

KNOW YOUR DONERS

Basic questions about the donor

- Who are they and what do you know about them?
- Are they based outside the TCI (consider if they are a sanctioned person)? If so, does that country/area pose any particular risks?
- Do you have a well-established relationship with them?
- Are additional checks needed?
- Are the donors politically exposed, or have any public concerns been raised about them or their activities?

Donations

- How big is the donation? Was it expected?
- Is it in cash, a cheque, a bank transfer, real estate, vehicle, goods, etc? If in money, in which currency?
- Are any conditions attached? Are they reasonable?
- Does the money originate from outside the TCI? If so, does that country/area pose any particular risks?
- Is there anything unusual or strange about the donation?

KNOW YOUR BENEFICIARIES

Basic considerations about beneficiaries

Have a commonsense approach when applying the “Know Your Beneficiaries” principle – no need to check and verify the identity of beneficiaries of certain NPOs as their activities are available to and open to everyone or a wide class of persons e.g. an NPO that provides recreation grounds or carrying out environmental work may not have individually identifiable beneficiaries

Where there are individually identifiable beneficiaries e.g. a museum that awards scholarships to students, then basic questions should be:

- Who are they and what do we know about them?
- Are they based outside the TCI (consider if they are a sanctioned person)? If so, does that country/area pose any particular risks?
- Do they meet the criteria to be a beneficiary (if any)?
- How can you satisfy yourselves that the funds or goods are being used as intended?

KNOW YOUR PARTNERS

Basic questions about partners

- What do you know about the partner? Have you worked with them before?
- Does your experience of working with the partner in the past raise any concerns?
- Are you satisfied with the partner’s status and governance?
- Who are the key senior personnel? Have you checked that they do not appear on the Designated individuals list?
- Can you be reasonably sure the organisation is able to deliver the services required?
- How easy is it to contact the organisation’s senior representatives and other key staff?
- Are the partners aims and values compatible with those of your NPO?
- Are there arrangements in place to enable you to monitor the services provided?
- Are the partner’s financial controls generally adequate and reliable?
- Will the NPO be able to inspect the partner’s financial records?
- What special risk factors apply to the area in which the partner organisation will operate? E.g. instability, unrest, conflict?

INTERNAL FINANCIAL CONTROLS

Basic internal financial controls around the receipt, disbursement, and handling of finances

- Segregation of duties and dual authorisations
- Use regulated financial channels to receive and disburse funds e.g. bank account
- Reconcile and examine bank statements monthly
- Adopt cash handling procedures
- Document income from sources other than cash
- Control the use of credit and debit cards
- Control expense reimbursements
- Utilize budgets
- Utilize general ledger accounting and regular financial reports
- For more information please click the [link](#)

KEEP RECORDS

Basic questions about records

- Are records kept of the NPO’s purpose, objectives and activities?
- Are records kept of the persons who control or direct its activities, including, as appropriate, senior officers, directors and trustees?
- Are records kept of the identity, credentials and good standing of beneficiaries and partners?
- Are appropriate financial records kept for the receipt/use of funds, along with audit trails for the decisions taken?
- Are records kept for any donations refused and high-risk donations accepted?
- Have financial statements been submitted to the NPO Supervisor detailing income and expenses for the year, donors who have donated in excess of \$10,000 as a single donation or cumulatively, and a breakdown of all funds raised, donations received and disbursed by the NPO or associated NPOs under its control?
- Are records kept of the NPO’s internal controls?



Remember if there is anything that concerns you about a donor, donation, beneficiary, partner organisation, you should promptly report to the [Financial Intelligence Agency](#) at submissions@fia.tc and the [NPO Supervisor](#) at aml_supervision@tcifsc.tc.