

SAFEGUARDING THE NON-PROFIT ORGANISATIONS (NPOS) SECTOR IN ANGUILLA – BEST PRACTICE PRINCIPLES

The Anguilla Financial Services Commission (AFSC) in its outreach program is continuing to raise awareness of all non-profit organisations (NPOs) regarding operational risks and the implementation of measures to protect the sector.

The AFSC has been designated as the NPO Supervisor. The functions of the NPO Supervisor are to act as the registration, supervision and enforcement authority for NPOs; to monitor compliance; to monitor the effectiveness of the NPO legislation and to undertake periodic reviews of the sector in Anguilla.

Most NPOs already have systems in place, which are effective in safeguarding their organisations. Below are some practices, which can be used further in strengthening these systems. These practices address illegal risks and vulnerabilities and measures to counteract such.

Best Practice Principles

1. Financial Accountability

The principal person in all NPOs must be committed to manage responsibly the funds that donors entrust to him/her, and to report the financial affairs accurately and completely. Budgets should be made and managed in accordance with the NPOs purpose, objectives and activities.

2. Maintaining Bank Accounts

NPOs should conduct financial transactions where possible through regulated financial institutions. It is highly recommended that NPOs keep funds in bank accounts and use formal financial channels to transfer money. The use of “cash” or alternative remittance services to transfer funding should only be used as a last resort.

3. Maintaining Records of Transactions

Registered NPOs must keep financial records that show and explain its transactions, within and outside Anguilla, and records that are sufficiently detailed to show that the funds have been used in a manner consistent with the constitution. NPOs should conduct follow-up checks where possible to ensure that the assistance was delivered as intended.

4. Documenting and Maintaining Information

NPOs should document and maintain information about its purpose, objectives and activities. Also, the identity of the person or persons who own, control or direct the NPOs activities, including senior board officers, board members and trustees should be kept.

5. Due Diligence

Before establishing a business relationship with a donor or carrying out a one-off transaction, due diligence that includes knowing your donor should be performed by NPOs. Due diligence is performed by identifying and verifying the donor; determining if the donor is acting for a third party; identifying and verifying the beneficial owners and understanding the circumstances and business of the donor.

6. Executive Board and Member Training

Basic CFT awareness training should be provided to the organisation's executive board and members. NPOs should ensure that everyone is aware of the level of risk that their organization can be exposed to in relation to illegal financing and, where risk is evident ensure that precautions are in place.

The AFSC wishes to thank the NPO sector and the public for their support and participation in ensuring that Anguilla is safeguarded from illegal activities and illegitimate business associated with money laundering and terrorist financing.