TURATHUNA

OFFICE OF THE CHAIRMAN OF THE BOARD OF TRUSTEES

EXECUTIVE DIRECTIVE: Financial Integrity, Anti-Fraud, and AML/CTF Policy

Directive Number: TF-DIR-2026-008

Date of Issuance: May 18, 2026

Effective Date: June 1, 2026

1. PURPOSE & RATIONALE

In alignment with the Turathuna Foundation's commitment to institutional excellence, rigorous governance, and compliance with the standards required by our international partners and donors, the Board of Trustees has formally approved the **Financial Integrity, Anti-Fraud, and AML/CTF Policy**.

The implementation of this policy is essential to ensure that our operations remain transparent, ethically sound, and fully aligned with global best practices in cultural heritage preservation and humanitarian action.

2. MANDATORY COMPLIANCE

Pursuant to the authority vested in the Chairman of the Board of Trustees, and in accordance with the Foundation's bylaws, all personnel—including Board members, management, staff, volunteers, consultants, and implementing partners—are hereby directed to adhere strictly to the guidelines and procedures set forth in the attached policy.

3. IMPLEMENTATION & ENFORCEMENT

- **Effective Date:** This policy shall come into full force and effect starting **June 1, 2026**.
- **Responsibilities:** Department heads and Project Managers are responsible for the immediate dissemination of this policy to their respective teams and for conducting necessary training to ensure full understanding and operational alignment.
- **Compliance:** Failure to adhere to the provisions of this policy may result in disciplinary action, as outlined in the *Code of Ethics and Professional Conduct*.

4. REVIEW & UPDATES

This policy shall be subject to periodic review by the Board of Trustees to ensure its ongoing effectiveness in the face of evolving operational challenges. Any proposed amendments must be submitted to the Board for formal approval.

5. ATTACHMENTS

Attached to this directive is the full version of the **Financial Integrity, Anti-Fraud, and AML/CTF Policy**, which serves as the official operational guide for the Foundation.

BY ORDER OF THE BOARD OF TRUSTEES:

Lama Abboud
Chair of the Board of Trustees
Turathuna Foundation

Cc:

- Executive Director
- Finance Department
- HR Department
- Project Managers
- Central Policy Repository

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1. PURPOSE AND ORGANIZATIONAL COMMITMENT

The Turathuna Foundation is committed to the highest standards of financial transparency, accountability, and ethical conduct. We recognize that as a non-governmental organization operating in a complex recovery environment, we must exercise extreme vigilance to protect the resources entrusted to us by our donors, partners, and the communities we serve.

The purpose of this policy is to establish a robust framework to prevent, detect, and respond to any instances of fraud, corruption, money laundering, or the financing of terrorism. The Foundation enforces a **strict zero-tolerance policy** towards financial crimes of any kind.

2. SCOPE OF APPLICATION

This policy is mandatory and applies universally to:

- Members of the Board of Trustees and Executive Management.
- All Turathuna employees, field staff, and volunteers.
- Consultants, contractors, suppliers, and implementing partners receiving funds from or acting on behalf of the Foundation.

3. ANTI-MONEY LAUNDERING (AML) AND COUNTER-TERRORISM FINANCING (CTF)

The Foundation strictly prohibits the use of its operations, bank accounts, or programs to launder illicit funds or finance terrorist activities or armed groups.

- **Money Laundering:** The process of concealing the origin of illegally obtained money (e.g., from smuggling, theft, or corruption) by passing it through legitimate channels, such as NGO accounts or project budgets.
- **Terrorism Financing:** The provision or collection of funds with the intention that they be used to carry out acts of terrorism or support armed/designated groups.
- **Due Diligence:** Turathuna will not accept anonymous donations of significant value. We commit to "Know Your Donor" (KYD) and "Know Your Partner" (KYP) principles to verify the legitimate origins of incoming funds and the legitimate nature of partner organizations.

4. SANCTIONS COMPLIANCE AND VETTING (SCREENING)

Operating within Syria requires strict adherence to international legal frameworks to ensure funds are exclusively used for humanitarian, educational, and heritage preservation purposes.

- **Vendor and Partner Screening:** Before entering into any contract, partnership, or financial agreement, the Foundation's finance team will conduct due diligence screening of vendors, contractors, and partners against recognized international sanctions lists (e.g., UN, EU, and OFAC consolidated lists).
- **Prohibition of Engagement:** The Foundation will immediately terminate any relationship or transaction if a vendor, partner, or individual is found to be sanctioned or linked to illicit activities.

5. ANTI-FRAUD AND ANTI-CORRUPTION

Fraud encompasses any intentional act or omission designed to deceive others, resulting in the victim suffering a loss and/or the perpetrator achieving an unauthorized gain.

- **Prohibited Acts:** This includes, but is not limited to:
    - Embezzlement or misappropriation of foundation funds, heritage materials, or assets.
    - Falsifying financial records, receipts, invoices, or timesheets.
    - Bribery, kickbacks, or extortion during procurement or hiring processes.
    - Using grant money for unauthorized expenses outside the approved project budget.
- **Reporting and Investigation:** All instances of suspected fraud will be independently investigated. Proven fraud will result in immediate dismissal, cancellation of contracts, and referral to law enforcement authorities.

6. INTERNAL FINANCIAL CONTROLS AND FUND DISBURSEMENT

To mitigate the risk of financial mismanagement, Turathuna enforces strict internal controls over all transactions:

- **Segregation of Duties:** No single individual shall have the authority to authorize, execute, and record a financial transaction from start to finish. Responsibilities for requesting, approving, and processing payments must be separated among different staff members or board members.
- **Double Authorization:** All significant financial transactions, bank transfers, and major cash disbursements require the signature/approval of at least two authorized signatories (e.g., the President of the Board and the Financial Manager).
- **Cash Management:** Recognizing the realities of the local banking sector in Syria, some operations may require cash transactions.
    - Cash payments are strictly limited to instances where bank transfers are impossible.
    - All cash disbursements must be supported by official, verifiable physical receipts, signed by the recipient and approved by the project manager.
    - Petty cash funds are subject to strict limits and regular, unannounced reconciliations.
- **Procurement Transparency:** All procurement of goods (e.g., restoration materials) and services must follow a transparent, competitive bidding process, requiring at least three independent quotes for purchases above a specified financial threshold.

7. REPORTING SUSPICIOUS ACTIVITIES (WHISTLEBLOWING)

The Foundation relies on the vigilance of its team and partners to maintain financial integrity.

- **Duty to Report:** Any individual who suspects fraud, money laundering, sanctions violations, or terrorism financing related to Turathuna operations must report it immediately to the Board of Trustees or via the designated confidential reporting channel (SpeakUp@turathuna.org).
- **Protection:** Under our Whistleblower Protection guidelines, the Foundation guarantees that no employee or partner will face retaliation for reporting suspected financial misconduct in good faith.

8. RECORD KEEPING AND AUDITING

- **Documentation:** Accurate, complete, and transparent financial records for all projects, grants, and operational expenses must be maintained for a minimum of seven (7) years.
- **Audits:** The Foundation's financial statements and grant implementations are subject to regular internal reviews and annual independent external audits to verify compliance with this policy and the specific stipulations of international donor agreements.

9. POLICY REVIEW

This policy will be reviewed annually, or whenever there are significant changes in international financial regulations or local operating contexts, to ensure its continued effectiveness in protecting the Foundation's assets and reputation.