

CLIENT MONEY HANDLING PROCEDURES

1. Client Money Holding

- a. Client money held or received by Brown & Co is either banked into a general clients' bank account, a designated discrete account or held in a client-controlled bank account
- b. A general client's bank account is a client bank account which holds pooled client money belonging to more than one client. A discrete bank account is a client-named bank account which holds client money belonging to a single client. All landlord and tenant monies are held separately
- c. Client monies are held separately from Brown & Co's own monies, are easily identifiable and immediately available. Within the general clients' bank account, each client's money is recorded in individual client ledgers to maintain segregation of funds.
- d. Signatories on accounts will be at Partner level or management within the finance team, only persons from these levels will be able to authorise new signatories
- e. Any withdrawals from the client account can only be made after a specific approval process has been completed by a signatory in accordance with the bank mandate and Brown & Co's procedures.
- f. All payments are made with sufficient supporting evidence that has been checked by two members of staff before authorising. Segregation of duties is in place within the client accounting team to prevent data tampering within the payment process
- g. The Client Bank Account is an interest-bearing account; Brown & Co are entitled to retain the interest earned on the account as mentioned within the management agreement. Brown & Co will cover the transactional banking and account maintenance charges associated with the operating of the accounts.
- h. Any reporting and frequent requirements are agreed and documented with the client and provided in line with the agreement

2. Post Opening

- a. All post is to be opened by two people.
- b. Client account cheques will be listed on a special form and signed off by the two post openers.
- c. All cheques will be paid into the bank, preferably on the same day but if not, within seven days of receipt into the client account.
- d. The list of cheques and a copy of the paying in slip will be scanned to Norwich Client Accounts so that the details are available and the total can be agreed to the amount appearing on the bank statements.
- e. Office Account cheques as opposed to Client Account cheques should be identified and separated.
- f. In the event of a cheque containing both Office money and Client money, the cheque will be paid into the Client Account and the Office Account element paid into the Office Account once the cheque has been cleared through the Client Account.

3. Cash and Cheques received in the Office by hand

- a. A duplicate receipt book is used and both the payer and member of staff should sign both copies; one copy should be given to the payer.
- b. If a tenant pays with a rent book, after entering the details, a copy of the page should be taken, signed by the payer and retained by Brown & Co.
- c. Cash and cheques should be included on the list in 1 (b) above and thus included in the day's banking.
- d. In the event that cash or cheques are received after the day's banking has taken place, they should be put in a safe locked place until the next day.
- e. Debit card payments from tenants are acceptable, but can only be handled by card machines held by Brigg, King's Lynn, Norwich and Spalding. Any such receipts should be included as an addendum on the list in 1 (b) above.

4. Suppliers'/Contractors' Invoices

- a. Invoices addressed to just Brown & Co will not be accepted.
- b. Suppliers and Contractors should be told that invoices must be made out to the client – ie Mr XYZ Client, c/o Brown & Co.
- c. The stamp should be printed onto the invoice, details completed and the payment authorised by a "Partner or other appropriate person" (ie an authorised person listed on the Office Authorisation List held by Norwich Accounts).
- d. A copy of the authorised invoice should be sent to Norwich Client accounts for payment. The original should be retained for eventual attachment to the Client's statement.

5. Payments to Clients, Suppliers and Contractors

- a. The majority of payments to Clients, Suppliers and Contractors will be handled from Norwich either by online BACS payments or cheques. In both cases the final online transmission or the cheques, supported by authorised documentation, will be signed off by a 2 stage authorisation process.
- b. Each Office has a Clients Account cheque book and therefore emergency payments can be made locally, but only having first checked with Norwich Accounts that the funds are available in the particular client's account. Under the RICS Regulations, a client's account cannot be overdrawn. Details of cheques issued must be entered on a payments schedule and emailed to Norwich Accounts on the day of issue; the schedule should be signed off by a Partner.
- c. Clients' bank details for inputting to our reporting system for future payments to Clients will only be acceptable by Norwich Accounts if sent by or authorised by the Client.
- d. It will no longer be acceptable for a member of staff to email Norwich Accounts giving a Client's bank details, unless the email trail shows that the original email with bank details has been instigated by the Client.
- e. Direct debits and standing orders from Clients Accounts are only allowed in certain circumstances under RICS Regulations and only with the client's prior approval. Please contact Norwich Accounts before agreeing to either of these methods of payment.

6. Client Account Bank Details for Online Purposes

- a. Tenants should ensure that they enter their unique Qube property reference in any online payment – this is listed within all invoices sent out by Client Accounts
- b. If the client account bank details are given out to other parties, Norwich Accounts should be informed by email so that they can identify the receipt when it appears on the bank statements.

7. Bank Account Reconciliations

- a. The main clients account is reconciled to our reporting system on a daily basis and all other discrete client accounts are reconciled monthly or quarterly depending on the account.
- b. All month end reconciliations should be checked and signed off by a secondary approver at at least manager level.
- c. Reconciliations should not include regularly recurring adjustments or reconciling items that are more than three months old, except for unrepresented cheques which should not be more than six months old.

8. Retention of Records

- a. Client accounting records, including copies of reconciliations, should be kept for seven years.

9. Unallocated Receipts & Cheques

- a. Any receipts that cannot be identified and allocated to their respective ledgers should be placed in 980unallocat (suspense).
- b. A receipt must not be left in this ledger for more than 7 days, unless: There is evidence of investigation which requires additional time; or there are no bank details supplied of which to return the funds (e.g. monies received from foreign bank accounts).
- c. After this deadline, funds will be returned to the same bank details it was sent from – which can be supplied by Barclays or NatWest helplines if not discoverable by Barclays.net or Bankline.
- d. Investigation of receipts should include Firstly, ask Client Accounts and Finance colleagues if it's recognised. Next, send an Officewide or Firmwide email asking for input from job managers. Also, if applicable, contact the sender through trusted contact details to clarify with them.
- e. Cheques should not be held for any longer than 6 months. After this time, cheques should be returned to the appropriate address with reasoning as to why. It is also helpful to contact the sender to discuss and confirm that we will not bank said cheque, which may require another being issued.
- f. Investigation into cheques can follow similar procedures to unidentified receipts. Appropriate documentation should be attached to movements on QUBE once resolved or in dispute via the documents tab.
- g. If after 3 years we have been unable to identify the origin or client relating to the funds we will make a payment to a registered charity, and an indemnity will be obtained