

Client Money Policy – Public Copy

November 2023



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The Policy

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

RH follows RICS Client Money Handling, 1st Edition (dated 24th October 2019) and also RICS Client Money Protection Scheme Rules (dated 1st April 2019). Responsibilities are:

Head of Property Finance	Financial governance over the Client bank accounts.
Property Managers	Communication of client account practices (Property Management).
Engaging Surveyor	Communication of client account practices (General Practice).

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. A copy of the current membership certificate is appended.

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

Designation of Bank Account

In accordance with RICS rules, RH hold separate bank accounts for Client Money and Tenant Deposits. Both are clearly titled “client” and the bank have confirmed in writing there is no right of set off against RH own bank accounts.

RH has exclusive control over these client accounts which are in the name of Roger Hannah Ltd. Access to funds is restricted to principals or senior employees. A summary of controls and reconciliation is provided below.

Bank charges are charged to RH Business Account.

The client and tenant deposit accounts are both composite accounts. They are current transactional accounts attracting little or no interest. Interest is therefore retained to partially offset bank charges.

Details are provided to Clients and Tenants on engagement or when placing a deposit.

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 and / or the Management Agreement.

Tenants are informed of the whereabouts of Tenant Deposits in an introductory letter when placing a deposit.

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

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. We should not be seen to be providing a bank deposit facility for clients.

As a last resort if received it must be deposited in the PM Client Money Account, never RH own account where the controls over that Bank account are the same as for PM.

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

Unidentified funds

In line with RICS practice, any unidentified monies held in the holding account after 3 years and after best efforts to identify, will be donated to a registered charity.

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 none 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 supplier maintenance, 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 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.

Last Reviewed

Nov 2023

Next Review

Nov 2024



This is to certify that

Roger Hannah Ltd (025077)

Is a member of the RICS Client Money Protection Scheme

For valid claims, the customers of scheme members will have access to Client Money Protection with the following claims limitations:

- an annual aggregate limit of up to £10,300,000, in addition to;
- an annual aggregate limit of £10,000,000 specifically ringfenced for the activities of a "letting agent" or a "property manager" as defined in the Housing and Planning Act, 2016; and,
- a claims limit of £50,000 per valid claim.

Exclusions and limitations to the scheme can be found on www.rics.org/ClientMoneyProtectionScheme

A handwritten signature in dark ink, appearing to read "Richard Collins".

Executive Director for the
Profession