



FG Burnett

CLIENT MONEY HANDLING POLICY

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1. Introduction

In pursuance of its duties, F G Burnett has to handle Client Money. This Policy is designed to ensure that F G Burnett Ltd can ensure client money is kept safe, client money accounts are used for appropriate purposes only, and that the firm has appropriate controls and procedures to safeguard client money.

2. Aims

The Aim of these written procedures is to ensure that all Client Money held by F G Burnett Ltd is in accordance with the requirements of the RICS Professional Statement on Client Money Handling (1st Edition October 2019) which is effective from 01st January 2020.

3. Receiving Client Money

Upon receipt of client money, F G Burnett will ensure the following:

- That the monies are paid into the correct client account promptly;
- That any mixed receipts – i.e. those containing both office and client money is paid into the relevant client account promptly with any office monies transferred out straight afterwards.

The Firm will maintain strict procedures for the receipt of incoming mail with a segregation of duties between those opening and handling incoming post and those responsible for processing of client money. All post received on that working day will be passed to the Firm's Managing Director for review before passing on to the relevant department. If the Managing Director is unavailable, then one of the Firm's Executive Directors will undertake this role.

All incoming payments are recorded in the Firm's cheque log. Following payment of all monies into the bank that day, the Head of Property Management will reconcile the paying in books for that day with the Firm's cheque log to ensure that all Client Monies received has been paid into the bank.

In the event that any client monies are received in cash then these amounts will also be recorded in the cheque log and a numbered and dated receipt will be issued to the payor and the payment reconciled in the same way as a cheque's payment.

Client Monies that are received into the office will be kept safe until they can be banked. In the event that Client Money is received into the office after the day's banking, then it will be locked away overnight.

4. Holding Client Money

F G Burnett Ltd will hold all Client Money in an individual discrete client account for that instruction.

When F G Burnett open a new discrete client account they will obtain confirmation from the Bank of the following:

- That the monies are Client Money
- That they will not be combined with or transferred to any other account maintained by the Firm.
- That 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 account of the firm.

All of F G Burnett's discrete client accounts will be held by the Royal Bank of Scotland (RBS). If the RBS is no longer able to provide this banking service, then an alternative Bank will be utilised for this service. This alternative provider will be in a bank authorised by the Prudential Regulatory Authority (PRA), The Bank of England, and the Financial Conduct Authority (the FCA)

F G Burnett Ltd will ensure that Clients are advised in writing of the bank account details, including account name, and name and address of the bank.

The Firm will ensure that all Client Money Accounts have the word "Client" and the name of F G Burnett Ltd in the title of the account.

All Client Monies will be immediately available unless the Firm has been given express instructions by the Client to arrange longer term deposits.

No Office Money will be held in a client account unless it is a receipt of mixed monies and the office money element is awaiting transfer which will be done as quickly as possible after receipt.

Any Interest earned on the client account will be paid to that discrete client account.

No Bank Charges will be levied on the individual discrete accounts

Every year, F G Burnett Ltd will write to the Royal Bank of Scotland with a list of discrete client accounts requesting that Bank's acknowledgement of the client accounts held, irrespective of whether the Bank has acknowledged the client account at the time it was opened or not.

F G Burnett will maintain a list of discrete client accounts recording the date upon which they were opened.

5. Accounting Records and Controls

F G Burnett Ltd will maintain the following accounting records and controls:

Accounting Systems

The Property Management Department will utilise specialised computer software to maintain the financial records for all tenancy and proprietors. Currently the Department utilises Multi-User Systems *Chronos 505 for Windows* and Grosvenor Systems' *Propman*.

Payments are made via the RBS *Bankline* system. On those occasions where it is not possible to make a BACs payment then payments will be made by cheque.

Accounting systems and client data are securely controlled and protected.

Computer systems are securely protected for access, firewalls, back-ups, and disaster recovery.

Overdrawn balances on discrete client accounts will be prevented by the accounting systems. In the event that an account is overdrawn, then it will be rectified immediately and the circumstances surrounding it investigated thoroughly.

Personnel Duties

Only competent and knowledgeable staff will be employed to process clients' money. Staff will be familiar with RICS Rules and Regulations and F G Burnett Ltd will ensure a continuing programme of training to ensure that staff remain fully conversant with current rules, regulations, and requirements for client money.

F G Burnett Ltd maintains a clear segregation of duties and responsibilities between those who process client account monies and those who authorise payments. Within F G Burnett Ltd, only Executive Directors can authorise payments. For amounts up to £5,000 only one authorisation is required; for amounts greater than £5,000 then two authorisations are required.

The Firm maintains adequate cover for holidays and sick-leave absences.

Reconciliations

Every month each discrete client account shall be reconciled. The individual reconciliations will be signed and dated by the Head of Property Management.

Any reconciling item should be carefully explained and must not remain on the account for longer than three months.

Where an account has few transactions it is sufficient for the reconciliation to be undertaken quarterly.

6. Payments from Discrete Client Accounts

Client monies held in each discrete account will only be used for that Property to which the discrete client account pertains.

Payments made from the discrete client account will be in accordance with either the Client's written instructions or as set out in the Management Agreement between the Firm and the Client.

F G Burnett Ltd will ensure that there are sufficient funds prior to making any payments.

If the Bank responsible for holding the discrete client account has to levy any bank charges, then the Firm will obtain written agreement from the client before any such costs are recharged to the Client Account.

F G Burnett will obtain written agreement from the Client for any standing orders or direct debit arrangements on discrete client bank accounts.

7. Information to Clients

F G Burnett Ltd will ensure that Clients are fully informed as to the handling of Client money by the Firm.

When a discrete Client Account is opened F G Burnett Ltd will write to the Client confirming the details of the account principally:

- The name and address of the bank;
- The full name of the account
- Confirmation that the account is in the name of F G Burnett Ltd.
- Details of any commissions earned by the firm whilst managing The Property.

A copy of this policy will be sent with the letter containing the above details.

A copy of this policy will be made available on F G Burnett's web-site, and a hard copy free of charge to anyone who enquires.

8. Unidentified Funds

When Client Monies are received but cannot be identified, F G Burnett Ltd will undertake the following procedure.

F G Burnett Ltd will maintain a schedule of unidentified funds and enter onto this schedule details of the unidentifiable amount, to include:

- Date Monies received
- Method of remittance
- Reference on the Bank Statement regarding the payer and the amount.

F G Burnett Ltd will undertake an investigation into unidentified funds which shall include the following:

- Matching the unidentified funds received with any outstanding rent/service charge/insurance or other sums due.
- Contacting the last known address of client/tenant/proprietor by post, e-mail, or telephone to draw their attention to funds received and request instructions as to payment.

Where funds cannot be identified through the process above then they should be repaid through the banking system.

If identification or repayment is not possible, and after time limit of 36 months following receipt, then F G Burnett Ltd will pay the money to a Registered Charity.

Such a payment will be subject to an indemnity so that if the party to whom the funds belong comes forward then the Charity will reimburse the client.

9. Compliance

F G Burnett Ltd will continue to comply with the RICS Professional Statement for Handling Client Monies.

The Firm will hold and maintain professional indemnity insurance appropriate to the Company's size, income, professional work undertaken and amount of client money held, and also in accordance with any regulatory minimums set down by any other schemes we are members of.



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