

Client Money Handling Procedures

Maggs & Allen shall preserve the security of clients' money entrusted to its care in the course of its practice or business.

Client Money Protection Scheme

Aim

To ensure that 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 client money be misappropriated, Maggs & Allen will inform RICS, and where appropriate, the police and our insurers.

General

Maggs & Allen ensures that:

- Employees have a clear segregation of duties and responsibilities and that a Partner 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.
- Accounting systems are securely controlled and protected.
- Computer systems are adequately protected for access, firewalls, back-ups and disaster recovery.
- There is adequate cover for holiday and long-term absence.
- Partners cannot and do not override controls surrounding the accounting system.
- All departments apply the same level of controls in relation to the client accounting function.

Client Bank Accounts

Following RICS Guidance, Maggs & Allen ensures that:

- We hold clients' money in multiple client bank accounts separate from all other monies and it is available on demand.
- Our Bank is Barclays Bank plc
- The client accounts are correctly titled Maggs & Allen Client Account, to easily distinguish them from other accounts.
- We have 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.
- We obtain written consent from our client if we are to retain interest.

Client accounting system & controls

Maggs & Allen ensures that:

- Accounting records and systems are appropriate to the nature and volumes of client account transactions. We use CFP Lettings software to enable us to manage client money effectively.
- Our system provides details of all money received into and paid from all client accounts and shows a running balance of all client money held in that account.
- Our system identifies all receipts and payments to the client to which they relate; for example by means of client ledgers showing cash balances held on behalf of clients at all times.
- 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, e.g. the property address
- Overdrawn balances on client ledgers are prevented by the systems or controls in place and where they do occur are investigated and rectified immediately.
- 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. Such funds held for over 6 years may be donated to a registered charity.
- A central list of client bank accounts is maintained including dates of opening and closing of accounts.
- We complete “three way” reconciliation at least once every month where clients’ money is held in a general account.

This is produced as a formal statement with any unresolved differences or adjustments being fully investigated and explained. Any errors identified in the reconciliation process are promptly rectified.

General client account reconciliations include a full list of:

- Client ledger balances and the total of the balances
- Dated unrepresented cheques
- Dated outstanding deposits
- Details of any other reconciling items
- System reports supporting reconciliation figures as appropriate

For discrete bank accounts the monthly reconciliations should agree the cash book or system balances to bank statement balances and include a full list of:

- Dated unrepresented cheques
- Dated outstanding deposits
- Details of any other reconciling items
- System reports supporting reconciliation figures as appropriate

Reconciliations do not include regularly occurring adjustments or reconciling items more than three months old, except for unrepresented cheques which should be no more than 6 months old.

- Reconciliations are reviewed and signed off by a Partner.
- Client accounting records, including copies of reconciliations, are securely kept for at least 6 years plus the current year.

Controls over the receipt of client money

Maggs & Allen ensure that:

- A Partner or appropriate staff member, independent of accounting staff, open incoming post.
- Procedures exist to ensure all clients' money is banked within 3 working days
- All cash and cheques received by post or by hand are promptly recorded
- A reconciliation is performed between money received by post and that day's banking
- Procedures exist to identify and distinguish between clients' and office money
- 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
- Fees received in advance for professional work not yet billed are paid into a client account pending completion of the work.
- Duplicate receipts are issued for cash received and controls over the physical security of cash are effective. Cash is not generally accepted.
- Unbanked client money receipts are kept secure.

Controls over payment of client money

Maggs & Allen ensure that:

- 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 up to date
- Adequate authorisation and supervision procedures are in place for payments made by cheque, bank transfer and electronic methods
- Insurance and adequate Partner supervision is in place where payments are made by non-directors
- All payment requests have supporting evidence and that documentation has been authorised in advance by a Partner 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 payments are avoided