



KING'S HOUSE SCHOOL

RICHMOND



ANTI-MONEY LAUNDERING POLICY

Member of staff responsible: Bursar
Date of policy review: May 2019
Date of next review: May 2021
Approved by Bursar: May 2019



GENERAL

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 donation or the payment of a term’s fees has to be accepted in cash. 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 or children in a prestigious private school.



RISK ASSESSMENT

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 questions set out in Annex A to this policy will form part of a risk assessment that will assist in composing a view of the source of the cash or other payments being offered to the School. Any concerns should be reported to the Designated Money Laundering Officer (DMLO). For the purpose of this policy, the Bursar is the DMLO.

In addition to the in-house checks set out above, the School may use the services of a third party agency to conduct specialist checks in assessing the risk of money laundering. Any concerns may also be referred to the School's auditors.

NATIONAL CRIME AGENCY REPORTING

If the School suspects that money laundering may be taking place, it may submit a Suspicious Activity Report (SAR) to the National Crime Agency. www.nationalcrimeagency.gov.uk



ANNEX A TO ANTI-MONEY LAUNDERING POLICY

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

1. Payments: is there a payment of more than £100 in cash?
2. Transactions: are transactions unusual because of their size, frequency or the manner of their execution, in relation to the parent's known business type?
3. Structures: do payments involve complex or illogical arrangements that make it unclear who is making the payment?
4. Assets: does it appear that a parent's (or guardian's) assets are inconsistent with their known legitimate income?
5. 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?
6. Identity: has the parent taken steps to hide their identity, or is the payer difficult to identify?
7. 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?
8. Is the parent (or guardian) engaged in unusual private business given they hold a prominent public title or function?
9. Are information or documents being withheld by the parent or guardian or their representative or do they appear falsified?
10. Is the parent native to, or resident in, a high-risk country? The countries currently considered to be high risk are: The Bahamas, Ghana, Syria, Botswana, Pakistan, Trinidad and Tobago, Cambodia, Serbia, Tunisia, Ethiopia, Sri Lanka and Yemen. There are also super high-risk countries such as North Korea and Iran.
11. 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?