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March 22, 2022

Nonprofit Community Emphasizes Ethical Fundraising Practice

Hamilton, Bermuda, March 2022. The nonprofit community was disappointed by today's article and headline in the Royal Gazette implying local nonprofits' affiliation to unethical practices associated with President Putin. The article had no factual substance but presented a damaging headline that inaccurately portrayed the sector as complicit in money laundering and could lead to the impression of poor fundraising and financial standards of practice by Bermuda's nonprofits.

Bermuda's nonprofits are by law required to have ethical fundraising policies and procedures, including anti-money laundering and anti-terrorist policies. The Charities Act 2014 has regulations (Anti-Money Laundering, Anti-Terrorist Financing and Reporting) and legislates for the sector to be regulated by the Registrar and Charities Commission, including monitoring of the effective and accountable use of charitable resources, and specifically anti-money laundering and anti-terrorist financing compliance.

Like the private sector, every registered charity in Bermuda is subject to the Proceeds of Crime Act 1997 and the Anti-Terrorism (Financial and Other Measures) Act 2004. Charities must have a trained Compliance Officer. The Compliance Officer is responsible for receiving disclosures about money laundering or terrorist financing activity and for ensuring that appropriate anti-money laundering and anti-terrorist financing systems and processes are in place.

As a result, Bermuda's nonprofits have policies and procedures to demonstrate ethically and fiscally responsible fundraising. In addition, many nonprofits have gone above the requirements and have gone through the rigorous process of becoming certified by the Bermuda National Standards Committee, which is internationally recognized.

Many professional fundraisers in Bermuda are also members of the Association of Fundraising Professionals' Bermuda Chapter, and annually sign a Code of Ethical Standards which states that members shall not engage in activities that conflict with their fiduciary, ethical and legal obligations to their organizations, clients or profession; and that they shall comply with all applicable local, state, provincial and federal civil and criminal laws.

Bermuda's nonprofits play a pivotal role to ensure equitable opportunity, lifelong success, and quality of life for all Bermuda residents. Throughout the pandemic they have been the lifeline to the community. Such a damaging and unsubstantiated headline is unfair to the sector and does

not reflect the policies, procedures and standards that are in place. This is particularly irresponsible during a time when many of Bermuda's nonprofits are having to find creative ways to maintain financial sustainability during such a difficult economic period.

This statement is jointly submitted by the Nonprofit Alliance of Bermuda, the Association of Fundraising Professionals, the Nonprofit Division of the Chamber of Commerce and the IAC. This statement was coordinated by IAC, a social sector umbrella organisation that champions Bermuda's nonprofits and social programmes.