

PROCEDURE DOCUMENT

Handling client money procedure

The RICS Professional Standard **Client Money Handling** states “RICS members and RICS-regulated firms must comply with the Rules of Conduct for Members and the Rules of Conduct for Firms and demonstrate compliance with the mandatory requirements set out in the professional statement on client money handling”.

This document sets out the client money handling procedures for Real Estate Consulting, an RICS Regulated Practice Division of Bellrock Property & Facilities Management Ltd.

Holding client money

In relation to holding client money, Bellrock will:

- hold all client money in client money accounts over which Bellrock has exclusive control at a bank or building society authorised by the relevant banking regulatory body for the jurisdiction
- ensure that a client money account does not contain any sums other than the whole or any part of client money paid into it, or any sums needed to replace money that has been withdrawn from the account by error, with accrued interest on such amounts
- not hold office money in a client money account unless it is a receipt of mixed monies where the office money is awaiting transfer
- ensure that all client money accounts include the word ‘client’ (written in full) and the name of the firm in the title of the account, and that discrete client money accounts include an identifier (e.g. the client or property name) in the title of the account to easily distinguish it from other accounts held
- ensure that money held in a client account is immediately available even at the sacrifice of interest, unless other arrangements are in the best interests of the client and the client has given express instructions in writing
- ensure that any interest payable for monies held in the account will be credited to that account
- agree with clients how bank charges will be handled for discrete accounts
- ensure that any charges for a general client account will not be debited to it but taken from an office account

- ensure that if a client has given instructions to hold monies in a high interest account with penalties for instant access, penalties are only paid out of the client account if the client has provided specific informed consent and this will not result in an overdrawn balance – otherwise the bank must be instructed that penalties are to be applied to the office account
- confirm the bank operating conditions in writing with the bank that holds the client money account, including acknowledgment from the bank that monies in the client money account will not be combined with or transferred to any other account maintained by Bellrock – the bank is not entitled to exercise any set-off or counterclaim against money in that client money account for any sum owed to it for any other Bellrock account
- ensure that where a client requests that money is held in an account to which it and the firm has access, this is a bank account set up by the client, not a firm bank account

Information to clients

Bellrock will provide the following information to clients in writing:

- confirmation that client money will be held in a client money account including bank account details, that Bellrock has exclusive control over
- how unidentified funds are dealt with
- a copy of the firm's written procedures for handling client money

Receipts of client money

In relation to receipts of client money, Bellrock will:

- ensure all client money received is paid into a client money account promptly (within 2 working days unless other parameters agreed with the client)
- ensure that if any mixed monies are received, the receipt is paid into a client money account and the office money is transferred into the office account promptly
- ensure that where client instructions are to hold only part of a payment the whole payment is placed into a client money account before transferring the relevant part out promptly
- account for interest or other benefits accruing from client money to the client, unless otherwise agreed with the client in writing
- take prompt action to attempt to identify the owner of any unidentified client money received and pay this from a client money account to a registered charity where the owner cannot be identified after three years from receipt and all avenues of investigation have been exhausted
- obtain a receipt and an indemnity for all client money paid to a registered charity that would reimburse the firm for payment of the monies if a beneficiary is subsequently identified

Payments from client accounts

In relation to payments from the client account, Bellrock will:

- use each client's money only for that client's matters
- ensure that client money is returned to the client immediately as soon as there is no longer any reason to retain those funds, and any further payments received (e.g. by refund) are paid to the client immediately
- ensure all payments from client money accounts are made to or on behalf of a client and on that client's written instructions or as agreed in the management agreement
- when fees are due and payable, unless the client has given written authorisation for deduction of agreed fees without prior notification, send an invoice or other written notification of the costs incurred to the client before withdrawing money from a client money account for payment of the firm's fees, and then transfer those monies out of the client account promptly
- check that sufficient funds are held for the relevant client before making any payments on their behalf
- obtain written permission from clients for any direct debits and standing orders on general and discrete client bank accounts
- obtain written agreement from the client before bank costs are recharged to client bank accounts

Accounting records and controls

In relation to accounting records and controls, Bellrock will:

- keep records and accounts that show all dealings with the client money and demonstrate that all client money held by the firm is held in a client money account
- have appropriate systems, procedures and controls to ensure payments into and transfers or withdrawals from a client account are in accordance with instructions agreed with the client. Approvals for transfers will be restricted to principals or senior employees
- complete regular client bank account reconciliations and demonstrate that these are reviewed by a principal or senior staff member
- ensure transactions are processed chronologically and promptly, with current balances always available
- provide regular financial reporting to the client, content and frequency to be agreed with the client prior to instruction commencing
- maintain a central list of all client bank accounts

- retain copies of client money account bank statements, copies of reconciliations and supporting documentation for at least six years
- publish written procedures for handling client money on our website and provide a copy of these to RICS or to any person who may reasonably require a copy free of charge
- ensure that overdrawn balances are prevented by the firm's systems and controls, and if these do occur investigate and rectify them immediately
- control and protect accounting systems and client data and adequately protect computer systems for access, firewalls, back-ups and disaster recovery

Compliance

In relation to compliance, Bellrock will:

- ensure compliance with all anti-money laundering legislation, rules and regulations for all receipts of client money
- ensure compliance with the mandatory requirements of the latest edition of the RICS Professional Statement Countering Bribery And Corruption, Money Laundering And Terrorist Financing
- obtain any certification required under legislation currently in force and follow any requirements in the legislation for display or publication
- ensure that any breach of these requirements is investigated and remedied promptly on discovery, including the replacement of any money improperly withheld or withdrawn from a client account
- record any breach of the mandatory requirements of this professional statement in writing in sufficient detail including any consideration of whether to inform RICS and any client affected by the breach
- inform RICS, the client and the insurers of the RICS-regulated firm immediately if client money is misappropriated by any person

Requirements for RICS members

RICS members who handle client money will:

- ensure compliance with all anti-money laundering legislation, rules and regulations for all receipts of client money
- ensure compliance with the mandatory requirements of the latest edition of the RICS professional statement Countering bribery and corruption, money laundering and terrorist financing
- follow all Bellrock procedures for handling client money
- not override any controls in place to protect client money

- make appropriate disclosures to a senior member of the firm or a regulator immediately if they become aware of any risk of or actual misappropriation of client money and to keep a written record of that disclosure

Anti-money laundering checks

It is assumed that clients have carried out appropriate anti-money laundering checks of their tenants prior to new leases/licences being agreed, and before Bellrock is instructed to accept payments from the entities in question.

If money is received from an entity who is either not named on the lease or not previously notified by the client as being a relevant party, additional steps will be taken to ensure the payment is in order prior to being processed.

Unidentified money

If unidentified funds are received, reasonable efforts will be made to trace the sender. This will include (but is not limited to) checking outstanding sums to see if funds align, contacting the client, and internet searches to identify the originator. If the sender cannot be identified within two weeks, Bellrock will attempt to return funds via the banking system. If this is not possible and funds remain unidentified for more than three years, the funds may be transferred to a registered charity in accordance with RICS guidance.