

## **CLIENT ACCOUNT OPERATIONAL PROCEDURES FOR KEYGROVE CHARTERED SURVEYORS**

At all times the handling of client monies will be undertaken in accordance with RICS Professional Statement – **“Client Money Handling: 1<sup>st</sup> Edition, October 2019, effective 1<sup>st</sup> January 2020.** A copy of this Statement is sent to all clients for whom we operate client accounts and a further copy is available for download from our website.

### **Personnel**

Firm’s Principals -	Andrew Hancock BSc (Hons) MRICS Thomas Holloway Hamish MacAlister
Property Manager	Martin McKenna
Property Accounts Manager	Tracie Worthy
Property Accounts Assistants	Erin Miller Christina Gard

### **General Controls**

- Incoming post – always opened by the office manager or one of the firm’s principals.
- Incoming money – cheques. Recorded in “cheque log” file and banked within 3 working days.
- Distinguishing “client” and “office” monies – where incoming client money does not have a suitable identifying reference, investigations will be undertaken to establish source and purpose of payment in order to ensure correct allocation.
- Cash receipts are limited to a maximum of £1,500.00 (One thousand five hundred pounds).

### **Client Bank Accounts**

- Banks Holding Designated Client Accounts – HSBC Bank and Metro Bank.
- A full schedule of designated client bank accounts is held under separate cover, also detailing opening and closing dates.
- Written confirmation is obtained from banks detailing client account conditions – held under separate cover.
- A designated client bank account is opened only once a Property Management Service Agreement has been signed by the client together with a client bank account authorisation letter. AML checks are also undertaken prior to opening.
- Mandates – Andrew Hancock, Thomas Holloway and Hamish MacAlister are full authorised signatories. Tracie Worthy, Erin Miller and Christina Gard have “view” mandate.

### **Client Accounting Systems and Controls**

- Accounting software – T&H Property Management – is the software package used to manage client money.
- We do not operate a General Client Account but a series of discrete accounts for each client. When a new client is taken on, a discrete bank account will be opened for their benefit.
- Reconciliations agree system balances to bank statements and are undertaken on a monthly basis. Each monthly reconciliation is produced by the Accounts team, printed as a report, checked and signed off by Andrew Hancock and filed. Whilst a balance check is performed weekly on every account, if there are no transactions occurring within a month period, then a formal reconciliation report is not produced but will be undertaken on a quarterly basis.

### **Controls over Receipt of Client Money**

- All incoming post is always opened by the office manager or one of the firm's principals.
- Cheques received are recorded in "Cheques Log" folder and cashed within 3 days of receipt. We accept cash up to a maximum of £1,500.00 (One thousand five hundred pounds).

### **Controls over Payment of Client Money**

- Hard copies of the Bank Mandates are held in the "Client Banking Management Documentation File".
- Only Andrew Hancock, Tom Holloway and Hamish MacAlister are permitted to authorise payment of client funds. Tracie Worthy, Erin Miller and Christina Gard will set up payments. Every invoice received whether soft copy or hard copy is printed off and stamped with authorisation details including name of client, property address, type of expenditure and date of authorisation. Either Tracie Worthy or Erin Miller set up bank payments. The invoice is stamped as at date of payment and filed. The majority of payments are made electronically. Cheque payments are made rarely. Cheques in excess of £5,000.00 (Five thousand pounds) require two Directors' signatures. No cash payments are permitted.
- New suppliers – appropriate telephone checks are carried out before making payments. Either Tracie Worthy, Erin Miller or Christina Gard set up the new supplier's details and a principal of the firm authorises via the banking portals.
- Unidentified Monies – we ensure that all efforts are made to trace the clients or owners of the money.
- Unidentified Monies are held in a client suspense account.
- Unidentified Monies are held for a minimum period of three years. If, after three years, the client or owner of the money has not been found and no true claimants to the money have come forward, it is to be donated to a registered charity. A receipt will be obtained for this transaction so should a true claimant come forward to collect the money it can be made available to them. The receiving charity should offer the donating firm an indemnity to enable the firm to recover a donation in the event of a claim.

### **Other Compliance**

We ensure compliance with the following regulations:

- Anti Money Laundering legislation, rules and regulations for receipts of client monies. We undertake appropriate training on a regular basis.
- RICS Professional Statement - "Countering Bribery and Corruption, Money Laundering and Terrorist Financing".