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Anti Money Laundering

Inn Churches are committed to identifying and preventing money laundering through its activities and services, by implementing appropriate procedures and checks. Inn Churches will actively take measures to ensure that money can't be laundered through its activities, and ensure that the organisation and those associated with it are vigilant in identifying potential money laundering.

The charity's policies on the related crimes of fraud and bribery are contained in its Financial Management, and Expenses, Gifts and Gratuities policies.

Purpose and scope

This policy aims to ensure that money is not laundered through Inn Churches, that the charity complies with the relevant legislation, and that the charity can assist the relevant authorities in preventing money laundering.

The policy applies to all staff, trustees, volunteers and contractors, to service users, as well as to organisations that Inn Churches partners with to deliver services (particularly FoodSavers outlets).

Failure to comply with this policy may result in disciplinary action, termination of partnership, or other appropriate sanction.

Money laundering

Money laundering is the process or act of disguising or hiding the original ownership of money or assets obtained through criminal acts such as fraud, corruption or terrorism, by 'cleaning' them (exchanging them for money not obtained in this way) through legitimate companies or organisations.

Money laundering typically involves three stages:

- Placement: Introducing illicit funds into the financial system.
- Layering: Concealing the source of the funds through a series of transactions and bookkeeping tricks.
- Integration: Reintroducing the laundered money into the economy, appearing as legitimate funds.

Legislation

This policy aims to meet the requirements of the various legislation around financial crime and the responsibility to ensure that assets are used for legitimate purposes, including:

- The Proceeds of Crime Act 2002
- The Terrorism Act 2000
- The Charities Act 2011
- The Bribery Act 2010
- The Sanctions and Anti-Money Laundering Act 2018

All of this legislation places a responsibility on the charity to prevent financial crime of all kinds, including money laundering.

Whilst not directly regulated by them, the charity also aims to comply with:

- The Money Laundering Regulations 2017
- The Money Laundering and Terrorist Financing (Amendment) Regulations 2026

Areas of risk

The biggest areas of risk the charity faces related to money laundering are:

- Donations: particularly large or regular donations from anonymous, unknown or high-risk sources
- Grant funding: grant funding from unknown or opaquely structured sources
- Deposits from service users to Credit Union accounts: particularly cash deposits

Due diligence

The charity will carry out appropriate due diligence to identify sources of funding before accepting grants, donations or other gifts.

This should include, where possible, identifying the source of any donation and verifying their identity. Whilst the charity accepts that some donors need or want privacy, and that in some cases a donor's identity may not be easy to verify, it will take reasonable steps to verify that donated funds are from legitimate sources.

The charity will operate on the principles outlined by the Charity Commission to:

- know your donor
  (put effective processes in place to provide adequate assurances about the identity of donors, particularly substantial donors, and to verify this where it is reasonable and necessary to do so)
- know your beneficiaries
  (take a common sense approach to understanding who the charity's beneficiaries are, and ensuring that it is appropriate for the charity to support them)
- know your partner.
  (ensure that organisations the charity partners with are suitable and appropriate to work with, and do not open the charity up to the risk of its funds not being used legitimately).

Further guidance on these responsibilities is given in chapter 2 of the Charity Commission's compliance toolkit:

gov.uk/government/publications/charities-due-diligence-monitoring-and-verifying-the-end-use-of-charitable-funds/compliance-toolkit-chapter-2-summary#what-do-trustees-have-to-do-for-due-diligence

Key principles

For donors, beneficiaries and partners, the key principle is to understand (at least in broad terms) where money donated to the charity is coming from, and that it is being used properly and legitimately. This will usually involve being able to identify and verify the identify of a potential donor, beneficiary or partner, but where this is not possible (or sometimes if it is), additional checks will also be required.

Know your donor

Inn Churches will attempt to identify all donors (whether individuals, grant funders or other companies or organisations), particularly those making larger donations. For larger donations, additional verification may be undertaken, which may include checking publicly available information about donors, checking ID documents, or seeking additional information from the donor. Where possible for companies or organisations, third party sources (such as Companies House and the Charity Commission) will be used to verify the legitimacy and reputation of the organisation.

Inn Churches will also seek to understand the motivation of donors giving larger or frequent donations, which will involve direct communication with the donor, to ensure that the donor's motivation aligns with the charity's objectives, and that it doesn't raise any concerns.

Donor behaviour will as be monitored on an ongoing basis for significant changes in donation amounts, frequency, or changes in donation methods.

Inn Churches will respect donor privacy, but balanced with the need to perform the relevant checks. Any additional information obtained to verify the source and motivation of donations will be handled with confidentiality and in line with the charity's Confidentiality and Data Protection Policy.

Additional procedures are included in the Red flags and mitigations section below.

Know your beneficiaries

The diverse nature of Inn Churches' services meant that the levels of identification and verification possible vary across its services, due to the varied nature of the support being offered, and the amount of direct contact the charity has with its beneficiaries.

Inn Churches' welfare support services (winter shelter, starter packs, Acts 435) and food vouchers are referral only and require the referring partner to identify the beneficiary with details such as name, address, age and phone number, as well as the nature of the individual's need and related circumstances. For Acts 435 support (where beneficiaries are receiving a household item funded by individual donors), date of birth is also required, and for winter shelter support significant additional details about their circumstances and needs. Referrers are required to meet any individual being referred in person.

Individuals accessing FoodSavers outlets are required to complete a membership form with the name, address, phone number and date of birth. If they are also depositing funds to a Credit Union account they are required to give additional details including a National Insurance number, and have their identity verified with appropriate checks as required by the relevant Credit Union in compliance with their anti money laundering policies.

Know your partners

Inn Churches will verify the identify and reputation of any potential partner, reviewing publicly available information and official documentation, and monitoring on an ongoing basis.

In particular, all FoodSavers outlets will be required to agree to follow this policy, as part of their partnership agreement with Inn Churches, and Inn Churches will offer anti money laundering training to staff and volunteers at FoodSavers outlets.

Red flags and mitigations

Inn Churches has adopted a set of 'red flags' which may be indicators of money laundering, and procedures to reduce or mitigate risks:

Unusual transactions

Transactions which may be one or more of:

- unexpected or unexplained
- unusually large
- frequent
- given anonymously or from an unknown source
- given in an unusual manner, for example via multiple methods, or in a manner which is confusing or doesn't seem to make sense
- requested to be processed unusually quickly
- from outside of the UK
- from an individual or organisation with no seeming connection to the charity

Donations raising this red flag will be subject to additional scrutiny, which may include:

- checking a donor's reputation against publicly available information or other sources
- requesting information on the source of the funding
- assessing the donation against previous donations

Unusual refund or repayment requests

Frequent or large requests for refunds or repayments (eg. due to overpayments or cancellations).

Refunds or repayments will only be made to the same source as the original payment.

Frequent requests for refunds for booked events will result in additional checks being made, and potentially restrictions being placed on future bookings.

Requests for the return of overpaid donations will result in additional checks being made on the donating individual or organisation, and potentially the freezing of the donation until it can be checked with the relevant authority.

Donor reputation

Donations from individuals or organisations which have attracted controversy or question marks over behaviour or practices, whether generally or in specific areas.

This is explore further in the charity's Ethical Fundraising Policy, donations from such sources will be subject to additional checks, which may include publicly available information or registers, or other sources as appropriate.

Secrecy

Unusual or unreasonable requests for secrecy.

Whilst the charity recognises that some donors may need or desire anonymity, where a request for secrecy appears disproportionate, unusual or without good reason, additional checks will be made on the donation.

Disclosure

If anybody has reason to suspect or believe that somebody is involved in money laundering, they must report the matter immediately to the designated person (appendix 1). This disclosure should include:

- details of the person (or people) involved
- details of the transaction(s) involved, including dates, amounts, and when and how they took place
- the nature of the suspicion

The designated person will acknowledge receipt of the disclosure.

The designated person will then assess the disclosure, and any other information available, and determine whether money laundering has taken place, or there are reasonable grounds for suspecting money laundering, and whether the matter needs reporting to the National Crime Agency.

All disclosures, and any report made to the National Crime Agency, will be kept in line with other financial record retention (see Confidentiality and Data Protection Policy).

Appendix 1: designated person

Designated anti money laundering person:	Maria Varley-Tawfik (FoodSavers Relationship Manager)

Appendix 2: Anti-money-laundering Policy for FoodSavers outlets

The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 place a requirement on companies and organisations to have procedures in place to prevent and detect money-laundering activity over €10,000, whilst the Proceeds of Crime Act 2002 puts a similar requirement on all bank, cheque, cash, property or asset transactions regardless of value.

What is money laundering?

Money laundering takes the profits of crime or corruption ("dirty funds") and changes them into legitimate assets, so that they can be reintroduced into legitimate commerce ("cleaning" them). It does this by concealing the ownership or origin of the funds. Money laundering is always linked to crime or corruption, but can also be linked to terrorism financing.

There are three stages to money laundering:

- Placement: where the profits of crime or corruption are put into the financial system
- Layering: where the funds are moved through various transactions to obscure their origin
- Integration: where the funds are reintroduced to legitimate commerce by providing an apparently genuine explanation for their origin

There are severe penalties for anybody connected with any stage of money laundering, including unlimited fines or terms of imprisonment, and it is important to note that this includes those who **fail to report knowledge or suspicion of money laundering**, or who **fail to have adequate procedures in place** to detect and prevent money laundering.

What is required of FoodSavers Outlets

The Credit Union has comprehensive anti-money-laundering procedures in place, which include (amongst other things) ID checks as part of the account application process.

Staff and volunteers at FoodSavers Outlets are required to be vigilant to any unusual activity in cash deposits by savers. This can include unusually high single deposits, or sustained patterns of higher-than-usual deposits.

Outlets must immediately report any sums of over £250 receipted from (or on behalf of) an individual saver in any month to **Food**Savers, who will immediately report it to the associated Credit Union for further investigation.

Outlet staff should also raise any other concerns they have about savers' deposits with **Food**Savers, who will consult with the Credit Union and determine whether further action is required.

FoodSavers staff have undertaken anti-money-laundering training, and similar training can be made available to staff at Outlets.