



## **Anti-Money Laundering Policy**

### **Rationale**

Money laundering is the process by which criminal property or illegally obtained money is processed or spent to create the appearance that it has come from a legitimate source and is a term that covers several offences set out in the Proceeds of Crime Act 2002 (POCA).

Money laundering offences can be committed not only in relation to the activities of organised crime but also in relation to those who benefit financially from dishonest activities, such as evading tax. Money laundering is essentially a series of transactions that aims to convert criminally obtained property into an apparently legitimate source of money or assets. Money laundering can take many forms, but in the independent school sector is most likely to occur in relation to:

- the payment of fees,
- the payment of fees in advance,
- the donation of sums towards projects for unspecified purposes.

The school is potentially vulnerable to this threat and the consequences of being involved in an instance of money laundering may have a severe impact on the school's reputation.

### **Objectives**

To satisfy the core elements of due diligence governors must take reasonable steps to ensure that they;

1. "Identify" the person or persons with whom the school is entering into a financial transaction.
2. "Verify" where reasonable and, if the risks are high, the identity of said person or persons.
3. "Know what the business of said person or persons is, and can be assured that it is appropriate for the charity to be involved with the business.
4. "Watch out" for unusual or suspicious activities, conducts or requests.

The school should know, at least in broad terms, where the money they are given comes from. Governors should be able to identify and be assured of the provenance of substantial payments.

### **Success Criteria**

The school will be confident that all money received, mostly fees and donations, do not come from any illegal or inappropriate sources.

All parents pay using either bank transfer or cheque payments.

### **Methodology**

Parents will be informed of the decision that the school will not accept cash on a regular basis (each term).

The fee invoice will not mention the possibility of paying cash in our bank account.

Parents will be made aware that the school will operate within the guidelines of the financial authority and that should the school suspects that money laundering may be taking place, it can submit a Suspicious Activity report (SAR) to the National Crime Agency. [www.nationalcrimeagency.gov.uk](http://www.nationalcrimeagency.gov.uk).

The decision to accept cash over a value of £100 will lie with the school following the completion of a risk assessment which will assist in composing a view of the cash being offered to the school. (See list of questions in Annex A.)

**Monitoring**

The school will monitor that all cash payments are for registration fees only and that no cash has been deposited into our bank account without our knowledge.

The school will ensure that it follows the guidelines given by the Financial Authority as and when they are revised.

**Evaluation**

It is the responsibility of the Headmistress and Finance Director to evaluate the effectiveness of this policy on an ongoing basis. However, anyone with a concern about money laundering can raise this with the Finance Director or Headmistress at any time.

**Review**

This policy will be reviewed every two years by the Finance Director.

Signed by the Headmistress \_\_\_\_\_

Approved by Council: \_\_\_\_\_

Date: \_\_\_\_\_