Anti-Money Laundering and Counter-Terrorism Financing (AML/CFT) Policy

Note to Banks: This policy is designed in full compliance with the Financial Action Task Force (FATF) standards and local banking regulations for non-profit organizations (NPOs).

First: Know Your Customer (KYC) and Partner Policy

Donor Identity Verification: The organization is committed to rigorously verifying the identity of major donors (both individuals and corporate entities). For corporate and institutional donors, a current copy of the commercial registration, articles of incorporation, proof of authorized signatories, and a statement of the ultimate beneficial owner are required.

Due Diligence: All local partner organizations and suppliers contracted to implement projects undergo comprehensive due diligence and assessment to verify their legal status, valid licenses, and the integrity of their financial and operational records.

Second: Sanctions Screening

The organization's Compliance Unit is committed to conducting periodic screening of all donors, suppliers, field partners, board members, and staff against approved local and international sanctions lists (such as UN lists, OFAC lists, and national terrorist lists). Dealing with, accepting, or transferring funds to any individual listed on these lists or suspected of being associated with them is strictly prohibited.

Third: Monitoring and Reporting Suspicious Transactions (STRs)

Red Flags: The Financial and Compliance Department is committed to monitoring any unusual financial behavior, such as:

Large donations originating from high-risk jurisdictions (as defined by the Financial Action Task Force - FATF).

A donor or supplier insisting on cash transactions for large sums and avoiding banking channels.

Remittances with complex structures that are not economically or humanitarianly justified. Reporting Mechanism: Upon detecting any suspicious transaction, the process is immediately frozen internally. The compliance officer prepares a Suspicious Transaction Report (STR) and submits it directly to the Financial Intelligence Unit (FIU) of the country and the bank in question, without notifying or alerting the suspected party (to avoid tipping-off).

AML/CFT Compliance Manual: A procedural document specific to dealing with banks, containing forensic audit forms, sanctions screening workflows, and how to prepare Suspicious Transaction Reports (STRs).

Procurement, Logistics Contracting, and Tender Governance Manual: A detailed document outlining the tendering and bidding process, the requirements for forming bid opening committees and conducting technical and financial evaluations, and the legal boundaries for contracting with suppliers to ensure integrity before donors. Code of Conduct: A comprehensive code of conduct signed by staff, volunteers, and partners, regulating the prohibition of bribery, the prevention of abuse of power, adherence to humanitarian neutrality, and rules of confidentiality and data security.

Accounting Procedures Manual and Financial Documentation Cycle Templates: A detailed accounting manual for documents and ledgers (receipts, disbursement vouchers, journal entries, bank reconciliation forms, and software integration into the ERP system) ready for presentation and approval by external auditors and banks.

RACI Matrix & LOA: A rigorous organizational framework linking the administrative structure to financial and legal authorities, defining who has the authority to sign, approve, implement, and be held accountable for each operational sector within the organization.

Enterprise Risk Management Framework and Strategy and Compliance Register: A comprehensive matrix for classifying financial, operational, legal, and reputational risks, specifying their probability of occurrence and impact, and establishing internal control mechanisms to mitigate and address them.