



Goodenough College Anti-Money Laundering Policy

1. Goodenough College is fully committed to compliance with the applicable provisions of the Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering Regulations 2007 and all amending legislation.
2. If the College suspects that money laundering may be taking place, it will submit a Suspicious Activity Report (SAR) to the National Crime Agency.
3. The College considers that it has a sufficient risk-based and proportionate approach to due diligence concerning the College's anti money laundering responsibilities.

The Law

4. Legal guidance on money laundering is provided by the Criminal Prosecution Service in relation to the Proceeds of Crime Act 2002.

<https://www.cps.gov.uk/legal-guidance/proceeds-crime-act-2002-part-7-money-laundering-offences>

5. The guidance currently defines money laundering as follows:

Money laundering is the process by which criminal proceeds are sanitised to disguise their illicit origins. Acquisitive criminals will attempt to distance themselves from their crimes by finding safe havens for their profits where they can avoid confiscation orders, and where those proceeds can be made to appear legitimate.

Money laundering schemes can be very simple or highly sophisticated. Most sophisticated money laundering schemes involve three stages:

- 1) *Placement - the process of getting criminal money into the financial system;*
- 2) *Layering - the process of moving money in the financial system through complex webs of transactions, often via offshore companies;*
- 3) *Integration - the process by which criminal money ultimately becomes absorbed into the economy, such as through investment in real estate.*

Prosecutions for money laundering can involve any of these stages in the money laundering process.

Reporting of suspicions

6. If any Governor, member of staff, College Member, Alumnus or any other person with any connection to the College knows, suspects or has reasonable grounds for thinking or suspecting that a person is engaged in money laundering or terrorist financing, they must report such matters to the Director of Finance and Resources (or in their absence, the Head of Finance) immediately, including, but not limited to, the following information:
 - details of the people involved;
 - type of transaction;
 - the relevant dates;
 - why there is suspicion;
 - when and how activity is undertaken; and
 - likely amounts.
7. Once the Director of Finance and Resources (or in their absence, the Head of Finance) has evaluated the disclosure or other information, they will determine if there are reasonable grounds for suspecting money laundering and whether any further investigations need to take place.
8. Any reported suspicions received in the absence of the Director of Finance and Resources will be reported to the Director of Finance and Resources at the earliest opportunity for their review.
9. If those reporting the activity (or those receiving the report of activity) have suspicions of the involvement of the College Governors, Executive or other staff (including where those suspicions include the College Director, Director of Finance and Resources or Head of Finance) in the activity, the matter should be immediately reported under the protections of the College Whistleblowing Policy or, where not appropriate, directly to the Police or the National Crime Agency.
10. Where reports have been properly made through the Whistleblowing Policy, those enacting that policy will consider their ability to fulfil the requirements of this policy in their deliberations; they and the whistle-blower may deviate from the reporting requirements of this policy, provided that they comply with the requirements of the Whistleblowing Policy and with the College's legal obligations, and the deviation is reasonable given the content of the whistleblower's report.

Charity Commission guidance

11. The Charity Commission provides guidance on anti money laundering within its guidance on "Protecting Charities from Harm compliance toolkit".
<https://www.gov.uk/government/publications/charities-due-diligence-checks-and-monitoring-end-use-of-funds>
12. Within the guidance, the Commission "*appreciates the challenges that some charities may face. This includes, for example, charities working in areas where corruption, violence, or serious or organised crime is common practice, or terrorists and other criminals are known to operate, perhaps where they have some degree of control over access to people in need.*

13. *For other charities the risks are low. Their activities may be straightforward, they may carry them out themselves, they may collect and use little money and transactions may be less complex. This is why a risk-based and proportionate approach is important and more appropriate than a 'one-size-fits-all' approach".*
14. The policy requires that charities have, as a minimum:
- i) some form of appropriate internal and financial controls in place to ensure that all their funds are fully accounted for and are spent in a manner that is consistent with the purpose of the charity; what those controls and measures are and what is appropriate will depend on the risks and the charity;*
 - ii) proper and adequate financial records for both the receipt and use of all funds together with audit trails of decisions made; records of both domestic and international transactions must be sufficiently detailed to verify that funds have been spent properly as intended and in a manner consistent with the purpose and objectives of the organization;*
 - iii) given careful consideration to what due diligence, monitoring and verification of use of funds they need to carry out to meet their legal duties;*
 - iv) taken reasonable and appropriate steps to know who their beneficiaries are, at least in broad terms, carried out appropriate checks where the risks are high and have clear beneficiary selection criteria which are consistently applied.*

Context of Goodenough College

15. In the context of Goodenough College, the two key areas where there is material risk of money laundering activities occurring are:
- payment of rent (including (a) using the proceeds of crime to pay rent and (b) requests for the return of rent and fees paid in advance); and
 - donations (including (a) large unexpected donations from unknown individuals, organisations or other sources; (b) unexpected or unexplained requests for the repayment of all or part of a donation; and (c) donations with specific restrictions as to which partner or project is to be funded as a means of transferring funds overseas and disguising the origin of the funds).
16. In the context of the Charity Commission's guidance, the College's risks in relation to Money Laundering are judged to be low.
17. Goodenough College is not required to be registered for money laundering supervision under the Money Laundering Regulations. The College is not, **therefore**, required to appoint a 'nominated officer' or a 'Money Laundering Reporting Officer'.
18. The College's Auditor has satisfied itself in respect of Goodenough's anti money laundering position in prior annual external audits.

College activities in support of the Policy

19. The College has adjusted its current activities in support of its Anti-Money Laundering Policy, as summarised below:
- i) The Head of Finance works with the College's banker, Barclays, to carry out periodic 'Enhanced Due Diligence' of the College's financial operations to the satisfaction of the Barclays Enhanced Due Diligence Committee.
 - ii) The single largest source of College funds is currently the receipt of rent from Members through SagePay into our Barclays account. Barclays Bank have confirmed that, as an e-money institution, SagePay has obligations under the UK Money Laundering Regulations and, on that basis, the College can place reliance on SagePay to have performed due diligence and transaction monitoring on the source of funds it processes.
 - iii) The College's Auditor implements specific procedures and policies to address fraud and these can flag potential Anti-Money Laundering (AML) concerns. As part of its audit, the Auditor will enquire regarding the level of staff training on fraud and Money Laundering and also carry out sample checks on any returned donations, which could flag transactions at risk of Money Laundering. The College's External Auditor would flag any concerns over AML that come to their attention, as far as they are permitted to under the AML regulations. The Auditor has satisfied itself in respect of Goodenough's AML position in prior annual external audits.
 - iv) The College maintains (and regularly reviews) detailed measures to counter corporate and criminal offences, including, in addition to its Anti Money Laundering Policy, policies on bribery, tax evasion and public interest disclosure (whistleblowing) clearly set out in the Staff Handbook.
 - v) The College considers itself to have strong internal financial controls, regularly reviewed by the Director of Finance and Resources and reported to the Audit Committee.
 - vi) The College has a Gift Acceptance Policy which provides appropriate review of the source of donated funds.
20. It is considered that the above controls provide a sufficient risk-based and proportionate approach to due diligence regarding the College's Anti-Money Laundering responsibilities in relation to its normal activities.

Additional controls

21. The College has introduced additional controls to monitor unusual activities that put the College at a higher risk in relation to Money Laundering:
- i) The College recognises that there are occasions when College Members (particularly soon after they arrive in the UK) will need to pay their rent in cash, but the longer-term payment of rent in cash is discouraged.
 - ii) Any cash receipt accepted in excess of £500 will be reported by the Finance Team to the Head of Finance, along with a reason for the payment in cash as provided by the payer. The Head of Finance will review such payments for any patterns in activity that may disguise more significant Money Laundering Activity
 - iii) Any cash receipt in excess of £1,500 requires the express permission of the Director of Finance and Resources. The Director of Finance and

Resources (or nominee in their absence) will consider the nature of the payment against the normal operations of the College and this policy. The acceptance of any payment in cash in excess of £8,000 will also require the permission of the College Director.

- iv) The College reserves the right to refuse any payment of cash at its own discretion.

Reporting

- 22. The Head of Finance will inform the College Director and Director of Finance and Resources of any reports of suspicious transactions (whether or not the funds are actually accepted), unless doing so may lead to 'tipping off' a potential money laundering inquiry.
- 23. The Director of Finance and Resources will report any suspicious transactions in excess of £8,000 (whether accepted or otherwise) to the Chairman of the Audit Committee, unless doing so may lead to 'tipping off' a potential money laundering inquiry.
- 24. The Director of Finance and Resources (or in their absence, the College Director with the support of the Head of Finance) will submit a Suspicious Activity Report (SAR) to the National Crime Agency (NCA) when the College suspects that money laundering may be taking place.
<https://www.nationalcrimeagency.gov.uk/what-we-do/crime-threats/money-laundering-and-terrorist-financing/suspicious-activity-reports>
- 25. Where there is suspicion of involvement of the Executive in the activity, the SAR may be submitted by the Chairman or the Chair of the Audit Committee.
- 26. Where there is a suspicion of criminal activity that may not fall within this policy, consideration should be given to the applicability of the College's Whistleblowing Policy to the circumstances by those aware of the activity.

Training

- 27. Appropriate Anti-Money Laundering training will be provided to the Director of Finance and Resources, Head of Finance and staff working in relevant parts of the College (particularly the Finance Department and the Development and External Relations Team).
- 28. The Head of Finance is able to provide ad-hoc advice on the application of this policy.

Record keeping

- 29. All internal reports made under this policy to the Director of Finance and Resources, and all SARs made to the NCA, will be retained for a minimum of five years.

Key contacts and responsibilities

- 30. The following key contacts are to be used in the application of this policy:
Richard Barker, Director of Finance and Resources
Colin Arundell, Head of Finance

31. Goodenough College Trustees (the Board) have ultimate responsibility for controlling and managing the affairs of the charity. To meet their legal duty to protect charity assets with the necessary care and properly to assess risk, Trustees must carry out appropriate due diligence on those individuals and organisations that the charity receives donations from, gives money to, or works with closely. This policy, combined with the College's Gift Acceptance Policy, has been established to provide that due diligence.
32. The Director of Finance and Resources is responsible for updating this policy on a regular basis.

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