

Client Money Policy – Public Copy

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The Policy

This document sets out how Roger Hannah Limited (RH) control client money. Client money includes tenant deposits.

RH follows RICS Client Money Rules (latest Version 1/4/19). Responsibility lies with the Head of Property Finance.

RICS members participate in the RICS Client Money Protection Scheme (CMPS) which acts as a last resort compensation scheme for third parties. This is also an approved CMPS under the Client Money Protection Schemes for Property Agents Regulations 2018.

Under RICS rules this policy is held on the Company web site.

Designation of Bank Account

In accordance with RICS rules, RH hold a separate bank account, clearly titled “client” and the bank have confirmed in writing there is no right of set off against RH own bank accounts.

The bank account is subject to review by a responsible official (See below).

Residential deposits are held by the DPS.

Property Management (PM) Client Money

In accordance with RICS rules, clients are informed of the whereabouts of client money in an Introductory letter.

Tenants are informed of the whereabouts of Tenant Deposits in an introductory letter.

Responsibility for communicating these lies with the Head of Property Management.

Clients and tenants are informed that, being a pooled current account, interest on the account is minimal and it is not practical to distribute to clients. The interest is used to partly fund bank charges.

Other Client Money

Any Client money received as a result of surveying activities (e.g. CPO) should be avoided where possible in accordance with RH Money Laundering Policy. Agency should never receive and distribute proceeds of sale.

As a last resort if received it must be deposited in the PM Client Money Account, never RH own account.

The Client must be informed of the whereabouts of that money by the receiving surveyor.

The Controls over that Bank account are the same as for PM.

Account Review

A monthly audit of the bank accounts is performed by the Finance Director, Including:

- Three-way reconciliation (cash book, bank statement and list of individual client balances). Old items are investigated.
- Review of balances to ensure non are overdrawn (system prevents this in any case).
- Review of holding account / unallocated receipts.
- Reconciliation of company system to DPS ledgers for residential tenant deposits.
- Three-way reconciliation of Commercial Tenant Deposit ledgers (cash book, bank statement and list of individual tenant balances).

System Controls

Each user has a unique log in. Password changes are forced every 31 days and must be complex.

Each user is assigned to a work group to ensure segregation of duties.

System flags are set at client level (filters down to property level) and sub ledgers (rent and service charge) to prevent ledgers going overdrawn on payments. This makes it a physical impossibility to post a payment in such instances.

The system allows for 11 days for tenant cheques to clear before making funds available. This prevents balances going overdrawn as a result of bounced cheques.

Transaction Processing Controls

RH use a Purchase Ordering system for standard invoices, with segregation of duties achieved across ordering receipting, invoice processing and payment.

Payment Controls and authorities

RH Policy is to achieve a segregation of duties wherever possible.

Bankline

Bank account details need to be sent to RH on letter head paper by the recipient whether supplier, tenant or client (e.g. their invoice, or a letter). Any requests by other means will be challenged to prevent Social Engineering Cyber Fraud.

All Bankline Payments are required to be made through templates or bulk lists (supplier or client) which hold safe supplier and client bank details. The person verifying the bank details is separate from the one entering these on Bankline.

Payments are authorised by appointed Directors.

Cheque Authorities

Dual signature is required for significant payments.

Deposits

Commercial deposits are held in a separate bank account and follow the same rules as above.

Residential deposits are held in DPS and follow DPS process for paying in/withdrawal.