

CLIENT MONEY HANDLING PROCEDURE

Compliance

The whole of this document is to be taken as Easton Bevens Limited – Block Management’s written procedures for Handling Client Money in accordance with the RICS Rules of Conduct.

These procedures are set to ensure compliance with:

- The RICS Rule of Conduct.
- The RICS Client Money Protection Scheme.
- The Client Money Protection Scheme for Property Agents (Approval and Designation of Schemes) Regulations 2018.
- Any other regulations & Statutory requirements as necessary, and to maintain best practice.

Aims

The aim of these written procedures is to ensure client money is held in accordance with Rule 8 of the RICS Rules of Conduct as follows:

Clients’ money

8. A firm shall preserve the security of clients’ money entrusted to its care in the course of its practice of business

With reference to the word ‘firm’ for the avoidance of doubt, the firm in this document is referred to as Easton Bevens Limited.

Another aim is to comply with the RICS Client Money Protection Scheme.

Handling of Client Money – written procedures

As a member of the RICS Client Money Protection Scheme for management services, we adhere to the RICS Client Money Protection Scheme, and any other regulations as necessary as follows by using the following procedures:

- All client money is held in a client Money account with a bank or building society authorised by the Prudential Regulatory Authority (PRA), the Bank of England and the Financial Conduct Authority (FCA).
- As a scheme member we:
 1. Maintain one or more Client Money Accounts into which all client money is paid.
 2. Ensure that Client Money Accounts are designated as such and easily distinguished from other accounts.
 3. Advise clients of client money to be held in a Client Money Accounts and notify clients of details of that account.
 4. Confirm in writing with the bank with which we hold a Client Money Account that the bank acknowledges that monied in the Client Money Accounts must not be combined with, or transferred to, any other account maintained by Easton Bevens Limited, and the bank shall

not be entitled to exercise any right of set up or counterclaim against money in that Client Money Account in respect of any sum owed to it in respect of any of Easton bevens Limited's other accounts.

5. Keep records and accounts which show all dealings with client money and demonstrate that all client money held by Easton Bevens Limited is held in a Client Money Account.
 6. We publish our procedures for handling client money on our website
- With regards to handling client money, we:
 1. Have and comply with written procedures for handling client money, which comply with any RICS requirement to which rule 7.4 refers.
 2. Provide a copy of our procedures for handling client money to any person who may reasonably require a copy, free of charge.
 3. Keep records and accounts that show all dealings with client money.
 4. Repay any client money, including where feasible any interest earned, without delay if there is no longer any requirement to retain that money or the relevant client requests it.
 5. Hold and maintain professional indemnity insurance cover that is appropriate for Easton Bevens Limited's size, income, type of works and the amount of client money held.

Donations to Charity

In the event that Easton Bevens receive surplus client money in a client account, we follow best practice and enact the following procedures:

- Ensure all efforts are made to trace the client or owners of the money
- Hold the surplus money in a suspense ledger
- Hold surplus money for at least 3 years

If after 3 years the client or owner of the money has not been found and no true claimants to the money have come forward, in accordance with RICS guidance, it will 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. We will request that the receiving charity should offer an indemnity to enable Easton Bevens to recover a donation in the event of a claim.

If all efforts to trace the clients or owners of the money fails, and after following the above procedures, Easton Bevens will donate the amount to a RICS approved charity.

General Controls

Easton Bevens Limited ensures that:

- Employees have a clear segregation of duties and responsibilities and that an appropriately qualified individual oversees the client accounting function.
- It employs competent and knowledgeable staff who are responsible for processing clients' money and who are familiar with the RICS Rules.
- Accounts systems and client data are securely controlled.
- Computer systems are adequately protected for access, firewalls, back-ups and disaster recovery.
- There is adequate cover for holiday and long-term absence.

- All areas of the business apply the same level of controls in relation to the client accounting function.

Client Bank Accounts

Easton Bevins Limited ensures that:

- We hold clients' money in one or more client bank accounts separate from all other client money accounts and it is available on demand.
- The bank accounts is correctly titled to include the abbreviated name of Easton Bevins and the word 'client' to distinguish the accounts from an office or any other account.
- We advise clients in writing of the bank account details (account name, name & address of the bank) and agree the terms of the account handling, including arrangements for interest and charges.

Client Accounting Systems and Controls

Easton Bevins Limited ensures that:

- Accounting records and systems are appropriate to the nature and volumes of client accounts transactions.
- Systems provide details of all money received into and paid from all client accounts and show a running balance of all client money held in that account.
- Systems identify all receipts and payments to the client by which they relate, for example by means of client ledgers showing cash balances held on behalf of the clients at all times.
- Accounting records are completed chronologically and promptly.
- All ledgers have the client's name and appropriate description.
- Overdrawn balances on client ledgers are prevented by the systems or control in place and where they do occur are investigated and rectified immediately.
- Adequate controls are in place over unidentified client money to ensure that such funds are kept securely. The client should be located and reimbursed as soon as possible.

The monthly reconciliations should agree with the cash book or system balances to bank statements and include a full list of:

- Dated unrepresented cheques.
- Dated outstanding deposits.
- Details of any other reconciling items.
- System reports supporting reconciliation figures as appropriate.
- Reconciliations should not include regularly occurring adjustments or reconciling items more than three months old, except for unrepresented cheques which should be no more than six months old.
- Reconciliations are reviewed and signed off by an appropriate senior member of staff.
- Client accounting records, including copies of reconciliations, are securely kept for at least six years plus the current year.

Information provided to clients about client money

Easton Bevins advises the clients in writing of the bank account details and agree the terms of the account handling, including arrangements for interest and charges.

Reporting arrangements are agreed individually with each client to meet their needs, but typically include regular financial reporting and details of the client money held by Easton Bevins on their behalf.

Controls over the receipt of client money

Easton Bevins Limited ensures that:

- Procedures exist to ensure all clients' money is banked within three working days.
- All cheques received by post or by hand are promptly recorded.
- Procedures exist to identify and distinguish between clients' and Easton Bevins Limited's money.
- If received, mixed monies are initially paid into a client account and the office element paid into the office account when the receipt has cleared the bank.

Controls over the payment of client money

Easton Bevins Limited ensures that:

- Checks are made to ensure sufficient funds are held on behalf of the relevant client before payments are made.
- A copy of the bank mandate is held and is up to date.
- Adequate authorisation and supervision procedures are in place for payments made by cheque, bank transfer and electronic methods.
- All payment requests have supported evidence and that documentation has been authorised in advance by an appropriate person.
- Blank cheques are not signed, and unused cheques are kept securely.
- Effective controls are in place over the setting up of a new supplier account on the system.
- Cash payments are avoided.

For more information on the Client Money Protection Scheme, please visit

<https://www.rics.org/regulation/regulatory-schemes/client-money>