



Lent 2021

St Helen & St Katharine School – Anti-Money Laundering Policy

Money laundering is the process by which the proceeds of criminal or illegally obtained money are processed or spent to create the appearance that they have come from a legal source. Whilst this policy focuses on fee payments in cash, the School should also be vigilant in relation to other cash payments, for example donations, or other unusual payments, particularly where these involve complex banking and transfer arrangements.

Money laundering is a term designed to cover several offences. These offences relate to the improper handling of funds that are the proceeds of criminal acts, or terrorist acts, so that they appear to come from a legitimate source. It relates to both the activities of organised crime but also to those who benefit financially from dishonest activities such as receiving stolen goods.

Money Laundering is described as:

“a scheme in which criminals try to disguise the identity, original ownership, and destination of money that they have obtained through criminal conduct. The laundering is done with the intention of making it seem that the proceeds have come from a legitimate source”.

The School is potentially vulnerable to this threat which may damage its reputation.

It should be the exception that cash payments of more than £100 are accepted.

Exceptionally, a cash donation, or the payment of fees may be offered. This would be classed as an unusual transaction and the school will request details from the parent, guardian or benefactor about how the cash was obtained and seek proof of this.

Money Laundering can take many forms but in relation to the School it could involve any of the following:

- the donation of sums to projects for which an appeal is being run;

- the donation of sums for no obvious reason;
- the payment in advance of fees; and
- the requested return of fees paid in advance
- Sums repaid to bank accounts in different countries

In addition, these activities could also lead to second “laundering” activities where reputations are established with injections of illicit wealth into capital acquisitions such as cars and homes. Reputations can be enhanced by a family having their children attend a prestigious private school.

To guard against the risk of money laundering the School will carry out the following checks as suggested by the Charity Commission:

- **'identify'** - know who the School is dealing with;
- **'verify'** - verify identities where the risks are high;
- **'know what business the company or individual'** is involved in and whether this is appropriate for the School;
- **'know what their specific business is with the School'** - have confidence that they will deliver what you want them to;
- **'watch out'** - for unusual or suspicious activities, conducts or requests.

The following questions will form part of a risk assessment that will assist in forming a view about the funds being offered to the School. This should be completed for every sum of more than £500 accepted in cash.

The Bursary staff are to watch for the following warning signs, and should any of the following questions give a “yes” answer the Bursar should be informed:

1. Transactions: are transactions unusual because of their size, frequency or the manner of their execution, in relation to the parent's known business type?
2. Structures: do activities involve complex or illogical business structures that make it unclear who is conducting a transaction or purchase?
3. Assets: does it appear that a parent's (or guardian's) assets are inconsistent with their known legitimate income?
4. Resources: are a parent's funds made up of a disproportionate amount of private funding, bearer's cheques or cash, in relation to their socio-economic profile?
5. Identity: has the parent taken steps to hide their identity, or is the owner of the cash difficult to identify?
6. Is the parent (or guardian) unusually anxious to complete a transaction or are they unable to justify why they need completion to be undertaken quickly?
7. Is the parent (or guardian) engaged in unusual private business given they hold a prominent public title or function?

8. Are information or documents being withheld by the parent or guardian or their representative, or do they appear falsified?
9. Is the collateral provided, such as property, located in a high-risk country or are the clients or parties related to the transaction native to, or resident in, a high-risk country?
10. Have you, or other professionals involved been instructed at a distance, asked to act outside of your usual specialty, or offered an unusually high fee?

Policy initiated:	Lent 2019
Policy reviewed:	Lent 2021
Next review:	Lent 2023
Responsible for review:	Bursar