



Money Laundering Policy

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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 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 and the consequences of being involved in an instance of money laundering may have a severe impact on the school’s reputation. It should be the exception that cash payments of more than £100 are accepted. It may be, very exceptionally, that a cash donation, or the payment of a term’s fees has to be accepted. If so, this would be classed as a large or unusual transaction and the school will ask the parent, guardian or benefactor for information on 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, but will not be limited to:

- 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.

In addition, these activities could also add to a second “laundering” activity where reputations are reviewed and refreshed with injections of illicit wealth into acquisitions (cars and homes particularly) which complement the reputation generated by a family by having their child of children in a prestigious private school.

To guard against this risk the School will use the Charity Commission advice to assess the risk of money laundering:

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

The following questions will form part of a risk assessment that will assist in composing a view of the cash being offered to the School. This should be completed for every sum of more than £100 accepted in cash.

Annex A to Anti Money Laundering Policy

The Bursary staff are to watch for the following warning signs, and should any of the following questions give a "yes" answer, the Head 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 payments involve complex or illogical arrangements that make it unclear who is making the payment?
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 payer difficult to identify?
6. Is the parent (or guardian) unusually anxious to complete a transaction or are they unable to justify why they need the payment 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. Are the parents 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?