

Anti-Money Laundering Policy

St Raphael's Hospice

Effective Date: [Insert Date]

Review Date: [Insert Date annually]

1. Purpose

This Anti-Money Laundering (AML) Policy outlines the approach taken by St Raphael's Hospice ("the Charity") to prevent the use of our operations for money laundering or the financing of terrorism.

The Charity applies a risk-based and proportionate approach to AML controls, reflecting the low-value, mass-participation nature of hospice income generating activities.

While the Charity is assessed as very low risk for money laundering, this policy ensures compliance with relevant legislation and demonstrates our commitment to transparency, good governance, and ethical operations.

2. Scope

This policy applies to:

- This policy applies to trustees, staff, and volunteers who are involved in the receipt or management of donations, fundraising activities, retail operations, lottery operations or financial oversight.
 - Staff and volunteers with no exposure to these functions will be made aware of the policy as part of general governance information but are not expected to comply with AML procedures unless their role changes.
 - All donations received, including cash, goods, and online contributions.
 - All income-generating activities, including charity shops and lottery.
-

3. Legal Framework

This policy has been prepared in accordance with:

- **The Proceeds of Crime Act 2002 (POCA)**

- **The Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017**
 - **Charity Commission guidance (CC8 and relevant AML updates)**
-

4. Risk Assessment

The Charity's operations are assessed as very low risk for the following reasons:

- The Charity receives predominantly small donations from large numbers of different individuals in their personal capacity and through usual banking channels. Cash donations are usually under £100 with large cash donations (over £1,000) only received very occasionally.
 - The lottery runs at a rate of £1 per week with no avenue for cash extraction. It is operated through the offices of an independent regulated provider.
 - Donations of goods to shops are non-cash and resale-based, posing minimal money laundering risk.
 - The Charity does not provide grants to individuals or organisations which provides no avenue for money to be exited from the charity for money-laundering purposes.
 - All outgoings are processed via formal banking channels, with cash payments limited to minimal petty cash use.
 - There are no international fundraising activities and no international operations.
-

5. Policy Statement

The Charity does not tolerate any form of money laundering and will take appropriate steps to identify and report suspicious activity in line with legal obligations.

6. Procedures

6.1 Cash Handling

- Cash donations are received at shops, events and on other occasions but are typically small or very small in value.
- Any single cash donation over £1,000 will be flagged and recorded, and the source queried politely.
- Cash handling procedures require two people present during counting and banking. There will be rare when this is not possible for practical reasons occasions and mitigations would be in place (for example, when a paid member of retail staff is lone working and has to cash up at the end of the day – there is a

control total through the till and any variance above £5 is reviewed by management).

6.2 Donations of Goods

- Donations of second-hand items are not considered high-risk for money laundering.
- Shops must remain alert for unusual donations (e.g. high-value items with no provenance) and report to the Manager or Commercial Director to assess whether to alert the Money Laundering Reporting Officer (MLRO).
- Where a donor has given a high value item and, upon sale, asks for the cash to be paid to them. Prior to agreement to repay, this must be reported to the Manager or Commercial Director to assess whether to alert the Money Laundering Reporting Officer (MLRO).
- For the purposes of this clause, high-value relates to items of £1,000 value or above.

6.3 Lottery

- The charity operates a society lottery as part of its fundraising activities.
- Day-to-day lottery operations are delegated to a suitably regulated external Lottery Manager (currently, Sterling Lottery) following due diligence of its operations and controls.
- The Charity maintains oversight and assurance that appropriate AML controls are in place with the provider and ensuring that any concerns are escalated to the MLRO for action, as required.
- The Charity will cooperate fully with its external Lottery Manager in the prevention and detection of financial crime.

6.4 Suspicious Activity

- Examples of suspicious activity include:
 - A donor insisting on making a large cash donation (over £1,000) anonymously.
 - Reluctance to provide details when queried reasonably about the origin of funds.
 - Repeated donations that seem inconsistent with the donor's known profile.
 - Requests for donations over £1,000 to be refunded to a different bank account or different named individual.
- All concerns should be reported promptly to the MLRO.
-

Commented [RC1]: do we need to include the request for a return of a donation?

Commented [NS2R1]: I think yes, if a cash donation or if the request is for a return in a different name or bank.

7. Roles and Responsibilities

7.1 Money Laundering Reporting Officer (MLRO)

- The occupier of the role of Director of Finance or similar is appointed as the MLRO.
- The MLRO is responsible for:
 - Receiving reports of suspicious activity.
 - Assessing whether a Suspicious Activity Report (SAR) should be submitted to the National Crime Agency (NCA).
 - Maintaining a record of any reports made.

7.2 Staff and Volunteers who are involved in the receipt or management of donations, fundraising activities, retail operations, or financial oversight:

- Must be familiar with this policy.
- Must report any suspicious behaviour or transactions to the MLRO.
- Will receive brief, proportionate training as part of induction or annual review.

7.3 Staff and Volunteers who are NOT involved in the receipt or management of donations, fundraising activities, retail operations, or financial oversight:

- Must be made aware of the policy as part of general governance information (inclusion in the policy manual).

8. Training and Awareness

For staff and volunteers who are involved in the receipt or management of donations, fundraising activities, retail operations, or financial oversight:

- Given the low-risk profile, formal training will be light-touch, focused on awareness:
 - Cash handling procedures
 - Recognition of suspicious behaviour
 - Reporting routes

For staff and volunteers who are not involved in the receipt or management of donations, fundraising activities, retail operations, or financial oversight:

- Given the low-risk profile, and their lack of proximity to risk areas, no formal training is required other than awareness of this policy and access to it.
-

9. Record Keeping

- Records of cash donations over £1,000 and any suspicious activity reports will be retained securely by the MLRO for at least five years.
 - All records will comply with GDPR and data protection obligations.
-

10. Review of Policy

This policy will be reviewed annually or sooner if required by:

- Changes in legislation or guidance.
- Identification of risks not previously considered.

The background risk assumption of 'very low' will be specifically reviewed annually.

11. Approval

Signed:

Alan Cogbill, Chair of Finance and Resources Committee

[Date]

Signed:

Nick Stevens, MLRO

[Date]