



# ETHICAL FUNDRAISING AND ANTI-MONEY LAUNDERING POLICY

## Revision History

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## Approval

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# 1. Fundraising and Veterans Coastal Retreats

This policy sets out how we manage the ethical issues and social responsibility within fundraising.

Specifically, we aim at all times to be open, honest, fair and to operate in a legal way that meets not only the law, but also fundraising regulation and best practice, including the [Code of Fundraising Practice](#) (fundraising regulator).

Everyone who is involved in fundraising has a responsibility to be aware of and comply with the ethical issues and procedures in this policy.

## 2. People and Organisations

### Trustees

The trustees are aware of and will comply with Charity Commission guidance [CC3a](#), regarding trustees responsibilities, particularly in relation to always acting in the charity's best interests and managing any conflicts of interest.

The trustees are also aware of and follow the 6 principles in Charity Commission 20 ([Charity Fundraising: a guide to trustees duties](#)).

We will always be honest about what we can achieve when asking for funds, submit realistic budgets, use the funds for the purpose intended and ensure that we provide any reports required, on time.

We will ensure that everyone is aware of and consistently complies with the [regulatory guidance on fundraising behaviours](#) and respond promptly and effectively to any [fundraising complaints](#).

### Supporters

Supporters have a right to expect us to provide clear, truthful information on our work, including reporting on how we spend the funding we are given and managing donors' information responsibly.

We will comply with the guidance issued by the Charity Regulators and UK law, including in respect of openness and honesty with our supporters and members of the public.

We will respect the privacy and contact preferences of our donors. We will respond promptly to requests to cease contacts or complaints and act to address their causes.

## Beneficiaries

How we represent our beneficiaries, in our communications, is always respectful of them and portrays them in the way they would wish to be seen. We will only use personal information that they have given consent for and for the purposes they have agreed and will not disclose anything that might put them at risk, particularly children and vulnerable people.

## Donors

We will ensure that there is not:

- Unreasonable intrusion on privacy.
- Unreasonably persistent fundraising.
- Undue pressure to donate.

And we will not accept a donation that is not in the charity's best interests, or if we doubt over the source of the funds, e.g. from sanctioned bodies; to prevent fraud and/or money laundering (see procedures below).

## Vulnerable individuals

In communicating we will be mindful of indicators that may suggest an individual may be vulnerable, using REAL:

- **Retain** - and repeat the information you give him/her?
  - Do you have to repeat what you have said over and over again?
- **Explain** - able to properly explain or communicate the decision they have made?
  - Are they joining in the discussion or just agreeing with what you are saying?
  - Are they asking questions that aren't related to what you are saying?
- **Able** - to understand what they are being told?
- **Listen** - able to listen, follow and understand the discussion taking place, or are they just repeating what you say?

If an individual shows signs of possible vulnerability, we will:

- Consider communication preferences.
- Not make assumptions about him/her.
- Ask him/her what they need and how you can help them better.
- Empathise and sympathise with him/her.
- Try asking questions in a different way.
- Summarise anything that has been decided or agreed in plain English.

We:

- Will not place any undue pressure on individuals to donate.
- Do not either solicit nor accept donations from anyone whom we know or think may not be competent to make their own decisions.
- Are sensitive to any particular need that a donor may have.

## **Commercial Partners**

We will not partner with any organisation that produces goods/services or acts in a way that is contrary to our charitable objects, or values.

We are aware of and comply with the Charity Commission [RS2 – Charities and Commercial Partners](#). We will ensure that any commercial agreement represents a fair deal for the charity and.

- Clearly establishes what we expect to gain from it, prior to entering into an agreement.
- Set up appropriate systems to monitor and review the partnership.
- Take appropriate steps to identify and manage any risks.
- Ensure from the outset that the expectations of both the charity and the company have been agreed and.
- Can be managed effectively and appropriately.

We will disclose any commercial partnerships in our Annual Report.

## **Statutory Authorities**

They will also be mindful of [RR7 - Independence of Charities from the State](#). In particular, they will ensure that they remain independent and that any funding provided does not discharge the statutory duties of the State.

### 3. Acceptance and Refusals procedures

We abide by the law which requires us, in deciding whether to accept or refuse a donation, to consider which action is in the charity's best overall interest.

#### **Applicability**

This policy applies to all members of our charity, including trustees. Therefore, everyone must follow this policy in accepting or refusing donations.

#### **Compliance**

As a registered charity, we comply with all relevant UK laws and regulatory guidelines, including those issued by the Charity Commission, HMRC and the Fundraising Regulator.

In soliciting funds, we will not knowingly mislead or provide false information, nor put undue pressure on a donor, particularly if he/she may be vulnerable.

#### **Acceptance of Donations**

We accept donations on a good faith basis. That is there is a presumption that a donation is acceptable, unless there is evidence to the contrary. We carry out appropriate risk based due diligence to mitigate this risk to an acceptable degree.

In deciding to accept, or reject, a donation we balance the impact on our beneficiaries of not accepting the funding, against the impact on our charity of accepting a donation that should not have been. That may include risks such as harm to our beneficiaries' interests, reputational damage, loss of public trust and the risk of breaking the law.

Factors we will consider in making decision will include any physical or mental-health condition, disability or learning difficulties the person may have, whether the person is facing times of stress or anxiety, whether a donation is likely to affect the person's ability to sufficiently care for themselves or leave them in financial hardship, how well the person can speak and understand English, whether the person is under the influence of alcohol or drugs and the person's age.

We will also take all reasonable steps to avoid asking for regular donations (for example, by direct debit) from anyone aged under 18.

#### **Anonymous Donations**

Donations through collection tins and online platforms are often anonymous and any donor may remain anonymous if he or she chooses to. The Charity Commission 'know your' donor principle does not mean charities cannot accept anonymous donations and doing so is perfectly acceptable providing charities look out for suspicious circumstances and put adequate safeguards in place.

Trustees will take reasonable and appropriate steps to know who the charity's donors are and will not accept a donation where the risk to the charity is assessed to be greater than the benefit of having the funds donated. There can be no absolute guide to what may be suspicious, but

indicators are where significant sums are being donated, particularly if this is unusual, in cash or from overseas. Any prospective donor who wishes cash to be forwarded in advance or for the charity to pay some of the donation to a third party will always be considered highly suspicious.

The trustees will consider reporting suspicious donations as a Charity Commission Incident report.

## **Refusal of Donations**

We will not accept a donation where there are reasonable grounds to believe:

- The individual or organisation holds views or is involved in activities incompatible with our values as a charity.
- The donation may be an attempted scam, or to launder money or evade tax, or is in some other way illegal.
- There may be private benefit linked to the donation, such as an obligation to purchase goods or services from a specified company.
- Conditions attached to the donation are so inflexible that they undermine our independence.
- Or are so onerous as to compromise our effectiveness.
- Or restrict who may benefit to the extent of undermining our public benefit obligation.
- The cost of accepting the donation would exceed its value.

## **Donor Recognition & Private Benefit**

We welcome donations from commercial organisations, but will not accept donations where, in the view of the trustees, the purpose might reasonably be considered to be for commercial gain. That is, by enabling the company to use its connection to the charity to market itself to its customers and the public as ethical and an active supporter of our work, when it is not. For example, by promoting its support for our work when its own working practices, products or services do not reflect our values and activities.

The recognition given to donors will be no more than the normal thanks provided to any other similar donor. Nothing in addition to this is either expected or has been asked for – we can be confident that any private benefit will be no more than incidental.

## **Regulatory Guidance**

- Charity Commission –
  - [Know your donor key questions.](#)
  - [Know you donor – checklist.](#)
  - [Advice on suspect donations.](#)
  - [Donations from outside the UK.](#)
  - [End use of funds.](#)
  - [Designated persons list.](#)
  - [Tainted donations.](#)
- Fundraising Regulator – [behaviour when fundraising.](#)



## **Donations**

If supporters wish their donation(s) to be used in a specific way, or for a specific purpose, they may make a restricted donation by providing written instructions with their donation. We will always respect this.

## 4. Due Diligence

We will undertake reasonable **due diligence of donors**, to ensure they don't hold views or are involved in activities that might be incompatible with our role and damage our reputation. In terms of donations, we will ensure that any gift is safe to accept and, doing so, would be in the best interests of your charity. We will also consider issues, such as **suspicious donations**, or managing large anonymous gifts, or those from vulnerable individuals.

### Due Diligence - Incident Reporting

In the event due diligence uncovers a significant problem, we must be mindful of our obligations to report major incidents to the Charity Commission and, if appropriate, the Fundraising or other regulator.

### Due diligence Guidance:

Due diligence can be time consuming, so taking a risk based approach to determine what and how much makes sense. We will consider the following when being offered a donation:

- Is the donation or contract particularly sensitive, important, complex or large scale?
- Is the organisation or donor well known and respected, or might they hold views, undertake activities or work in an area that may potentially be problematic?
- How much potential is there for things to go wrong and what's the worst that could happen?

To assist with this, further simple due diligence may be appropriate, such as:

- If they have a website, check that what they're proposing fits with what's on there.
- If available, review what it says about key members of their team and, download and review, their annual report/accounts.
- Carry out an internet search. On the company, partner, or donor, to see if there is anything of concern.
  - Search the name with a relevant key word, such as "complaint," "review," "rating", "bullying" or "scandal."
  - Don't just check page 1, as older issues may be sufficiently serious to still be relevant.
- Check their records with their regulator(s), such as Companies House and/or the Charity Commission E&W, OSCR or CCNI.
  - Some regulators, such as OFSTED and CQC, publish inspection reports.
- Speak to someone who has worked with them, or knows their sector well.
  - A phone call is best, as people tend to be more open.
- Take up references, if appropriate.

### Virtue Signalling

Virtue signalling, including 'green washing', is when companies make exaggerated or even false claims about their commitment to some form of ethical working.

- We will look to see what underpins any ethical commitments in terms of specific action, funding commitment and/or evidence of delivery or impact.

- Also look back to see if the company has consistently committed to a course of action for a period of time, which it followed through on and to see if there has been any media criticism or controversies.

### **Conflicts of Interest**

We will ensure that the conflict of interest policy is complied with. Additionally, our sector is driven by passion and funding is hugely challenging for many, which brings with it the risk of urgent need clouded thinking. The fundraisers and project leaders may well be best placed to carry out due diligence. However, their findings should be reviewed and approved by someone with the necessary experience and seniority, who is also sufficiently and demonstrably distant from the issue.

### **Charity Due Diligence - Donations, Sanctions & Scams**

Charities are at risk from attempts to breach sanctions and scams and, anonymous donations, may pose a particular risk. Outlined below are how these will be managed, with detailed procedures contained in the [Charity Commission Compliance Toolkit](#).

#### **Anonymous Donations & Scams**

Donations through collection tins and online platforms are often anonymous and any donor may remain anonymous if he or she chooses to. The Charity Commission 'know your' donor principle does not mean charities cannot accept anonymous donations and doing so is perfectly acceptable providing charities look out for suspicious circumstances and put adequate safeguards in place. Trustees will take reasonable and appropriate steps to know who the charity's donors are and will not accept a donation where the risk to the charity is assessed to be greater than the benefit of having the funds donated.

#### **Charity Due Diligence - Sanctions**

With ongoing crises across the globe, the Charity Commission and banks are focussing much more on the risk of breaching sanctions. This is a complex area as the sanctions applied can be to individuals, organisations or even countries, the sanctions applied vary and other countries also apply sanctions. In some circumstances a charity may obtain a licence from OFSI or rely on an exception in the legislation. However, other than those exemptions, it is against the law to receive money, goods or economic resources from, or send these to – an individual or organisation subject to financial sanctions. In the event of any grounds to suspect the charity may be involved, or may become involved with a sanctioned individual, organisation or work in a sanctioned country, the first step is to read the OFSI guidance below, then seek and comply with their advice.

#### **Charity Due Diligence - Trustees and Management**

Trustees and CEOs may delegate authority, but the responsibility for getting it right remains theirs. Trustees and management will be duty bound to provide evidence of measure taken to prevent financial mis-management, or receipt of funds from non-ethical sources.

## **Charity Due Diligence - Regulator Compliance Checklists**

Listed below are Charity Commission and other regulator due diligence compliance checklists and guidance.

### **Charity Commission Know Your Donor & Compliance Checklists**

- [Know your donor key questions.](#)
- [Know your partner, key issues to think about.](#)
- [Know you donor – checklist.](#)
- [Advice on suspect donations.](#)
- [Donations from outside the UK.](#)
- [End use of funds.](#)
- [Designated persons list.](#)
- [Tainted donations.](#)
- [How to report a serious incident in your charity.](#)

### **Fundraising Regulator**

- [Accepting, Refusing and Returning Donations.](#)
- [Professional fundraisers, commercial participators and partners.](#)
- [Self Reporting Fundraising Incidents.](#)

### **OFSI Sanctions Guidance For Charities**

- [OFSI Charity Sector Guidance on Sanctions.](#)
- [UK Sanctions Guidance.](#)
- [UK Sanctions List](#)

## 5. Anti-Money Laundering

### Scope

Our charity is committed to preventing money laundering and complying with all relevant legislation and regulations. We have implemented due diligence measures and carry out risk assessments to prevent the charity receiving funds from un-ethical or illegal sources.

### Commitment

This policy statement provides a framework for how our charity will deal with the threat of money laundering. It is a useful tool for focusing our minds and those of our employees to make us constantly aware of the risks. We will review and update this policy regularly to ensure it remains effective and relevant to our charity's operations.

### Named Individuals and Their Responsibilities

We have appointed a nominated officer who is responsible for ensuring that the charity's anti-money laundering policies and procedures are effective, and for reporting any suspicious activity to the relevant authorities. All employees and volunteers must be aware of their responsibilities under this policy.

### Applicability

This policy applies to all trustees, other volunteers, employees, contractors, and third-party representatives of Veterans Coastal Retreats. Its requirements should be reflected in other policies and procedures, agreements and contracts, as necessary.

### Due Diligence Measures and Monitoring Checks

We have procedures in place for identifying and verifying organisations and individuals, such as contractors, partners and donors, which include obtaining identification documents, conducting risk assessments and monitoring checks. We will keep records of all due diligence measures carried out, including identification documents, risk assessments, policies, controls and procedures, and training records.

### Training

We will ensure that all employees and volunteers are trained and aware of their responsibilities under this policy.

### Sanctions

With the crisis in the Ukraine both the Commission and banks are focussing much more on the risk of breaching sanctions. This is a complex area as the sanctions applied can be to individuals, organisations or even countries, the sanctions applied vary and other countries also apply sanctions. In some circumstances a charity may obtain a licence from OFSI or rely on an exception in the legislation.

However, other than those exemptions, it is against the law to receive money, goods or economic resources from, or send these to – an individual or organisation subject to financial sanctions. In

the event of any grounds to suspect the charity may be involved, or may become involved with a sanctioned individual, organisation or work in a sanctioned country, the first step is to read the OFSI guidance, then seek and comply with their advice.

### **Record Keeping**

We will keep records of all customer due diligence measures carried out, including donor/contractor/partner identification documents, risk assessments, policies, controls and procedures, and training records.