

Community Investment Fund – Anti Money Laundering / Fraud Statement / Reputation

The Community Investment Board are committed to prohibit and actively prevent money laundering¹ and any activity that facilitates money laundering² or the funding of terrorist or criminal activities.

Acceptance of Funds

Currently we receive most income from those with whom we already have a working relationship. It is expected that in the future we will work with funds that may currently be unknown or less-well known to us. We will complete a process of due diligence with all new funds and funders, which is a range of steps taken by the Board to be assured of the provenance of incoming funds and subsequent safeguarding of assets.

Whilst we consider it our duty to maximise our charitable funds, it is also understood that the Board may refuse any donation which appears to be illegal, suspicious, damaging to our reputation, not fit with the ethos of charitable giving and/or contains conditions which might otherwise interfere with our independence. Such a decision will be recorded together with evidence and reasons. Any donation that we believe to be illegal or suspicious will be separately recorded, immediately referred to the Board and reported to the Charity Commission, Police (noting a crime reference number), HMRC and/or National Crime Agency.

For all funds given;

- We will carry out appropriate due diligence checks on donors in line with prevailing Charity Commission guidance (Compliance Toolkit - Protecting Charities from Harm – Donors). This includes size and nature of gift, payment method, identity of funder, relationship with funder, tax and gift aid considerations, any public concerns, any conditions and benefits attached to the gift, source of funds and payment methodology, national and international legality.
- A record of the due diligence findings will be made, and donor information kept in accordance with the provisions of the prevailing Data Protection legislation.
- The Board recognises that the majority of funds will be in pounds sterling through the UK's regulated banks. In the event that we are requested to accept shares, land or other physical assets then these will be dealt with on a case-by-case basis with appropriate due diligence undertaken per asset.
- All funds passed to the community investment fund will be noted by the full Board at their regular meetings, who will with support from the community investment fund coordinator carry out a due diligence process prior to acceptance.
- We will only enter into agreements with funders whose objectives are consistent with our values, vision and mission.
- We will not accept donations where the funds may have been illegally or unethically obtained or where the sources or of the gift raises environmental, social or governance concerns to the Board.
- We may not accept a gift which would likely lead to; the loss of funds from other supporters.

¹ the Proceeds of Crimes Act 2002

In UK law money laundering is defined in the Proceeds of Crimes Act 2002 (POCA) and includes all forms of handling or possessing criminal property, including possessing the proceeds of one's own crime, and facilitating any handling or possession of criminal property. Money laundering offences are found in Part 7 of Proceeds of Crime Act 2002 ('POCA'). Money laundering describes offences concerning the possession, concealment, conversion, transfer or making of arrangements relating to the proceeds of crime.

² The Money Laundering and Terrorist Financing Regulations 2019 implemented the EU Fifth Money Laundering Directive in the UK, and came into effect on 10 January 2020. This legislation extends the scope of regulated industries and changes the way customer due diligence and enhanced due diligence is conducted.

- If we have concerns about any aspect of a potential funder agreement or relationship that might impact on our organisational reputation, then the Board will discuss them when meeting in full.
- The decision to refuse a gift will always be referred to and noted at the next Board meeting.
- It will remain possible for a funder to be anonymous to the 'outside world' but be known to the Board members i.e. through the use of non-identifiable fund names or other mechanisms

We will consider the additional factors below when deciding whether to take on third-party funds and how it could impact our reputation.

- The fund will bring money into Southend that would not otherwise come
- The fund will reach causes or communities that are deemed to be priorities
- There is an opportunity to build our profile and knowledge in the wider region
- We will be able to oversee funds in line with procedures
- We will be able to use our own systems and processes rather than something bespoke

Any proposal which falls outside of the above will be discussed at the next Board meeting.

Making Investments

When making investments Board Members will carry out a due diligence process in order to review those receiving funds. This includes, but is not limited to;

- Review of accounts or projected annual budget of an organisation
- Review of governing documents of an organisation and/or identify the individual
- Copies of bank statements to confirm bank details
- Confirmation that those receiving the funds will further our values, vision and mission.
- Confirmation that those receiving funds will meet our safeguarding, environmental and equalities expectations as laid out in our statements on these topics.
- Regular reporting from those invested in on their progress.
- Investments will not be made that will negative impact on the reputation of the Board and/or Southend more widely.

If any concerns around misuse of funds are raised they should be reported to the community investment fund coordinator for review by the Board using cib@savs-southend.co.uk or 01702 356008. Should Board Members be accused of fraud or money laundering they will be asked to step back from the Board and their ability to remain in their position investigated. Whilst hosted by SAVS if concerns are raised the trustees of SAVS will too be notified.

Approved by Community Investment Board 3rd December 2021