



Policy on Anti-Terrorism and Prevention of Money Laundering

IGSSS recognizes that there may be a risk of donor/own funds being knowingly or unknowingly diverted by staff, contractors, service providers, partners, community, associated to finance and/or support terrorist activities in India. IGSSS' also acknowledge the risk of money laundering intentions of potential donors in our fund-raising outreach. IGSSS is determined to prevent its funds from being used directly or indirectly for terrorist activities and negating the risk of becoming a vehicle for money laundering.

The Indian Law has warned that unsolicited donations should be treated as suspicious, especially if organisation is unable to satisfy itself about the credentials of the people involved or the propriety of the donation. Inadvertent involvement or association with terrorist organisations, or members of such organisations, could result in legal action being taken against IGSSS and any IGSSS people involved.

It is very important to prevent the above. A single and even a small incident would cause significant damage to IGSSS's reputation and credibility. We have developed this policy to ensure a strong effective governance, financial and stakeholder management mechanism in place to negate both above risks.

Many of our donors have extensive policies around anti-terrorism and anti-money laundering. International and national bodies impose strict obligations on funding recipients to ensure that funds do not support terrorist activities. The policy will ensure IGSSS programmes are conducted in the context of these laws and obligation

A. Purpose

IGSSS unequivocally reiterates that it denounces all forms of terrorism and money laundering. IGSSS does not and will not knowingly provide any material support or resources to any individual or entity that commits, attempts to commit, advocates, facilitates or participates in terrorist acts or has committed, attempted to commit, facilitated, or participated in terrorist acts or have the intention of money laundering.

The objectives of the policy are:

1. To ensure that donor / IGSSS' funds and resources are not being used directly or indirectly to support terrorist activities and to provide a clear guide on what to do if terrorist activity is suspected
2. To enable IGSSS to realize its full potential in fund raising from sources that are ethical and are transparent about the origin of funds.

B. Scope

The policy applies to Members of the Board, all staff, consultants, associates, volunteers, partners, donors, and any other individual/ institution representing on behalf of IGSSS and /or associating with IGSSS.

C. Understanding Terms Used in the Policy

1. A terrorist act intends to coerce or influence the public or any government by intimidation to advance a political, religious, or ideological cause.
2. Terrorism causes one or more of the following: death; serious harm or danger to a person; severe damage to property; a serious risk to the health or safety of the public; and serious interference with, disruption to, or destruction of critical infrastructure such as a telecommunications or electricity network.
3. Money laundering is the process by which the proceeds of crime are channelled through financial systems to disguise their illegal origin and returned to the launderer in an indirect manner. It includes the conversion or transfer of property (including money), knowing or suspecting that such property is derived from criminal or certain specified unlawful activity ("criminal property"), for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in the commission of such activity to evade the legal consequences of his/her action.
4. Terrorism and Money laundering activities are a threat to National Security and Stability

D. Mechanisms to Safeguard

IGSSS' policy focus on prevention and detection to minimise the risk of fund diversion for terrorism financing and money laundering. IGSSS' approach to safeguard is as follows:

1. **Due Diligence on partners, suppliers, service providers and institutional donors:** To make sure that IGSSS does not enter financial / program relations with terrorist or criminal organizations, new suppliers, partners and donors and their executive board members will go through a due diligence process. In case the due diligence reveals potential risks in relation to terrorism or money laundering, the offer / interest will be declined.
2. **Selection of beneficiaries and communities:** The selection criteria of the beneficiary for each activity will be documented. The beneficiary selection will be done in consultations with members from Local Governance, community leaders and community. The selection process will be transparent and names with criteria will be available in public domain. IGSSS will maintain verifiable documentation of the disbursements to show that the funds reached the intended recipients.
3. **Donations from Individual Donor:** Individual donations will be monitored closely. Individual contributions coming from unknown sources will be screened with legal identity documents and donations will not be taken in cash. Receipts will be issued against each donation. In case of even a slightest suspicion, donations will be refused and will be returned to the donor in their original form (cash / unbanked cheque etc.).
4. **Code of Conduct:** IGSSS enforces a Code of Conduct among its staff and its contract partners. The Code of Conduct prevents engaging in unethical, criminal, and political activities.
5. **Direct Implementation Manual and Finance Manual:** The manual guides the staff in finance and project management with utmost standard of transparency and accountability. The stipulation in the manual establishes a strong internal control mechanism to detect and negate the potential risk.

6. **Proper books and records:** IGSSS maintain an accounting system that allows tracking of income and expenditure with unique referencing to projects, funding sources and external third parties in the system. In addition, IGSSS retains all supporting documentation (receipts, invoices and supporting documents) in line with legal requirements of FCRA and Income Tax.
7. **Cash and Bank management:** Controls include regular cash counts and monthly bank reconciliations, authorization levels to conduct financial operations, segregation of duties, signatures/system approvals. In addition, when used, cheques require two signatures, and all bank transfers require dual signatures. Further as a good practice, cash payment is restricted only up to Rs.2000 maximum.
8. **Annual external audit and external project audits:** IGSSS undergoes an annual external audit of its financial statements and 100% of all projects are subject to an external audit. All transactions that are suspicious related to funding terrorism or money laundering, require specific attention from the external auditors, notification to authorities and further investigation by the auditors.
9. **Human Resource Recruitment:** HR will conduct background check for all selected candidates against job vacancies, and volunteer's requirement. In case if required, police verification may also be sought from the applicant. Background check will also include looking up social media content put out by the individual.
10. **Dissemination of policy:** The Anti-terrorism and anti-money laundering policy is openly available on IGSSS external websites and will be disseminated with all the stakeholders. All updates will be so directly communicated to all staff, partners, donors, and consultants. Critical checks in the policy are part of the primary process descriptions, which are part of the onboarding program of all fresh staff members. The Anti-terrorism and anti-money laundering policy is mentioned in all legal agreements with partner organizations, donors, consultants, and suppliers including a link to the full document.
11. **Training and Education:** IGSSS staff, volunteers will be trained, and refreshers will be organized as and when required.

E. Responsibilities

The Board of Governors are the owner of this Anti-terrorism and anti-money laundering policy and approves the policy. The Executive Director is responsible for implementation and review the policy at least on an annual basis. All staff will be informed of the updates of the policy.

F. Reporting and Action

Suspicious of attempted money laundering must be reported to the Compliance Officer/Executive Director or can be emailed at wecare@igsss.net.

Staff should escalate any suspicion arising from carrying out Due Diligence and ongoing monitoring to IGSSS Executive Director, who will connect with Legal Consultant, Legal team to further advise them regarding which tools and processes should be used to facilitate appropriate screening.

In case of any reports of suspect terrorist or money laundering activity based on evidence, by any stakeholder or by any staff member of IGSSS the following shall apply.

- a. Donors will be notified immediately.
- b. All transaction to the suspect individual or organization shall be immediately suspended.

- c. No further funding/payments will be made, and all project/contract/agreement activities be suspended till the suspect activity will be proven innocent by appropriate authorities appointed by the organization and/or by a court of law.
- d. In case the person/organization is proven guilty the same shall be blacklisted for any future engagements/contracts/agreements as per the decision of the relevant authorities.
- e. In case the person/organization is proven guilty, IGSSS will recover all transaction/payments made from the inception of the agreement till date.
- f. In case of a staff member, the ED will take disciplinary action as deemed fit, including termination of services.

Record-keeping is an essential component of the audit trail required to assist in any investigation. IGSSS should maintain records as evidence of the Due Diligence and any monitoring undertaken.

The confidentiality of the complainant will be followed as per the Whistle Blower Policy.

G. Related policies, process descriptions, procedures, and tools

This policy should be read in connection with the following IGSSS policies:

- HR Policy
- Code of Conduct for staff
- Procurement policy
- Finance Manual
- Project Implementation Manual
- Whistle Blowing Policy
- Anti-Bribery Policy