

CLIENT MONEY HANDLING PROCEDURE

Definitions

Client	A member of the public who is a client of Johnsons Lettings Limited (the Firm) – this can include any person, firm, trust, body, corporate or other organisation.
Client Money	<p>Money of any currency (whether in the form of cash, cheque, draught, or electronic transfer) which:</p> <p>The Firm holds or receives for or from a client;</p> <p>a) Is not immediately due and payable on demand to the Firm for its own account;</p> <p><i>but excluding:</i></p> <p>a) Money of any currency transferred to a Tenancy Deposit Scheme (such as the Deposit Protection Service);</p> <p>b) Fees paid in advance for professional work agreed to be performed and clearly identifiable as such;</p>
Client Money A/c	<p>An account which:</p> <p>a) Does not contain any sums other than the whole or any part of client money paid into it, together with accrued interest on such money; and</p> <p>b) Includes in its title the word “Client” or an appropriate abbreviation of that word and whether such account is held in the name of the Firm.</p>
The Firm or we	Johnsons Lettings Limited.
RICS	The Royal Institution of Chartered Surveyors

Compliance

These written procedures are set out to ensure compliance with:

1. The RICS Rules of Conduct for Firms
2. The RICS Client Money Protection Scheme
3. The Rules for subscribers to the Property Ombudsman redress scheme (TPO)

Aims

1. To ensure that Client money is held in accordance with Rule 8 of the RICS Rules of Conduct, namely “a Firm shall preserve the security of clients’ money entrusted to it’s care in the course of its practice or business”;
2. To comply with the RICS Client Money Protection Scheme;

Handling of Client Money – Procedures

The Firm adheres to the RICS Rules of Conduct for Firms, the RICS Client Money Protection Scheme, and any other regulations as required by using the following procedures:

1. All client money is held in a Client Money Account (CMA) with a Bank, authorised by the Prudential Regulatory Authority (PRA), the Bank of England and the Financial Conduct Authority (the FCA);
2. The Firm:
 - a. Maintains a Client Money Account into which all client money is paid;

- b. Ensures that the Client Money Account is designated as such and easily distinguished from other accounts;
 - c. Advises clients that client money is held in a Client Account and notifies that client of the relevant details;
 - d. Confirms in writing with the Bank in which it holds a Client Money Account, that the Bank acknowledges that monies in that Account must not be combined with or transferred to any other account maintained by the Firm, and the Bank shall not be entitled to exercise any right of set-off or counter claim against money in that Client Money Account, in respect of any sum owed to it in respect of any other account of the Firm.
 - e. Keep records and accounts which show dealings with Client money and demonstrate that all client money held by the Firm is held in a CMA.
3. As regards handling client money, the Firm:
- a. Follows written procedures for handling client money which complies with RICS requirements;
 - b. Publishes its procedures for handling client money on its website;
 - c. Provides a copy of its procedures for handling client money to any client or person who may reasonably require a copy (free of charge);
 - d. Keeps records and accounts that shows all dealings with client money;
 - e. Repays any client money without delay if there is no longer any requirement to retain that money, or the relevant client requests it, and
 - f. Holds and maintains both Professional Indemnity Insurance and Client Money Protection Insurance that is appropriate for the size of the firm and the amount of client money held.

Donations to Charity

In the event that the Firm receives surplus client money in a Client Account, it follows best practice and enacts the following procedures:

- a) Ensures that all efforts are made to trace the client(s) or owner(s) of the money;
- b) Holds the surplus money for at least 6 years;
- c) If after 6 years the client(s) or the owner(s) of the money has not been identified and no true claimants to the money have come forward, in accordance with RICS guidance, it may be donated to a Registered Charity;

General Controls

The Firm ensures that:

- a) Employees have a clear segregation of duties/responsibilities and that a director, or appropriately qualified individual oversees the client accounting function;
- b) It employs competent and knowledgeable staff who are responsible for processing clients' money and who are familiar with RICS Rules;
- c) Accounting systems and client data are securely controlled and protected;
- d) Computer systems are adequately protected for access, firewalls, backups and disaster recovery;
- e) There is adequate cover for staff holiday and long term absence;
- f) The directors cannot and do not override controls surrounding the accounting system;

Client Bank Accounts

The Firm ensures that:

- a) Clients money is held in a client bank account separate from all other monies and is available on demand to clients;
- b) The bank account is correctly titled to include the name of the Firm and the word "Client" to distinguish it from an office or any other account;

- c) It advises Clients in writing of the bank account details (account name and name and address of the Bank) and agrees arrangements for interest and charges;
- d) Written agreement is obtained if the Firm is to retain interest.

Client Accounting Systems and Controls

- a) Systems provide details of all money received into and paid from the Client Account and shows a running balance of all client money held in that account;
- b) Systems identify all receipts and payments to the client to which they relate, eg by means of client ledgers showing cash balances held on behalf of clients.
- c) Accounting records are completed chronologically and promptly;
- d) The current balances at the total and client balance levels are always available;
- e) All ledgers have the client name and an appropriate description, eg the property address;
- f) Overdrawn balances on client ledgers are prevented by the systems or controls in place and where they do occur, are investigated and rectified immediately;
- g) 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;
- h) A "three-way" reconciliation is completed at least once every month, where client's money is held in a general Client Account. This is produced as a formal statement and any unresolved differences or adjustments are fully investigated and explained. Any errors identified in the reconciliation process are promptly rectified.

Controls Over the Receipt of Client Money

The Firm ensures that:

- a) Procedures exist to ensure all clients' money is banked within 3 working days;
- b) All cash and cheques received by post or by hand are promptly recorded;
- c) Procedures exist to identify and distinguish between clients' and office money;
- d) Mixed monies are initially paid into a Client Account and the office element paid to the office account when the receipt has cleared the bank;
- e) Fees received in advance for professional work not yet billed are paid into the Client Account pending completion of the work;
- f) Duplicate receipts are issued for cash received and controls over the physical security of cash are effective;

Controls over the Payment of Client Money

The Firm ensures that:

- a) Checks are made to ensure that sufficient funds are held on behalf of the relevant client before payments are made;
- b) A copy of the bank mandate is held and is up to date;
- c) Adequate authorisation and supervision procedures are in place for payments made by cheque, bank transfer and electronic methods;
- d) All payment requests have supporting evidence and that documentation has been authorised in advance by a director or other appropriate person;
- e) Blank cheques are not signed, and unused cheques are kept securely;
- f) Effective controls are in place over the setting up of new supplier accounts on the system;

For more information on the RICS Client Money Protection Scheme, please visit www.rics.org