CLIENT MONEY HANDLING PROCEDURE

BPS CHARTERED SURVEYORS

1. Purpose

This procedure sets out how the firm receives, holds, controls and accounts for client money. It ensures compliance with RICS requirements and provides a clear audit trail demonstrating proper control and protection of client funds.

2. Scope

This procedure applies to all client money held in connection with property management, service charge administration, rent collection and any other funds held on behalf of clients including commercial rent deposits and service charge funds.

Residential tenancy deposits are held by the DPS (Deposit Protection Service)

3. Definition of client money

Client money is any money held or received on behalf of a client in connection with professional services. This includes rents, service charges, reserve funds, deposits, insurance monies and any other client-related balances. It does not include fees properly due to the firm once transferred to the office account in accordance with agreed terms.

4. Bank accounts

All client money is held in designated client bank accounts. All such accounts include the word Client in the account title. Accounts may be general or discrete depending on the circumstances. Client money is never mixed with office funds.

5. Control of funds

Access to client accounts is restricted to authorised personnel only. All payments require supporting documentation and appropriate approval. Evidence of approval is retained and must be available for inspection.

6. Receipts

All receipts must be identified and recorded promptly. They must be allocated to the correct client or property account. Where a receipt cannot immediately be identified, it must be recorded as unidentified and investigated without delay.

7. Payments

Payments are made only for legitimate client purposes. Sufficient cleared funds must be available before any payment is made. Each payment must be supported by appropriate documentation such as an invoice, instruction or contractual obligation.

8. Reconciliations

The main Client account is reconciled weekly. Reconciliations include comparison of the bank balance, cashbook and client ledger where applicable. Each reconciliation is reviewed and signed off by a director. Any discrepancies must be investigated and resolved promptly.

9. Bank controls

Bank operating conditions letters are obtained and retained for all relevant client accounts. Bank mandates are maintained and kept up to date. Accounts are structured to ensure client funds are protected.

10. Changes to bank details

All bank detail changes must be independently verified before implementation. A log of changes is maintained including details of verification and approval.

11. Unidentified funds

Unidentified funds are recorded and reviewed regularly. Efforts are made to identify and allocate funds promptly. A full record is maintained until resolution.

12. Interest and charges

Interest is handled in accordance with client agreements and applicable requirements. Bank charges are treated in line with agreed arrangements.

13. Client reporting

Clients are provided with regular statements and reports. All balances must be capable of explanation and supporting documentation must be available.

14. Complaints and whistleblowing

A complaints handling procedure and complaints log are maintained. A whistleblowing procedure is in place to allow reporting of concerns relating to client money.

15. Record keeping

All records are retained to provide a full audit trail. Transactions must be traceable from source documentation through to the bank account.

16. Monitoring and review

This procedure is reviewed at least annually. Staff are required to comply with this procedure at all times.