

## Highworth Community Church (HCC) Anti money-laundering, terrorist financing and bribery policy

### 1. General policy

- 1.1 The trustees of HCC acknowledge the need to have policies and procedures in place to combat money laundering, terrorist financing and bribery which meet the requirements set out in Proceeds of Crime Act 2002, the Prevention of Terrorism Act 2005 and the Bribery Act 2010.
- 1.2 Our policy is to operate financial controls and, on a risk rated basis, to carry out other checks, sufficient to ensure that, as far as possible:
  - The church has reasonable knowledge and understanding of those providing funds to it and that those funds come from legitimate sources;
  - Grants or other payments of money made by the church are transferred securely so as to reach the intended recipient;
  - The church has reasonable knowledge and understanding of the character, nature, and work undertaken by the recipient organisation or individuals;
  - Grants provided by the church have been used as directed and have not been diverted for use by terrorist organisations;
  - Grants and other payments made by the church have not been used as bribes.
- 1.3 In constructing this policy the trustees have paid due regard to the guidance provided by the Charity Commission.
- 1.4 The overall responsibility for this policy and its implementation rests with the trustees of HCC.

### 2. Donors and inflows

- 2.1 Using a risk rated approach, the church takes reasonable steps to identify donors that provide unusual gifts; or donors that provide 'one-off' gifts or accumulated gifts in any one year that exceed £10,000.

2.2 Where relationships are strong and long-standing, these checks will be largely informal unless there are circumstances identified that cause sufficient concern to warrant more formal checks. More formal checks will be required for new and developing relationships.

2.3 Some examples of circumstances that may give rise to a level of concern include:

- One-off donations that exceed £5,000 received from individuals previously unknown to the church;
- Donations that carry restrictions that require the funds to flow through the church to external parties, particularly where these parties are located in areas that are more susceptible to corruption or which are known to be close to terrorist hot-spots;
- Donations in excess of £500 that are received in cash;
- Donations received that are 'out of character' with previously established patterns of giving.

2.4 Where formal checks are implemented these are intended to:

- Identify the donor;
- Identify the source of funds from which the donation originated.

2.5 In cases where suspicions of money laundering or terrorist financing are identified, these should be reported in accordance with the procedures set out in section 4 of this policy.

### **3. Grants and outflows**

3.1 HCC implements financial controls sufficient to ensure that grants and other outflows of funds reach their intended recipients. Specifically this means that:

- Grants are generally made by transfer of funds from the church's bank accounts directly to the bank account of the recipient;
- Wherever possible the bank account of the recipient will be in the name of an organisation rather than an individual;
- Where transfers can't be made, cheques will be used, made payable to an organisation rather than an individual wherever possible;
- Grants and other transfers will only be made in cash of any currency in extreme or unusual circumstances and only with the knowledge and consent of the trustees.

3.2 Using a risk rated approach, the church takes reasonable steps to identify and understand the nature of the work carried out by all recipients. The church adopts a more formal approach for individual recipients or recipient organisations:

- Where relationships are less well developed;
- That operate in regions of the world where regulation is less well developed and are known to be more susceptible to corruption;
- That operate in conflict zones or known terrorist hotspots;
- Where recipients fall under the definition provided by the Financial Action Task Force (FATF) of politically exposed persons (PEP);
- Where the governing structure of the recipient has recently changed;
- Where the emphasis of the work undertaken by the recipient has recently changed.

3.3 Formal identification of recipients may include:

- The use of independent and reliable source material including:
  - Those obtained from government departments;
  - Those obtained from registering authorities or agencies;
  - Photographic identification;
  - Database services.
- Other research including:
  - Personal commendation;
  - Internet research;
  - Face-to-face visits;
  - Third party due diligence.

3.4 In cases where suspicions of money laundering or terrorist financing are identified, these should be reported in accordance with the procedures set out in section 4 of this policy.

3.5 Using a risk rated approach, the church will take reasonable steps to ensure that the grant provided has been used in the way that was intended and that it has not been diverted towards terrorist organisations or for terrorist activities. Such reassurance may take the form of:

- Confirmation from a senior member of the recipient organisation that the grant has been used as intended;
- Receipts evidencing that grants have been used as expected;
- A written analysis of where the funds have been spent;
- Other means of research.

3.6 HCC has a zero tolerance policy to bribery. Where the church identifies or has reasonable suspicion that grants have been used for the purposes of bribery it will with immediate effect stop sending further grants, until suitable assurances can be provided that further grants will not be used for bribery.

#### **4. Reporting suspicions**

4.1 Any volunteer or member of staff that has become aware or has reasonable suspicions of transactions that might constitute money laundering or terrorist financing or believes that grants have been used as bribes should report these to one of the trustees.

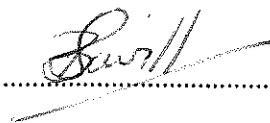
4.3 In cases where the trustees are satisfied that the transactions do constitute money laundering or terrorist financing or that the suspicions are well founded, a report will be made to the serious organised crime agency (SOCA).

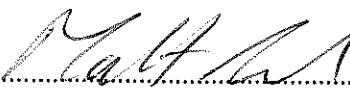
#### **5. Staff training**

5.1 The trustees will provide suitable and relevant training to its staff and volunteers that may be impacted by these issues to ensure that they understand this policy and are made aware of changes and developments in the law that impact onto their responsibilities.

#### **6. Adoption of this policy**

6.1 The trustees of HCC formally accepted this policy at the trustees' meeting held on 29<sup>th</sup> October 2018

  
.....Brenda Savill – Chair

  
.....Matt Ford – Leadership