

Client Money Handling Procedures

Action Property Management preserve the security of clients' money entrusted to its care in the course of our business.

All clients' money can be clearly linked to the clients to whom it belongs and is protected on their behalf at all times and in particular, in the following circumstances:

- Insolvency,
- Misappropriation by any party,
- Transfer of client money to another organisation.

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

General controls

We ensure:

- employees have clear segregation of duties and responsibilities and that a single Director oversees the client accounting function.
- that we employ competent and knowledgeable staff who are responsible for processing clients' money and who are familiar with RICS Rules.
- that our accounting systems and client data are securely controlled and protected.
- that our computer systems are adequately protected for access, firewalls, backups and disaster recovery.
- employees cannot and do not override controls surrounding the accounting systems.

Client bank accounts

We ensure:

- that 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 bank accounts are correctly titled to distinguish the accounts from an office or any other account.
- we have obtained written confirmation from the bank of the client account conditions.
- we advise clients in writing of the bank account details and agree the terms of the account handling, including arrangements for interest and charges.
- Any interest paid is due to the client and not under any circumstances retained by the agent.

Client accounting systems and controls

We ensure:

- Client accounting systems and controls
- accounting records and systems are appropriate to the nature and volumes of client account transactions.
- our systems provide details of all money received into and paid from all client accounts.
- 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 and reported quarterly to clients or on request.
- all ledgers have the client name and an appropriate description, e.g. the property address.
- 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
- a central list of client bank accounts is maintained including dates of opening and closing accounts.
- reconciliations are reviewed and signed off by a Director or an appropriate independent senior member of staff.
- 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

We ensure:

- procedures exist to ensure all clients' money is held in safe and banked within seven days.
- all cash and cheques received by post or by hand are promptly recorded and retained in the office safe.
- procedures exist to identify and distinguish between clients' and agent 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.
- fees received in advance for professional work not yet billed are paid into a client account pending completion of the work.
- cash is no longer accepted for payment of ground rent and service charges.
- unbanked client money receipts are kept secure.

Controls over the payment of client money

We ensure:

- 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.
- all payment requests have supporting evidence and that documentation has been authorised in advance by a Director or Property Manager.
- unused cheques are kept securely in the office safe.
- effective controls are in place over the setting up of new supplier accounts on the systems
- cash payments are avoided, employees are requested not to accept cash for payment of fobs unless in the event of an emergency. Receipts are issued for any cash accepted