

PROCEDURES FOR HANDLING OF CLIENT MONEY

Michael Rogers Property Management Ltd ensures the security of clients' money entrusted to it in the course of its business.

Our aim is to ensure that clients' money can be clearly linked to the clients to whom it belongs and is protected in particular, in the following circumstances:

- Insolvency
- Misappropriation
- Transfer of client money to another organisation

Should clients' money be misappropriated, the firm will inform the RICS and, where appropriate, the police and our insurers.

GENERAL

- Employees have clear segregation of duties and responsibilities and a Principal oversees the client accounting function.
- We employ competent and knowledgeable staff who are responsible for processing clients' money and who are familiar with RICS Rules.
- Our accounting systems and client data are securely controlled and protected.
- Our computer systems are adequately protected for access, firewalls, backups and disaster recovery.
- There is adequate cover for holiday and other absence.
- Principals cannot and do not override controls surrounding the accounting systems.

CLIENT BANK ACCOUNTS

- Our clients' money is held in one or more client bank accounts separate from all other monies and that client money is available on demand.
- Client Money is held in a client bank account with a bank authorised by the Prudential Regulatory Authority (PRA), the Bank of England and the Financial Conduct Authority.
- Any client bank accounts are correctly titled to distinguish the accounts from an office or any other account.
- We have obtained written confirmation from the bank that monies in the client bank account must not be combined with, or transferred to, any other account maintained by us, and the bank shall not be entitled to exercise any right of set up or counterclaim against money in that client bank account in respect of any sum owed to it in respect of any of our other accounts.
- We advise clients in writing of the bank account details and agree the terms of the account handling, including arrangements for interest and charges.

CLIENT ACCOUNTING SYSTEMS AND CONTROLS

- Accounting records and systems are appropriate to the nature and volumes of client account transactions. A suitable software package is used to manage client money effectively.
- Our 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.
- Our systems identify all receipts and payments to the client to which they relate;
- Accounting records are completed chronologically and promptly.
- The current balances at the total and client levels are always available.
- All ledgers have the client name and an appropriate description.
- Overdrawn balances on client ledgers are prevented by the systems in place.
- Adequate controls are in place over unidentified client money to ensure that such funds are kept securely. The clients are located and reimbursed as soon as possible. Such funds held for more than six years are donated to a registered charity.
- A central list of client bank accounts is maintained.
- Our systems ensure that a 'three way' reconciliation involving our general client account occurs in real time automatically and any issues with the reconciliation are automatically flagged up and dealt with promptly.
- Reconciliations are reviewed by a Principal.
- Client accounting records, including copies of reconciliations, are securely kept for at least six years plus the current year.

CONTROLS OVER THE RECEIPT OF CLIENT MONEY

- Only a Principal or appropriate staff independent of accounting staff open incoming post.
- Procedures exist to ensure all clients' money is banked within three working days.
- All cheques received by post or by hand are promptly recorded. Cash is not accepted as a form of payment.
- Procedures exist to identify and distinguish between clients' and office money.
- Mixed monies are initially paid into the client account and the office element paid in the office account when the receipt has cleared the bank.
- Unbanked client money receipts are kept secure.

CONTROLS OVER THE PAYMENT OF CLIENT MONEY

- Checks are made to ensure that 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.
- Insurance and adequate Principal supervision is in place where payments are made by non-principals.
- All payment requests have supporting evidence and that documentation has been authorised in advance by a Principal or other appropriate person.
- Blank cheques are not signed, and unused cheques are kept securely.
- Effective controls are in place over the setting up of new supplier accounts on the system.
- Cash is not accepted as a form of payment.