

POLICY DOCUMENT

CLIENT MONEY HANDLING

Policy Title:	Client Money Handling	Policy Date:	26/02/2023
Purpose:	To document our approach and to set rule for handling client money	Policy Author:	Yvonne Boasman
Policy Approver:	Paul Wright - Director	Approval Date:	02/03/2023

GENERAL GUIDANCE

This policy document details the standards we set as a business and serves to demonstrate that we adhere to guidelines set out by RICS in relation to Client money handling. It also serves as a procedure guide for team members and customers alike with regards to the handling of unidentified funds.

WHAT IS CLIENT MONIES AND WHERE IS IT HELD?

As a RICS regulated company we adopt to their definition of 'Client' and 'Client Monies' which is:
Client: "Any person, firm, trust, body corporate or other organisation that is a client of an RICS-regulated firm".

Client Monies: "Money of any currency (whether in the form of cash, cheque, draft, or electronic transfer) that:

- ⊗ *an RICS-regulated firm holds for or receives on behalf of another person, including money held by a regulated firm as stakeholder and is not immediately due and payable on demand to the RICS regulated firm for its own account*
- ⊗ *This excludes fees paid in advance for professional work agreed to be performed, and clearly identifiable as such, unless the fees are for work undertaken as a property agent as defined by the Rules of the RICS Client Money Protection Scheme for Property Agents."*

We will hold Client Monies at an FCA regulated Bank, in a dedicated client account of which we have exclusive control. Funds are currently held at Barclays Bank Plc, in account name: Xenia Estates Services Client Account. Sort Code: 20-10-71 Account Number: 13176282.

OUR CONTROLS

We recognise our responsibilities in relation to Client Monies and have implemented the following controls to mitigate the risk of any mishandling.

GENERAL CONTROLS

- ⊗ Access to client accounts is restricted to a limited number of competent staff who are aware of RICS guidelines.
- ⊗ Client account activity is closely monitored by our Head of Finance.
- ⊗ Daily Software back-ups are taken.
- ⊗ Client Monies accounts only hold monies received from Clients; the balance of these accounts shall be the sum of Client funds received less payments made on behalf of said Clients. The only exception to this is where funds have been paid in error and require returning or where monies are paid in to replace erroneous withdrawals plus any accrued interest on the erroneous withdrawal.
- ⊗ All payments and receipts are recorded promptly on the Client's account.
- ⊗ Client Monies accounts will be reconciled on a regular basis, weekly as a minimum requirement.
- ⊗ Annual reconciled accounts prepared by independent accountants will be issued to Clients which show total funds received fewer total payments made as well as funds held on account.

WITHDRAWAL CONTROLS

- ⊗ Payments are only made in accordance with the terms of the Client's management agreement.
- ⊗ An approval process is in place for all invoices received on the Client's behalf which includes a requirement for purchase orders, and a staggered monetary value approval process.
- ⊗ The balance of the Client account will always be checked before any payment is authorised to ensure there are enough funds being held to meet the payment requirement.
- ⊗ Withdrawals are authorised in advance of payment and can only be released from the bank by an authorised signatory. Authorised Signatories are always senior staff members or directors and are in line with current bank mandates.

RECEIPT CONTROLS

- ⊗ When Client Monies are received, they are promptly (usually with two working days) allocated to the Clients' individual account unless the Clients' account status is with debt recovery. In the event funds are received while the Client's account is with solicitors for debt recovery the payment shall be reviewed by the accounts team and the solicitors instructed shall be informed of the payment. The funds may either be paid into the account or returned dependant on the advice from the solicitors. The Client Monies may be held in the relevant suspense account while advice is sought.
- ⊗ Payment acknowledgments are sent once funds are allocated.
- ⊗ Cheques received by post will be recorded on the day of receipt and will be paid into Client Monies accounts within 7 working days.
- ⊗ Any monies received owing to the office account will be promptly transferred.
- ⊗ Benefits and or charges, such as interest and bank charges, are accounted for to the Client, unless otherwise agreed with the Client in writing.
- ⊗ We will take prompt action to identify unidentified funds.

UNIDENTIFIED FUNDS

- ⊗ Each Client is given a unique reference which they are requested to use on all payments into the Client account. They should also receive a payment acknowledgment one these funds have been allocated to their account.
- ⊗ Failure to use this reference may sometimes result in unallocated funds. The following steps will be taken to identify these amounts.
- ⊗ Banking references and payee names will be cross- referenced to both historic bank transactional records and Client information records in an attempt to identify previous allocations or matching information.
- ⊗ Where funds cannot be identified they will be allocated to the relevant suspense account until they can be identified.
- ⊗ Details of unidentified funds will be recorded and distributed to key staff members who have regular contact with Clients. These team members may have an insight into expected funds or may have received communication from Clients that a payment acknowledgement has not been received which may help them to assist with allocations.
- ⊗ Actions taken to identify funds will be recorded.
- ⊗ If after 7 working days, the funds remain unallocated we will make contact with the bank to obtain any further information they may hold.
- ⊗ If we are still unable to identify funds, we will ask the bank to return funds to the originator where possible.
- ⊗ Any funds unable to be returned will be held for a period of 3 years, after which point, we will do one of the following:
 - If the associated service charge fund can be identified, they will be recorded as an addition to the general reserve fund of the building.
 - If no fund can be identified, the funds will be donated to a registered charity that would reimburse the us for payment of the monies if a beneficiary is subsequently identified.