



CCAHD Foundation

Due Diligence & Monitoring Policy

Philosophy & Purpose

The purpose of this policy is to describe the key principles of the due diligence and monitoring processes of the Consortium for the Conservation of the Atlantic Humpback Dolphin Foundation (hereinafter referred to as 'CCAHD' or 'the Foundation'). The Management Board of the Foundation aims to fulfil the organisation's Vision and Mission, as set forth in the CCAHD [Five-year Strategic Plan](#) and to protect and take due care of the Foundation's assets and funds in a legal and transparent manner, as set forth in the CCAHD [Financial Policy](#). This document is intended to complement these existing policies by describing the process by which due diligence and monitoring will be carried out on those individuals and organisations that may give money to, receive money from, or work closely together with CCAHD.

This policy is underpinned by the understanding that the CCAHD is an apolitical non-governmental organization (NGO) and will not take a stance on, or become involved with, any diplomatic or political conflict.

Three annexes are included that provide templates for checklists for potential donors and recipients, contracts with funding recipients, and reporting templates that will be used to monitor recipients' use of CCAHD funding.

Definitions

For practical purposes, this document will refer to two broad categories of entities that will be the subject of due diligence procedures:

- Donors: all entities that may provide funds or equipment to the CCAHD. These can include, but

are not limited to, grant bodies, individual or corporate donors, equipment suppliers, and contributors who make online donations.

- Recipients: any entity that received payment from the CCAHD in any form. This can include the following categories:
 - A sub-contractor: an individual or organisation that has been selected to assist in the implementation of a project that the CCAHD has proposed to a donor and for which it has obtained funds. These are sometimes also referred to as 'partners'.
 - A grant beneficiary: An individual or organisation that has applied to CCAHD for support for a project in response to a CCAHD call for proposals.
 - A Vendor: an organisation or individual that has delivered goods or performed services at the request of CCAHD and is due reimbursement under a previously agreed arrangement.

Risk-based approach

CCAHD takes a risk-based approach, meaning that the extent, nature and detail of due diligence and monitoring will depend on the extent and nature of the risks determined based upon the information provided, where the funding is being directed, or the activities to be implemented.

For the purposes of this Policy, we define *risk* in context of the following categories:

- Financial: the inherent risks involved in receiving and expending funds.
- Legal: the risks related to operating internationally and complying with all applicable domestic and international laws and treaties.
- Political: the risk of becoming involved in any diplomatic or political conflict.
- Reputational: the risk arising from association with parties whose activities are not consistent with the Vision, Mission and Values set forth within the CCAHD's Articles of Association, five-year strategic plan, Financial Policy, this Policy or applicable laws and regulations

As a minimum, CCAHD shall:

- take reasonable and appropriate steps to know who its donors, sub-contractors and beneficiaries are, at least in broad terms, and carry out appropriate checks where the risks may be determined as potentially high;
- maintain appropriate financial records for both the receipt and use of all funds, which will be verified by an annual audit (as stipulated in the CCAHD [Articles of Association](#) and [Financial Policy](#));
- maintain appropriate internal financial controls to ensure that all the funds are fully accounted for and are spent in a manner that is consistent with the objectives of the CCAHD five-year plan.

Due Diligence

CCAHD will implement practical steps to be reasonably (i) assured of the provenance of funds, (ii) confident that it knows the people and organisations it works with and (iii) able to identify and manage associated risks.

The due diligence is based on the 'know your' principles: know your donors and your recipients. This involves taking reasonable steps to:

- **Identify** the (potential) donors, partners and beneficiaries: This will be achieved through thorough internet searches on potential donors, partners and beneficiaries, complemented by discreet enquiries through professional networks to ascertain the reputation and standing of the individuals or organisations in question.
- **Verify**, where reasonable, and the risks may be high, the donors', partners' and beneficiaries' business to be assured that it is legal, transparent, and in keeping with the CCAHD Vision, Mission and Values.
- **Watch out** for unusual or suspicious activities, conduct or requests, and ensure that fail safe protection mechanisms are in place to be able to end financial relationships if and when there is suspicion of any activity that would not be in line with this policy or any activity that should be reported to authorities.

Know your donor:

The following measures will be initiated to ensure transparency and traceability during the process of soliciting and receiving funds or donations in kind for CCAHD:

- In principle, CCAHD will not receive cash or anonymous donations. Board approval will be required for any exceptions that may be made, for example, small-scale or grassroots fund-raising efforts, school bake sales, etc., where cash is raised. In these (and other) instances, deposits would always be made to the CCAHD bank account with clear notations as to the origin of the funds. The Board may explicitly approve other exemptions, subject to clear written records of the origin of funds and reasons for the exception.
- In the case of online donations made through the CCAHD website, information will be collected from the donor to ascertain their identity, and donors will be requested to agree to a statement verifying that their donation complies with this policy before they are able to proceed to the online payment process.
- For non-sequential donations under €15,000 from a single donor, it will be sufficient to determine a potential donor's identity through a global internet search and/or recommendation from a trusted colleague to confirm that the donor's past activities and source of funds are in keeping with CCAHD

Vision and Mission.

- For donations over €15,000 and any amount from an individual or company within any country [perceived as 'high risk' by the European Union](#), or where EU [sanctions](#) with restrictive measures against certain persons or countries are in place, CCAHD will undertake a thorough investigation to verify the donor and provenance of their funds. In addition, the CCAHD will seek to fully understand all expectations and conditions attached to the donation (See Annex 1 for the questionnaire that would guide this process).

Know your recipients:

CCAHD will only disburse funds to individuals or organisations under the following conditions:

1. For sub-contractors/partners: The organisation or individual has been (sub-)contracted to implement (elements of) a project that is supported through funds raised by CCAHD for a specific project or suite of projects. In this case the original project proposal drafted by CCAHD, and agreed with the donor, will contain a clear specification of activities to be implemented and anticipated costs for these activities. The sub-contractor/partner, whether an individual or organisation, will receive and sign a contract that defines the scope and scale of its role in implementing the agreed project or suite of projects. The contract will state the expectations of how the funds will be spent and the obligations for reporting and financial accounting in accordance with the agreed detailed project budget (see template in Annex 2). Contracts will usually be set up in such a manner that payments are made in stages, with the first payment scaled to allow project work to commence and/or necessary equipment to be purchased, and subsequent payments dependent on demonstration of agreed 'milestones' or 'deliverables' (see template in Annex 3). This will limit risk, provide incentive for timely project implementation, and provide opportunities to terminate contracts if partners are not delivering results, cannot provide clear and transparent accounting, or give any other cause for suspicion.
2. For grant-beneficiaries: The organisation or individual has applied to CCAHD for support for a project in response to a CCAHD call for proposals. In this case, the proposed project must meet the selection criteria of the call for proposals, and reporting requirements of the approval given to a successful applicant for CCAHD funding, and the same conditions will apply as in (2) above.
3. For Vendors: The organisation or individual has incurred a cost, delivered goods or performed services at the request of CCAHD and is due reimbursement under a previously agreed arrangement. In this case, the organisation or individual will:
 - have a written agreement with CCAHD to make a purchase or perform services on behalf of CCAHD;
 - Provide a clear written invoice with reference to the agreement requesting reimbursement;
 - Provide a clear written breakdown of the agreed costs and copies of relevant

receipts for monies spent.

In the case of 1 and 2 above, subcontractors and beneficiaries will, at a minimum need to meet the following criteria:

- Individuals or organisations must have a demonstrated track record of engaging in activities that are in keeping with CCAHD Vision, Mission and Values.
- Individuals or organisations must (as far as CCAHD is able to ascertain) not be associated with any activities that are deemed illegal or unethical.

In addition:

- In the case of an individual or company within any country [perceived as 'high risk' by the European Union](#), or where EU [sanctions](#) with restrictive measures against certain persons or countries are in place, an additional level of screening will be conducted to ensure that recipients are not associated with any illegal or unethical activities, using the questionnaire in Annex 1.
- Preference will be given to non-governmental organisations that are officially recognised/registered with their relevant government. In general, CCAHD will not make disbursements to government agencies or entities, although exceptions may be possible where a government agency provides specific services related to a project that cannot be implemented by other entities in a *Sousa teuszii* range country.
- Reporting of activities conducted in the framework of CCAHD collaboration, including in scientific journals and popular or social media, should only take place in collaboration with and as approved by CCAHD to ensure consistency of messaging and use of CCAHD logo and affiliation.

Gift Acceptance

As stated in CCAHD [Financial Policy](#), all cash and non-cash contributions to CCAHD must be reviewed and approved by the Management Board before acceptance. The Management Board shall with regards to all cash and non-cash contributions review whether these are in keeping with CCAHD's purpose, ethical standards and regulatory compliance obligations before acceptance, taking into account the principles as specified in this Due Diligence Policy. In the case of online donations, the potential donor's self-disclosure should ensure that donations are in keeping with this document. However, should the Board, upon review of the provenance of an online donation determine that it is not in keeping with this policy, the donation will be set aside and returned to the donor.

Monitoring

Once sub-contractors/partners and beneficiaries have received and signed a (sub-) contract with CCAHD, they will be obligated to provide regular reports on both the implementation of the activities specified in the

contract and full financial accounting, as specified in Annex 3, the template for the reporting and payment schedule that will be provided with CCAHD (sub-)contracts. Any deviation of more than 5% from the budget specified in the original contract (either over-spending, underspending or shifting of cost categories) must be requested and agreed in writing with the Secretariat.

The due diligence policy has been unanimously adopted by the CCAHD Foundation's Management Board and Supervisory Board following a formal written procedure concluded on 14 June, 2023

Annex 1: Questionnaire to guide due diligence investigations for potential donors or beneficiaries

CORE BUSINESS AND REPUTATIONAL RISK

- What is the core business of the potential donor or beneficiary?
- Does any aspect of the core business or operations of the potential partner call into question the transparency or legality of funds that are being offered?
- Is the Individual or organisation associated with any other activities, outside of its core business that could be perceived as illegal, unethical, or non-compliant with international sanctions or banking regulations?
- Is any aspect of the core business or associated activities in conflict with CCAHD objectives and values? If so, does this present a reputational risk to CCAHD?
- If there is any perception of potential reputational risk, can this risk be managed and/or can the potential benefit of the donation and/or collaboration outweigh the risk?
- For potential donors, are any conditions attached to the offer of funds that would compromise the scientific or ethical integrity of the activities conducted?

LEGAL STATUS

- Is the organization incorporated?
- Can the organization provide a copy of the registration, articles of incorporation, and required licenses, permits, or certifications?

GOVERNANCE AND HUMAN RESOURCES

- Does the organization have written policies and procedures concerning the roles and responsibilities for its board of directors and/or its governing board?
- Are board members and officers elected/appointed and removed in accordance with applicable laws and written procedures?
- Does the organization have written personnel policies and procedures for employee salaries, benefits, and time off?
- Does the organization have a policy for conflict of interest?
- Does the organization have a policy to prohibit transactions to individuals and organizations associated with terrorism?
- Does the organization have a policy for non-discrimination and civil rights?

ACCOUNTING & FINANCE

- Does the organization have written policies and procedures for accounting and finance?
- Does the organization employ an accountant to control all financial matters?
- Does the organization keep appropriate supporting documentation for accounting entries (e.g., receipts, invoices, approvals, other applicable documents)?
- Does the organization have financial controls so no single individual has complete authority over a single transaction?

- Are audits performed on a regular basis?

EQUIPMENT AND ASSET MANAGEMENT (relevant only for sub-contractors and grant beneficiaries)

- Does the organization have clear equipment purchase and management strategy?
- Are all assets logged into a register that is monitored and checked at regular intervals to prevent mis-use or misappropriation of equipment?
- Are assets covered by comprehensive insurance?

PROJECT MANAGEMENT:

- Does the organization have a system in place to monitor progress against project deliverables?
- Does the organization have policies and procedures for subrecipient monitoring?

Annex 2: Model Contract for CCAHD (sub-)Contractors and Grant Beneficiaries

(to be adjusted as necessary to fit the aims and objectives of specific projects and beneficiaries)

CCAHD STANDARD CONDITIONS OF CONTRACT

THIS CONTRACT is made between: -

CONSORTIUM FOR THE CONSERVATION OF THE ATLANTIC HUMPBACK DOLPHIN FOUNDATION (CCAHD) with its office at Laan van Rhemen van Rhemenshuizen 14, 2242 PT Wassenaar, The Netherlands, hereinafter CCAHD

And

_____ with its office at _____, hereinafter "X".

The Contract consists of the following: -

- 1) Standard conditions of Contract
- 2) Schedule 1
- 3) The Project Proposal (which is attached as Schedule 2) – which will have been prepared either by the CCAHD or the contracted party following a template provided by the donor. The proposal will, at a minimum, specify the activities to be implemented, the individuals responsible for implementation, a timeline for implementation, and associated budget for these activities. The contract assumes that the proposal has been agreed by both parties.

BACKGROUND

"X" wishes to conduct the project as defined in the Project Proposal, and CCAHD has agreed to provide funding towards the cost and implementation of the Project under the terms, conditions and obligations set out in this Contract.

IT IS AGREED AS FOLLOWS:

Provision of Funds

1. CCAHD shall pay to 'X' the sum of money specified in paragraph 1 of the attached Schedule ("the Project Sum"), with such amount to be paid to "X" by CCAHD in accordance with the stage payments timetable specified in paragraph 2 of the attached Schedule. CCAHD is under no obligation to pay more than the Project Sum specified. If a project milestone is not met on the specified date, the respective payment will not be paid by CCAHD.

The Project and Application of Funds

2. It is agreed that the Project Sum shall be paid to "X" strictly on the condition that such funds are used towards the implementation of the Project.
3. "X" agrees with CCAHD to use the Project Sum exclusively for the purposes described in the Project proposal form and in accordance with the budget or other financial details supplied prior to the signing of this Contract to CCAHD.

4. Funds remaining unspent at the end of the Project Term (as defined in the schedule) shall be reported to CCAHD and held pending CCAHD's instructions.

Obligations of "X"

5. "X" agrees with CCAHD as follows:-
 - 5.1 "X" confirms it has the necessary skills and knowledge, or will acquire or procure same, to ensure the successful implementation and completion of the Project or, if the parties agree in writing, any variation of the Project.
 - 5.2 In relation to additional project sponsors – "X" warrants that it has notified CCAHD, in writing, of every other person or organisation who has committed to provide funds for the Project.
 - 5.2.1 "X" shall inform CCAHD of all and any additional funding applied for and/or received after the commencement of the Project. Failure to do so may result in the termination of the contract and the obligation to return all funds received from CCAHD.
 - 5.3 "X" shall send to the person specified by CCAHD, a Project Overview (being a report of a nature and with the content as described in paragraph 3 of the Schedule) on receipt of first instalment of funds.
 - 5.4 "X" shall send to the person specified by CCAHD, a Progress Report (being a report of a nature and with the content as described in paragraph 4 of the schedule) and such a Progress Report shall be sent by each of the Progress Report Dates specified in paragraph 5 of the Schedule.
 - 5.5 Upon the expiration of the Project Term or (if earlier) upon conclusion of the Project "X" shall deliver to CCAHD a final report (which shall be in the format indicated in paragraph 6 of the schedule "the Final Report").
 - 5.6 In addition, "X" shall send, at such times as CCAHD may reasonably require for its own publicity and promotional purposes, various information articles and visual material as CCAHD may reasonably specify.
 - 5.6.1 "X" undertakes to enter into a non-exclusive licence in favour of CCAHD in respect of all images captured during the Project (in whatever format), such licence shall be granted in perpetuity, free of charge and shall confer the right on CCAHD to reproduce all or any of such images for use in any advertisement or promotion (as CCAHD see fit) of CCAHD.
 - 5.6.2 Where the project has an acoustic element, "X" shall provide CCAHD with sample acoustic recordings of the relevant species being studied in this Project and other opportunistic recordings that are believed to be of assistance to the conservation and/or welfare work of CCAHD. Requested recordings shall be supplied to CCAHD at or before the time the Final Report is due. "X" undertakes to enter into a non-exclusive licence in favour of CCAHD in respect of all audio recordings made by "X", or any member of "X's" team, during the Project (in whatever format), such licence shall be granted in perpetuity, free of charge and shall confer the right on CCAHD to reproduce all or any of such recordings for whatever purpose.
 - 5.7 CCAHD shall, at a minimum, receive acknowledgement, and the opportunity to review drafts of any publications of "X", that result in part or in total from this funding to ensure that they are in keeping with the CCAHD Vision and Mission Statment. Where they have made a significant contribution to project methodology and/or implementation, relevant CCAHD partners should be offered co-authorship on such publications. CCAHD shall be supplied with copies (minimum of 1 x hard copy and 1 x soft copy) of said publications for its own use.

Status of Parties and Legal Liability Position

- 6.1 It is agreed that the parties contract with each other as independent contractors and that in particular "X" is not an agent of any kind whatsoever or an employee of CCAHD and no authority to represent or act on behalf of CCAHD shall expressly or impliedly be granted by CCAHD nor is any such relationship intended by virtue of this Contract.
- 6.2 [To be appropriately adjusted for subcontractors/recipients that are implementing elements of projects proposed to donors by CCAHD where recipients are implementing elements of a project where CCAHD is the main contract holder]. The project is an entirely independent activity of "X" and is not an activity of CCAHD; consequently CCAHD shall not in any way whatsoever be liable to "X" or to any third party if such liability arises out of, is caused by, originates from or is in any way connected with the Project; it shall be the responsibility of "X" to ensure that the Project is carried out in accordance with all applicable laws and regulations and in such a way so as not to cause any such liability event or circumstances giving rise to any loss or claim from any third party and "X" hereby indemnifies CCAHD against any claims, losses, actions, costs and demands whatsoever being suffered by CCAHD arising in any way out of the Project or in any way with the association of CCAHD with the Project; and it shall be the responsibility of "X" to obtain appropriate insurance cover against such eventualities as would normally and prudently be taken out to cover against any such risks.

Termination

- 7.1 CCAHD may terminate this Contract by giving the no less than thirty [30] days prior written notice subject to such notice being served prior to thirty [30] days before the expiration of the Project Term.
- 7.2 CCAHD may terminate this Contract forthwith at any time by giving written notice to "X" if "X":
- 7.2.1 Acts or omits to act in such a way that CCAHD believes in its sole opinion that its reputation has been brought into or is at risk of being brought into disrespect; or
- 7.2.2 Enters into insolvency, bankruptcy, suspension of payment or any equivalent.
- 7.2.3 Fails to notify CCAHD of any additional funding received for the Project.
- 7.3 CCAHD may terminate this Contract forthwith by giving to "X" written notice if any permission or authority required by "X" to facilitate, approve, enable, authorise or similar, the Project, is not forthcoming or is withdrawn by the appropriate body authorised to give such permission or authority.
- 7.4 CCAHD is entitled to terminate this Contract forthwith by giving notice to "X", in the event there is a material breach in the performance of this Contract by X and that such breach (if capable of remedy) has not been remedied within thirty [30] calendar days of receiving notice from CCAHD of the need to rectify such breach.
- 7.5 In the event the contract is terminated under clause 7.1 and 7.2, any outstanding payments under this agreement are immediately cancelled.
- 7.6 In the event the contract is terminated under clause 7.3 or 7.4, any outstanding payments under this agreement are immediately cancelled. Furthermore if the contract is terminated under clause 7.3 or clause 7.4, any project payments that have already been paid by CCAHD to "X" should be returned by "X" to CCAHD within thirty [30] calendar days from the date of termination of this contract.

General Provisions

- 8.1 This Contract contains the entire agreement between the parties in relation to the Project and its funding and supersedes all previous agreements, assurances, representations and other statements which may have been made between the parties.
- 8.2 This Contract shall only be modified by written agreement of the parties.
- 8.3 All notices and other communications between the parties shall be in writing, which might include e-mail.
- 8.4 This Contract shall not be assigned or transferred by either party except with the prior written consent of the other.
- 8.5 This Contract shall be governed by and construed in accordance with Dutch Law and each party agrees to submit to the exclusive jurisdiction of the competent court in The Hague as regards any claim or matter arising under this Contract.

-----ENDS-----

Annex 3: Payment and reporting schedule to accompany the Contract for CCAHD (sub-) Contractors and Grant Beneficiaries
(to be adjusted as necessary to fit the aims and objectives of specific projects and beneficiaries)

SCHEDULE 1

Project Title:

Project Term:

1. The Project Sum

The sum of(.....Euros)

2. The Stage Payments Timetable

| Milestone description | Date | Payment amount (in Euros) |
|-------------------------------------|-------------|----------------------------------|
| Signing of contract | XXX | XXX |
| Milestone 1 | XXX | XXX |
| Milestone 2 | XXX | XXX |
| Project Completion and final report | XXX | XXX |
| Project total | | XXX |

3. Project Overview

A project overview in writing to be sent to CCAHD on receipt of payment and which report shall include at least the following (together with such other requirements that CCAHD may reasonably request). This will be based closely on the original Project Proposal that forms the basis for the Contract, as drafted either by the CCAHD or 'X'. Where it involves implementation of elements of a wider proposal drafted by CCAHD, 'X' should include more detail specific to the elements that X will implement, including:

- (a) An introduction to the project including a brief background on the project location and local cetacean population to be studied.
- (b) A description of the problems or requirements that led to the initiation of the project.
- (c) (Local) Objectives of the Project.
- (d) Methods and activities to be utilised/implemented during the Project.
- (e) A selection of images including researcher, focal species and location.

Where it involves a proposal written by 'X' and submitted to the CCAHD 'X' the Project Overview should refer to the original proposal detailing any ways in which the timing and implementation of the project may differ from the original proposal.

4. Progress Report

A report in writing to be sent to CCAHD on each of the Progress Report Dates (see the Table in Paragraph 2 above, and Paragraph 5 below) and which report shall include at least the following (together with such other requirements as CCAHD may reasonably request):

- (a) A one-page summary of the Project and its progress generally
- (b) Methods and activities being utilised/implemented during the Project
- (c) Progress of the Project (in the case of subsequent progress reports then details of progress since the last progress report)
- (d) Future planned activities together with details
- (e) Images and Acoustic recordings where appropriate (see 5.4 and 5.5 of Contract)

5. Progress Report Dates

Progress Reports will be required on the dates in the table under Paragraph 2 above.

6. The Final Report

This shall be sent to CCAHD when required under the terms of this Contract and shall include,

- (a) Sections on all matters as would be required for a Progress Report (see paragraph 3 above; (a) – (e))
- (b) A financial report detailing expenditure against amounts shown in the budget for the Project Proposal as supplied to CCAHD and supplying copies of receipts or other expenditure evidence in the case of equipment or other external expenditure for which the Project Sum has been wholly or partly used.

SIGNED BY
as authorised for and on behalf of
CCAHD

Date:

SIGNED BY
as authorised for and on behalf of
"X"

Date: