



Anti-money Laundering/Cash Payments Policy

Saplings Nature School

August 2022

Rationale

The purpose of this policy is to mitigate the risks associated with accepting cash as payment for tuition and other related fees, goods, and services, and to align with anti-money laundering requirements under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA). Saplings is committed to detecting and preventing any money laundering activities and avoiding involvement of Saplings in any criminal or terrorist activity and/or property.

Occasionally, school staff will receive small cash payments to offset costs associated with special programs offered offsite and associated bus fares. Such payments are not governed by this policy.

Policy

The Board will ensure that adequate cash handling and record keeping practices are followed. Where risk factors are identified, the Board will ensure that the origin of any substantial cash payment to the Board and/or School are satisfactorily verified.

Procedures

The Board will accept the following payment types for tuition payments, deposits, and fees:

- cheque
- credit card
- wire transfer
- money order or bank draft
- online banking payment (e-transfer)
- cash (up to a maximum amount of \$1,000.00).

The Board will accept payment from the following financial institutions:

- All banks incorporated, formed, or authorized under the *Bank Act of Canada*.
- All cooperative credit societies, savings, and credit unions incorporated under the *British Columbia Credit Union Incorporation Act*

Receipt of Payment

All payments will be logged and given receipts as required by the treasurer of the Board, and all payments will be reconciled regularly by the treasurer and one other member of the Board.

Cash Handling

The following procedures will be followed by Board members and staff when handling cash:

- Cash will be stored in a locked and secure location until the funds are deposited.
- Cash funds will not be held for longer than a week.
- Collection of cash, preparation of deposit, and reconciling the accounts will be done by a minimum of two staff. (this includes Board Members, Teachers or Admin Staff).

Cash shortages or other discrepancies will be reported immediately to the president of the Board, and discussed at the next Board Meeting

Receiving Cash Payments

All parents, guardians, and other persons making payments will be encouraged to pay tuition, deposits, and supplemental fees through an alternative payment method such as bank transfer.

When cash payments from a single individual or family exceed \$1,000 (individual payment) or \$10,000 over any six-month period, the following information will be collected via official government identification (e.g. driver's license, BC Services Card, passports), recorded and reviewed by the treasurer of the Board:

- Full legal name(s)
- Recorded identifier number of government issued photo ID with current address
- Date of birth
- Nature of principal business or occupation
- Contact information
- Relationship to the School
- Amount and currency of funds received

When checking such documents, employees will ensure that the documents are current and be alert to any signs that they might have been forged or stolen. A copy of the identification will be taken, and the date of verification recorded.

If any employee is offered funds that they know or suspect are criminal property or may represent terrorist finance, or if they receive an unusual request to receive/transfer money, it will be reported immediately, in accordance with the Reporting section of this Policy, to the "Reporting Officer" who will, if appropriate, contact the Financial Transactions and Reports Analysis Centre of Canada ("FINTRAC"), police or other relevant agency.

Refund Procedures

Refunds will be issued in accordance with the School's Refund Policy.

Cash payments over \$100.00 will be refunded by cheque made payable to the parent or guardian of the student. All other refunds will be made to the original form of payment unless otherwise approved by the Chair of the Board. All requests for a refund in cash following a payment by credit card, wire transfer, cheque, etc., will be reported to the Reporting Officer.

Saplings will have enough cash on hand to provide fee refunds in the event that the school fails to open or fails to receive certification after an initial external evaluation inspection or otherwise closes during its first year of operation.

Identifying Suspicious Transactions

Employees will evaluate the source of funds that are paid to the School and be alert to unusual patterns of behaviour or activities that may indicate the possibility of money laundering or other terrorist financial crimes. It is not possible to produce an exhaustive list of the matters that might give rise to a suspicion of money laundering or other terrorist financial crime. It is therefore important that employees use their own judgment when looking at any business relationship or transaction. Facts, context and money laundering/terrorist financing indicators need to be assessed to determine whether there are reasonable grounds to suspect that the transaction is related to the commission or attempted commission of a money laundering/terrorist financing offence.

The following are some possible money laundering/terrorist financing indicators:

- **Transactions:** The parent, guardian or payer engages in multiple transactions conducted below the reporting threshold within a short time period, makes inquiries that would indicate a desire to avoid reporting, or exhibits knowledge of reporting thresholds.
- **Structures:** Payments involving complex/illogical arrangements that make it unclear who is making the payment. May be structured to avoid identification/ reporting thresholds.
- **Third parties:** Payment of school fees or involvement by companies, trusts or other third parties with no obvious relationship to the student. The payer appears to be collaborating with others to avoid client identification or reporting thresholds.
- **Identity:** The parent, guardian or payer has taken steps to hide their identity or is difficult to identify. The parent, guardian or payer uses a post office box/general delivery address.
- **Behaviour:** The parent, guardian or payer seems unusually anxious to complete a transaction, is unable to justify why they need to make a payment quickly, requests a cancellation, reversal or refunds of earlier transaction or intentional overpayment.
- **Documents:** Information or documentation is withheld by the parent, guardian or their representative or appears falsified. Cash payments are made using old, smelly or extremely dirty bills.

Reporting

Employees of the School will make a report to the Reporting Officer, as soon as reasonably possible, where they have knowledge or suspicion, or where there are reasonable grounds for having knowledge or suspicion, that another person is engaged in money laundering, or that terrorist property exists (“Suspicious Transaction Report”).

Your report should include as much detail as possible including:

- Full available details of the people, and organizations involved including yourself and other members of staff irrelevant.
- Full details of transaction and nature of each person’s involvement in the transaction.
- Suspected type of money laundering activity or use of proceeds of crime with reasons for your suspicion.

- The dates of any transactions, where they were undertaken, how they were undertaken, and the likely amount of money or assets involved.
- Information on any investigation undertaken to date, including whether the suspicions have been discussed with anyone and if so on what basis.
- Whether any aspect of the transaction(s) is outstanding and requires action to progress.
- Any other information that may help the Reporting Officer judge the case for knowledge or suspicion of money laundering and to facilitate any external report.

Once you have reported your suspicions to the Reporting Officer, you will follow any instructions provided. You will not make any further enquiries unless instructed to do so by the Reporting Officer. Any further transactions or activity in respect of the person in question, whether or not it is related to the matter that gave rise to the original suspicion, should be reported to the Reporting Officer as they happen, unless and until the Reporting Officer has confirmed that no report to the FINTRAC is to be made.

The Reporting Officer will consider all Suspicious Transaction Reports and will make an external report to the FINTRAC (who will undertake any necessary investigation) as soon as is practicable if he/she considers that there is knowledge, suspicion or reasonable grounds for knowledge or suspicion, that another person is engaged in money laundering, or that terrorist property exists, even if no transaction takes place (“FINTRAC Report”). All FINTRAC Reports will comply with FINTRAC reporting requirements.

Record Keeping Practices

All Suspicious Transaction Reports will be documented, either on paper or electronically. All enquiries that are made within the School in relation to any Suspicious Transaction Report should also be recorded. The School will keep details of actions taken in respect of Suspicious Transaction Reports, including details of information considered by the Reporting Officer in respect of a Suspicious Transaction Report where no external FINTRAC report is made. The School will also keep a copy of any FINTRAC Reports and associated evidence and documentation.

The School will retain copies of the information the employee obtained regarding the identification and verification of individuals from whom it received cash payments in excess of \$1000.00, together with details of all transactions including relevant dates.

All information, evidence and reports with respect to Suspicious Transaction Reports, FINTRAC Reports, and identification and verification of individuals will be kept by the School for a minimum of five years.

Designated reporting Officer: Kirk Zimmer
 Treasurer of the Board
 SAP Outdoor Association
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 604.358.0191

Review

This Policy will be reviewed and updated as needed, but at least annually.