who will spend an academic year studying at the University of America during 2011/12.

Please find enclosed my Lloyds TSB Bank statement which shows I have \$12,000 (over £7,000) to act as guarantor.

Best wishes

JSmith

Joan Smith

Mr John Smith

Mrs Joan Smith

(Note: attached would be the original bank statement from Lloyds TSB for Mr John Smith and Mrs Joan Smith)