THE PERSE
SCHOOL
CAMBRIDGE

Anti-Money Laundering Policy

The Perse School

September 2026

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Introduction

The School could be used as a vehicle through which criminals seek to launder the proceeds of crime (**Illicit Funds**). Additionally, the School, or a member of staff, is at risk of committing a money laundering offence if they accept Illicit Funds in circumstances where they have knowledge or a reasonable suspicion that the payment is from Illicit Funds.

Members of staff need to be vigilant to the risk of accepting Illicit Funds and play their role in assisting law enforcement agencies in combatting money laundering. The Proceeds of Crime Act 2002 (**POCA**) (as amended from time to time) imposes obligations on the School and members of staff personally, in respect of money laundering and associated activities. The purpose of this policy is to:

- assist staff with identifying red flags that may be indicative of money laundering activities;
- reduce the risk of the School being used as a vehicle through which criminals can launder Illicit Funds; and
- let staff know what they should do if they have a concern that the School is at risk of accepting Illicit Funds.

Linked to this, there are charity law requirements to ensure that reasonable skill and care are used when making decisions about procedures for the receipt and use of the School's funds.

Related Policies

The School has the following related policies:

- Anti-Bribery and Corruption Policy
- Fundraising Policy

What is Money Laundering?

Money laundering is the process by which Illicit Funds are processed or spent to create the appearance that the Illicit Funds have come from a legal source. Although cash-based money laundering continues to be a major method of laundering Illicit Funds in the UK, stricter rules have made it more difficult for criminals to introduce Illicit Funds into the UK banking system. Consequently, criminals are using more inventive methods to disguise the origins of their cash and staff should be alert to practices and payments that they consider to be suspicious, including payments made to the School via bank transfer.

The term 'money laundering' covers several offences each of which relate to the improper handling of Illicit Funds so that they appear to come from a legitimate source. Money laundering underpins most forms of organised crime, allowing criminals to further their operations. However, it can also benefit individuals engaging in bribery from dishonest activities such as receiving stolen goods or tax evasion.

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."

Risks to the School

The School is potentially vulnerable to being used as a vehicle through which a criminal may seek to launder Illicit Funds, for example a criminal may use their Illicit Funds to pay fees or make a donation. Although Fee payments are clearly a risk area, members of staff should remain alert to all payments and if a payment seems unusual, for example where it involves complex banking and transfer

arrangements, or payments from seemingly unconnected third parties, staff should refer the payment to the Bursar.

Whilst the School is unlikely to have satisfied the threshold for committing a money laundering offence where the School or member of staff was unaware that a payment was made from Illicit Funds, members of staff must not turn a blind eye. Where there are factors, 'red flags,' that indicate a higher risk of potential money laundering activity, concerns must be referred to the Bursar who will consider what further steps or investigations are required before accepting the payment.

Even if the School has not committed a money laundering offence, if criminals use Illicit Funds to make payments to the School, being involved in an instance of money laundering may have a severe impact on the School's reputation.

Cash payments

Criminals are increasingly inventive in finding ways to introduce Illicit Funds into the banking systems and although payments made through a bank transfer cannot guarantee that the funds are not from Illicit Funds the risk to the School is increased where the School accepts payments in cash. Accordingly, it should be the exception that cash payments of more than £200 are accepted.

In exceptional cases the School may allow a larger payment to be made in cash. Before agreeing to accept a large cash payment, the Bursar will consider the circumstances relating to the payment. The Bursar must obtain evidence to satisfy the School that the payment is being made from a legitimate source. Such enquiries might include asking the parent for:

- an explanation of why the payment is being made in cash;
- information on how the cash was obtained; and
- proof of this.

The Bursar must consider the explanation and information provided by the parent and decide whether the School is able to accept the cash payment. In each case, the Bursar will make and retain a record of the decision made and the supporting evidence. Where the parent is not able to provide a satisfactory explanation, the School must not accept the cash payment.

If the Bursar is not satisfied that the funds are clean, the Bursar must consider whether, in the circumstances the School should:

- make a suspicious activity report (**SAR**) to the National Crime Agency (**NCA**); and
- make a report to the Charity Commission.

Key areas of risk for the School

Money Laundering can take many forms, but in relation to the School it could involve, but will not be limited to:

- the payment of fees
- the payment of fees from third parties
- the donation of sums to projects for which an appeal is being run;
- the donation of sums for no obvious reason;
- the payment in advance of fees; and
- the requested return of fees paid in advance.

These examples are not exhaustive, and members of staff should remain vigilant in relation to all payments the School receives.

Donations

Donations are a particular area of potential risk faced by the School. To mitigate the risk the School should know, at least in broad terms, where the money it is being given comes from and should be able to identify and be assured of the provenance of substantial donations. A good, open, and transparent relationship between the School and its donors is essential for building trust and confidence.

Good due diligence will help to:

- assess any risks to the School that may arise from accepting a donation or types of donations;
- ensure that it is appropriate for the School to accept money from the particular donor;
- give the School reasonable assurance that the donation is not from any illegal or inappropriate source; and
- ensure that any conditions that may be attached the donation are appropriate and can be accepted.

Where a donation is being made, the relevant member of staff should review what they know about the donor and the proposed payment using the checklist in the Annex to this policy. The completed checklist must be provided to the Bursar who will keep a record of the findings.

If when, completing the checklist, the member of staff identifies any red flags, the member of staff must report the concern to the Bursar immediately.

Requests for repayments

The School's policy is that any refunds or repayments of sums paid to the School can only be remitted to the bank account that made the payment. If a parent or donor asks for a refund to be made to a different account, in particular one that belongs to someone other than the original payer, staff must refer this to the Bursar promptly.

Charity Commission

When accepting payments or donations the School needs to be confident that it knows both:

- who is making the payment or donation; and
- the source of funds that are being used to fund the payment.

The School will also use the following Charity Commission advice to assess the risk of money laundering:

- '**identify**' who the School is dealing with;
- '**verify**' - where reasonable and if the risks are high, verify identities;
- **'know what the organisation's or individual's business is**' and can be assured this is appropriate for the School to be involved with;
- '**know what their specific business is with the School**' and have confidence that they will deliver what you want them to; and
- '**watch out**' for unusual or suspicious activities, conducts or requests.

If the School is not satisfied with the explanation or evidence provided to support these factors the School should obtain further information from the parent or donor. The section below "***What warning signs should staff be alert to***?" provides an indication of the circumstances when the School must carry out further investigations about the payer.

What warning signs should staff be alert to?

The Annex to this policy provides members of staff with a non-exhaustive checklist of potential 'red flags' that may indicate a higher risk of potential money laundering. These questions form part of the School's risk assessment when accepting payments. They are potentially relevant to all transactions and payments accepted by the School.

The School is not expected to consider every payment in detail against the red flag checklist and will consider payments on a risk basis. The Bursar has identified the payments listed below as being payments that may expose the School to a higher risk of money laundering. If a proposed payment is within one of the specified risk categories, staff must complete the 'red flag' checklist before the School can accept the payment:

- donations
- cash payments over £200
- payments to / from high-risk countries
- payments from PEPs (Politically Exposed Persons – broadly an individual who is performing a prominent public function)

The Bursar has identified countries that they consider to be high-risk countries as being those with a score of 39 or less on the most recent version of the Transparency International Corruptions Perceptions Index .

Where payments are within one of the risk categories listed above, members of staff must consider the payment against the red flag checklist before the payment can be accepted by the School. Staff must promptly report any concerns to the Bursar.

All staff, but particularly those staff who in the course of their day-to-day work are likely to deal with financial transactions, including the payments of fees and donations, must ensure that they are familiar with the checklist and understand the nature of the red flags that should be reported to the Bursar. If a red flag is identified in relation to any payment or proposed payment, staff must report their concerns to the Bursar immediately.

Where a member of staff makes a report to the Bursar ***they must not discuss their concerns*** with any other person, including other members of staff, pupils, parents or a donor as this could result in them, or the School, committing a secondary offence of prejudicing an investigation.

What must the Bursar do where a payment seems suspicious?

Where a member of staff identifies a red flag in relation to a payment, the Bursar must consider the relevant circumstances relating to the transaction that has raised the concern. The enquiries the Bursar will make will depend on the circumstances, but could include:

- asking the payer to explain who is making the payment where this is not clear;
- asking for an explanation of why the payment is being made in a particular way, for example, where payments are being made from a variety of sources or accounts;
- asking the payer for proof of the source of the funds; or
- carrying out a google or other internet search to establish that the payer is not involved in alleged criminal activities.

After having made appropriate enquiries, the Bursar will decide whether:

- the payment can be accepted;
- further explanation or evidence as the legitimacy of the funds is required;
- the School should submit a **SAR**; and
- the School should make a report to the Charity Commission.

The Bursar will keep a record of the decision made in relation to the payment and the evidence supporting the decision.

Reporting to the National Crime Agency and Charity Commission

If the parent (or payer) or donor is not able to provide a satisfactory explanation or where there are other factors (for example adverse media publicity) that cause the Bursar to have a reasonable suspicion or knowledge that the funds being used to make the payment may be Illicit Funds the Bursar must make a SAR to the NCA and, where appropriate request consent to proceed with the transaction.

If the School has requested a defence against a money laundering offence (**DAML**) in the SAR the School should not accept, pay away, return or otherwise use the suspicious payment for any purpose until the time limit for the NCA to respond to the SAR has expired.

The Bursar will also consider whether the incident needs to be reported also to the Charity Commission.

Training

The School will train its staff from time to time on how to limit the money laundering risks faced by the School, by enabling staff to spot potential 'red flags' and what steps they must take if a potential risk factor is identified.

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 Bursar in the first instance.

Version Control

Policy Holder	Bursar
Authorised by	Jonathan Scott On behalf of the Board of Governors
Effective Date	3 September 2026
Date of next review	June 2027 (or earlier if required)

Annex - Checklist for identifying potentially suspicious transactions

Staff must consider the following questions in relation to each high-risk payment. If any of the answers to the questions are ”yes” they must refer the payment to the Bursar for further consideration. This list is not exhaustive. Even if all the answers to the questions are “no” if something seems unusual, staff must raise their concern with the Bursar.

	Potential red flags	**Ask…**	**Yes/ No**
1.	**Transactions**	Are payments to the School unusual because of their size, frequency, or the manner of their execution? For example: Is the parent unexpectedly or unusually making lots of small payments from several different accounts? Are the payments unexpectedly being paid from a different account?	
2.	**Bank account:**	Is the payment being made from an account that is not in the same name as the payer?	
3.	**Arrangements**	Does the payment involve complex or illogical arrangements that make it unclear who is making the payment? For example: Is the payment coming from a variety of sources or payers? Is the payer seemingly unconnected to the pupil, parent, or donor?	
4.	**Third party payments**	If the payment is from an account that is not the parent’s account, is the connection between the third-party making the payment and the pupil unclear? For example, is the payment from someone who is not the parent’s employer or a known relative of the pupil?	
5.	**Internet search**	Are there any adverse media articles about the payer suggesting an involvement in criminal activities?	
6.	**Erroneous payments**	Has the School been asked to reverse a payment made because the payment was made in error? Has the School been asked to send a repayment to a person that is different to the original payer?	

7.	**Country of residency**	Is the parent resident in or have they recently relocated from, a high-risk country? You should ask the Bursar for the current list of high-risk countries.	
8.	**PEP (Politically Exposed Person – broadly an individual who is performing a prominent public function)**	Are either of the parents or the person paying the fees (where different) a PEP? If the parent is a PEP, is their business activity unusual given the public role they hold?	
9.	**Assets:**	Does it seem that a parent's assets are inconsistent with their known legitimate income?	
10.	**Resources**	Are the funds being used bearer's cheques or cash?	
11.	**Identity**	Is the payer difficult to identify?	
12.	**Early or quick payments**	Is the parent unusually anxious to make a payment? Is the parent unable to justify why they need to make the payment quickly or early?	
13.	**False documents**	Do any documents appear to be falsified?	
14.	**Representative**	Have you, or other professionals involved been instructed at a distance, asked to act outside of your usual specialty, or offered an unusually high fee?	