Anti-Money Laundering Policy

This policy applies to:

Ardingly College Family of Schools' Staff
(Ardingly College, Great Walstead School, Ardingly Projects Limited and Ardingly Activity Centre, Ardingly College International Limited)

Person responsible for the policy:

Finance Director

Review dates:

Last review Sept 2026

Next review Sept 2027

Policy Statement

Ardingly College is committed to maintaining the highest standards of integrity, transparency and financial governance. The College will take all reasonable steps to prevent money laundering, terrorist financing, fraud and other forms of financial crime.

Although independent schools are generally not subject to the full anti-money laundering regulatory regime applicable to the regulated financial sector, the College recognises its legal obligations under the Proceeds of Crime Act 2002, the Terrorism Act 2000, charity law requirements and good governance practice.

The College will not knowingly accept funds which represent the proceeds of criminal conduct or terrorist activity and will take proportionate, risk-based measures to identify, assess and manage money laundering risks.

Purpose

The purpose of this policy is to:

- Protect the College from being used as a vehicle for money laundering or terrorist financing.
- Protect staff and governors from inadvertently committing offences under applicable legislation.
- Establish procedures for identifying and managing higher-risk transactions.
- Ensure appropriate reporting of suspicious activity.
- Support compliance with charity governance and financial control requirements.
- Protect the reputation and integrity of the College.

Scope

This policy applies to all financial transactions involving the College, including but not limited to:

- School fees and deposits
- Donations and fundraising income
- Commercial income and lettings
- International payments
- Refunds and repayments

Key Principles

The College will:

- Maintain a risk-based approach to financial transactions.
- Conduct appropriate due diligence where risks are identified.
- Refuse transactions where concerns cannot be satisfactorily addressed.
- Report suspicious activity where required.
- Comply with sanctions regulations and applicable legislation.
- Protect the College's reputation and charitable status.

Guidance

Money laundering is the process by which the proceeds of criminal activity 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, the College should also be vigilant in relation to other payments, for example donations, or other unusual payments, particularly where these involve complex banking, transfer arrangements and are received from unexpected third parties without a logical reason.

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, terrorist acts, or illegal activities. Proceeds of criminal or illegal activity, illicit funds, are processed or 'layered' to mask their true origin and to create the appearance that the illicit funds have come from a legal source. Money laundering relates to both the activities of organised crime but also to those who benefit financially from dishonest activities such as receiving stolen goods.

There is no 'de minimis' rule so all Illicit Funds, however small or insignificant, can be laundered and bring an activity within scope of one of the money laundering offences.

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".

While money laundering is not always obvious, the consequences are severe and Independent Schools, like all businesses, have a role to play in helping the authorities to reduce its prevalence. The College 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 College's reputation.

The College is committed to detecting and preventing any money laundering activities and to ensuring that it does not become involved in any arrangements involving criminal or terrorist property.

In order to fulfil this commitment, the College has established procedures for assessing the risk of financial crime, for the internal reporting of suspicious activities and for making Suspicious Activity Reports (SARs) to the relevant agencies.

Where risk factors are identified, the College will ensure that the identities of parents or guardians, or other persons or organisations making any substantial payment to the College, are satisfactorily verified. Verification may take place at the beginning of their relationship with the College and, where appropriate, on an ongoing basis.

The College will ensure that its staff are aware of the law and their responsibilities in this area. Relevant finance, admissions, development, and senior leadership staff will receive periodic AML awareness training. If any member of staff has any concerns or would like further information on what they should do in the event of a concern about money laundering the member of staff should contact the Finance Director in the first instance.

Legal Requirements

The Proceeds of Crime Act 2002 (POCA), as amended, creates a range of criminal offences arising from dealing with proceeds of crime. The three main offences that may be committed under money laundering legislation are:

- Concealing, disguising, converting, transferring, or removing criminal property from anywhere within the UK.
- Entering into or becoming concerned in an arrangement which a person knows, or suspects facilitates the acquisition, retention, use, or control of criminal property by or on behalf of another person.
- Acquiring, using, or possessing criminal property.

There are also two 'third party' offences:

- Failing to disclose information relating to any of the above money laundering offences.
- Tipping off (informing) someone who is, or who is suspected of being involved in money laundering activities in such a way as to reduce the likelihood of them being investigated or prejudicing an investigation.

These money laundering offences may be committed by an organisation or by individuals working for an organisation.

There is a similar money laundering offence under the Terrorism Act 2000, if a person enters into or becomes concerned in an arrangement which facilitates the retention or control by or on behalf of another person of terrorist property. It is a defence to prove that the person did not know and had no reasonable cause to suspect that the arrangement related to terrorist property.

The parameters of money laundering offences under POCA are wide. Non-compliance with this legislation carries financial penalties and reputational consequences for both the College and its employees (including possible individual staff criminal prosecution that could result in up to 14 years imprisonment or a large fine).

College's Procedures: General Principles

In addition to ensuring that staff are aware of the offences under the Proceeds of Crime Act 2002 (POCA) and the Terrorism Act 2000 and how they might arise in the running of the College, this policy sets out the measures, over and above those strictly required by law, that the College has put in place to mitigate the risk of money-laundering occurring in the course of its business and charitable activities.

The College's procedures go beyond the strict statutory requirements applicable to unregulated organisations because as a charitable organisation it has a duty to safeguard its reputation, property, funds, and beneficiaries.

Assessing Risk

The College takes a risk-based approach to preventing money laundering and therefore starts from the premise that the people with whom it does business are not money launderers or terrorists. However, its procedures enable it to highlight any instances where there may be a higher risk of criminal activity and to apply appropriate control measures. These procedures have been designed as a proportionate and cost-effective response to the College's assessment of the actual risk.

When assessing risk, the College will take a variety of factors into account. These may include the following:

Jurisdiction:

If a person is resident in a jurisdiction that is perceived to have a lower standard of anti-money laundering regulation or measures to prevent corruption.

This can be checked by reference to various indices, including the Transparency International Corruption Perceptions Index.

Politically exposed person (PEP):

A politically exposed person (known in the anti-money laundering regulations as a PEP) may be more at risk of being involved in money laundering. A PEP is a person who has been entrusted with prominent public functions, or any immediate family member or close associate of such a person.

Secrecy:

If a person is unusually secretive, for example if he or she is reluctant to meet face to face in circumstances where that would be the norm.

Sanctioned or proscribed organisations:

Whether the person is subject to sanctions or designated as, or associated with, a proscribed organisation.

Where a higher than usual level of risk has been identified, the staff concerned must consider whether it is appropriate to look more closely at any transaction and/or to require a more rigorous checking of identity and of the source of funds. In such cases it may also be appropriate to arrange for routine monitoring of transactions so that, for example, any change in the source of funds used to pay College fees is flagged up immediately.

Nature of the transaction:

The College remains alert to, and challenges suspicious transactions. If there is any uncertainty as why the payment is being made in a particular way or the form of the transaction is deemed higher risk, such as a cash transaction, advanced payment, a refund or a donation then scrutiny will be applied.

The College will not enter into transactions with any individual, entity or organisation appearing on the UK Sanctions List and will undertake sanctions screening where appropriate.

Identification and Verification

Before entering into any transaction with a person or organisation with whom the College has no previous transactions, the College needs to take reasonable steps to ascertain the identity of that person or organisation.

In the case of individuals, the key information is:

- Full name
- Residential address
- Date of birth

Depending on whether particular risk factors are present, the College may seek independent verification of identity, for example by requiring originals or certified copies of official documents confirming identity. Suitable documents might include passports or birth certificates. When checking such documents, staff must be alert to any signs that they might have been forged or stolen.

Copies of passports will be taken for international pupils joining the College, and for all pupils joining the College, both parents are required to provide their name and residential address and to sign the College's Acceptance Form.

The College will consider the option of using commercial verification services, particularly in relation to overseas jurisdictions where the College may have limited access to the relevant databases and records.

In relation to organisations that are not already known to the College, staff will check websites, perform a company search and where appropriate they will request credit checks and/or aim to contact key personnel in the organisation.

Staff should also check whether third parties are designated as, or associated with, proscribed organisations by checking the person's name against the UK government's current sanctions and proscribed organisations list, available on the gov.uk website.

Reporting Suspicious Activities

The College is not required by law to have a Money Laundering Reporting Officer (MLRO) to whom suspicious transactions or activities should be reported.

However, the College is committed to detecting and preventing money laundering, terrorist financing, sanctions breaches, fraud and other forms of financial crime.

Therefore, any member of staff who becomes aware of, suspects, or has reasonable grounds to suspect that a transaction, payment, donor, parent, supplier or other party may be involved in money laundering, terrorist financing or other financial crime must report their concerns to the Finance Director in the first instance.

Where appropriate, the Finance Director will consider whether a report should be made to the National Crime Agency (NCA), law enforcement agencies, regulators or other relevant authorities and will ensure that concerns are managed in accordance with applicable legislation and guidance.

If concerns relate to the Finance Director, they should be reported directly to the COO.

Failure to report concerns relating to suspected money laundering, terrorist financing or other financial crime may expose the College and individuals to legal, regulatory and reputational risk.

Disclosure Procedures

Staff must make a report to the Finance Director where they have knowledge or suspicion, or where there are reasonable grounds for having knowledge or suspicion, that another person is engaged in money laundering, or that terrorist property exists. Please refer to Appendix 1 for grounds of suspicion.

Your report should include as much detail as possible including:

- Full available details of the people, organisations involved including yourself and other members of staff if relevant.
- Full details of transaction and nature of each person's involvement in the transaction.
- Suspected type of money laundering activity or use of proceeds of crime with reasons for your suspicion
- The dates of any transactions, where they were undertaken, how they were undertaken and the likely amount of money or assets involved.
- Information on any investigation undertaken to date, including whether the suspicions have been discussed with anyone and if so on what basis.
- Whether any aspect of the transaction(s) is outstanding and requires consent to proceed.
- Any other information that may help the Finance Director judge the case for knowledge or suspicion of money laundering and to facilitate any external report.

It is the College's policy, following a disclosure to the Finance Director or to the NCA and the police, not to do or say anything that might either prejudice an investigation or "tip off" another person that a disclosure has been made.

Once you have reported your suspicions to the Finance Director you must follow any instructions provided. You must not make any further enquiries unless instructed to do so. Any further transactions or activity in respect of the person in question, whether or not it is related to the matter that gave rise to the original suspicion, should be reported to the Finance Director as they happen, unless and until the Finance Director has confirmed that no report to the NCA and the local police is to be made.

The Finance Director will consider all internal reports and, where appropriate, will make a report to the NCA or other relevant authority as soon as practicable.

The Finance Director will report any suspicions of money laundering activity, and how they have been managed, to the Finance & Estates Committee.

Record Keeping

The College will retain copies of the evidence they obtained of the identity of people and organisations with whom it has done business for five years after the end of the business relationship, together with details of all transactions.

Personal data obtained under this policy will be processed in accordance with the College's Data Protection Policy and applicable UK data protection legislation.

All suspicions reported to the Finance Director must be documented, either on paper or electronically. The report should include full details of the person or organisation that is the subject of concern and as full a statement as possible of the information giving rise to the knowledge or suspicion. All enquiries that are made within the College in relation to the report should also be recorded.

The College must also keep details of actions taken in respect of internal and external suspicion reports, including details of information considered by the Finance Director in respect of an internal report where no external report is made.

The College uses an AML screening platform as part of its due diligence framework. The platform may be used to undertake sanctions screening, politically exposed person (PEP) screening, adverse media checks and identity verification where appropriate. The level of screening will be proportionate to the risk presented by the transaction or relationship.

Receiving Cash Payments

If any member of College staff is offered funds that he or she knows or suspects are criminal property or may represent terrorist finance, or if he or she receives any unusual request to receive or transfer money, it must be reported immediately to the Finance Director who will, if appropriate, contact the NCA, police or other relevant agency.

As part of a risk-based approach to the receipt of funds, all parents are encouraged to pay College fees through bank transfer from a UK bank account. Staff should not accept payments in cash in excess of £100 unless exceptionally agreed by the Finance Director.

Precautions must be taken in respect of refunds requested following a payment by credit card or bank transfer. In these cases, refunds should only be made by the same method to the same account, unless authorised by the Finance Director.

Donations

The College may undertake enhanced due diligence before accepting significant donations, particularly where:

- The donor is not known to the College.
- The source of wealth is unclear.
- The donor is resident in a high-risk jurisdiction.
- There is adverse media coverage.
- The donor is a Politically Exposed Person.

For significant donations, the College may request evidence of source of funds and source of wealth where proportionate to the level of risk identified.

The College reserves the right not to accept a donation where concerns remain unresolved.

Appendix 1 – Grounds for Suspicion

The following may indicate heightened risk:

Transaction Indicators

- Multiple payments from different accounts.
- Unexpected overpayments.
- Requests for rapid refunds.
- Unusually complex payment arrangements.
- Significant advance payments without clear explanation.

Payer Indicators

- Difficulty establishing identity.
- Refusal to provide documentation.
- Unclear relationship to pupil or donor activity.
- Apparently inconsistent wealth or income profile.

Geographical Indicators

- Payments from sanctioned territories.
- Payments from jurisdictions with weak AML controls.
- Frequent cross-border transfers lacking explanation.

Behavioural Indicators

- Pressure to complete transactions quickly.
- Unusual secrecy.
- Reluctance to answer reasonable questions.
- Aggressive resistance to due diligence requests.

Appendix 2 – Anti-Money Laundering Checklist

For higher-risk transactions, staff should consider:

Question	**Yes/No**
Is the source of funds unclear?	
Is the payer different from the contractual parent or guardian?	
Is the payment unusually large or structured?	
Is a cash payment involved?	
Is the transaction linked to a high-risk country?	
Is the payer a Politically Exposed Person (PEP)?	
Is there adverse media relating to the payer or donor?	
Has a request been made to refund funds to a different account?	
Are identification documents unavailable or suspicious?	
Does anything else appear unusual or inconsistent?	

Any "Yes" response should be referred to the Finance Director before the transaction proceeds.